

COMMITMENT OF EXPENDITURE EXCEEDING CHIEF EXECUTIVE'S LIMIT / BUSINESS JUSTIFICATION

Scheme Title	Microsoft Reseller Provider ("MRP") Framework Agreement P159.07
Total Contract Value	£450,000,000.00 exc. VAT - maximum contract value based on a 4+1+1 contract term
Supplier	Trustmarque Solutions Ltd
Contract Awarded for Use by	Digital Health and Care Wales for All Wales
Terms and Conditions	NHS Wales Standard Terms and Conditions for the Provision of Services v3.0 May 2018
Date Prepared	15 th December 2023
Prepared By	Elisha Arnold, Strategic Contracts Support Manager
Scheme Sponsor	Sam Lloyd, Executive Director of Operations

All proposals must be consistent with the strategic and operational plans of Digital Health and Care Wales ("DHCW").

1. DESCRIPTION OF GOODS / SERVICES / WORKS

Digital Health and Care Wales ("DHCW") are seeking to re-establish an All Wales ("AW") single-vendor Framework Agreement for the provision of a Microsoft Reseller Provider ("MRP") to provide Microsoft products, professional services, and licensing expertise for all NHS Wales Organisations to enable cost-effective solutions for all applicable devices and services.

The Framework Agreement does not commit DHCW to any expenditure and only following a call-off agreement made by an NHS Wales Organisation will any commitment to expenditure be made.

The committed expenditure for DHCW for the Microsoft Tenancy, circa £30m per annum (£27m for the Enterprise Agreement plus £3m per annum for Azure). The anticipated expenditure at a national level per annum including DHCW's requirements is circa £75m.

Each NHS Wales Organisation will be required to call off its own requirements and therefore will require to comply with their own governance procedures prior to calling and awarding off the Framework Agreement. However it is essential that all call-off arrangements should be in accordance with the scope and call-off procedure under the Framework Agreement.

During the lifetime of the Framework Agreement, the MRP will be required to engage with all participating authorities to establish appropriate Microsoft agreements and subsequent enrolments, this includes but is not limited to the National Enterprise Agreement, Microsoft Products and Services Agreement ("MPSA") and Server and Cloud Enrolment ("SCE"). The MRP will also be required to support in the management and maintenance of Microsoft licencing arrangements, provide licence and cloud monitoring platforms, deliver

seamless management of the NHS Wales Microsoft estate training and licensing position, and provide advice and support in the negotiation of agreements with Microsoft.

A formal contract management process will be implemented and managed via representatives across NHS Wales Organisations and the DHCW Commercial Services Team, to ensure that the Framework Agreement delivers the intended deliverables and benefits during the term of the agreement.

The term of the Framework Agreement is for four (4) years with the option to extend by up to a further two (2) year period in increments of no less than twelve (12) months. The anticipated maximum value of the Framework Agreement is £450,000,000.00 exc. VAT, and governance procedures have been adhered to via the Welsh Government (“WG”) Ministerial notification process.

1.1 Nature of contract: Please indicate with a (x) in the relevant box	First time	<input type="checkbox"/>	Contract Extension	<input type="checkbox"/>	Contract Renewal	<input checked="" type="checkbox"/>
--	------------	--------------------------	--------------------	--------------------------	------------------	-------------------------------------

1.2 Period of contract including extension options:

Expected Start Date of Contract	1 st April 2024
Expected End Date of Contract	31 st March 2028
Contract Extension Options (E.g., maximum term in months)	The Framework Agreement allows for an option to extend by up to a further two (2) year period in increments of no less than twelve (12) months.

2. STRATEGIC FIT

2.1 VISION AND OUR MISSIONS	
This scheme should relate to at least one of the SHA’s Missions. Please mark with a (x) in the box the relevant Missions for this scheme.	
Our Vision... To provide world leading digital services, empowering people to live healthier lives	<input type="checkbox"/>
Mission 1 Provide a platform for enabling digital transformation	<input checked="" type="checkbox"/>
Mission 2 Deliver high quality digital products and services	<input checked="" type="checkbox"/>
Mission 3 Expand the health and care record and the use of digital to improve health and care	<input checked="" type="checkbox"/>
Mission 4 Drive better value and outcomes through innovation	<input checked="" type="checkbox"/>
Mission 5 Be the trusted strategic partner and a high quality, inclusive and ambitious organisation	<input checked="" type="checkbox"/>

2.2 INTEGRATED MEDIUM-TERM PLAN

Is this scheme included in the SHA's Integrated Medium Term Plan?	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If not, please explain the reason for this in the space provided.		

2.3 SHAPING OUR FUTURE WELLBEING OBJECTIVES

This scheme should relate to at least one of the SHA's wellbeing objectives. Please mark with a (x) in the box the relevant objectives for this scheme.

Reduce health inequalities, make it easier to access the best possible healthcare when it is needed and help prevent ill health by collaborating with the people of Wales in novel ways.	<input type="checkbox"/>
Improve the health and well-being of families across Wales by striving to care for the needs of the whole person	<input type="checkbox"/>
Create new, highly skilled jobs and attract investment by increasing our focus on research, innovation and new models of delivery.	<input checked="" type="checkbox"/>
Deliver bold solutions to the environmental challenges posed by our activities.	<input type="checkbox"/>
Bring communities and generations together through involvement in the planning and delivery of our services.	<input type="checkbox"/>
Demonstrate respect for the diverse cultural heritage of modern Wales.	<input type="checkbox"/>
Strengthen the international reputation of the SHA as a centre of excellence for teaching, research and technical innovations whilst also making a lasting contribution to global well-being.	<input checked="" type="checkbox"/>

2.4 FIVE WAYS OF WORKING (SUSTAINABLE DEVELOPMENT PRINCIPLES) CONSIDERED

Please mark with a (x) in the box the relevant principles for this scheme.

Click [here](#) for more information

Prevention	<input type="checkbox"/>	Long Term	<input checked="" type="checkbox"/>	Integration	<input checked="" type="checkbox"/>	Collaboration	<input checked="" type="checkbox"/>	Involvement	<input checked="" type="checkbox"/>
------------	--------------------------	-----------	-------------------------------------	-------------	-------------------------------------	---------------	-------------------------------------	-------------	-------------------------------------

3. PROCUREMENT ROUTE

3.1 How is the contract being procured? Please mark with a (x) as relevant.

Competition Three (3) Quotes <input type="checkbox"/> Formal Tender Exercise <input type="checkbox"/> Mini Competition <input type="checkbox"/> Find a Tender <input checked="" type="checkbox"/> <small>(replaces OJEU, Public Contract Regulations 2015 still apply)</small>	Single source Single Quotation Action <input type="checkbox"/> Single Tender Action <input type="checkbox"/> Direct call off Framework <input type="checkbox"/> All Wales contract <input type="checkbox"/>
--	--

3.2 Please outline the procurement procedure.

In order to secure an appropriate supplier for this procurement, a Contract Notice was issued on 13th October 2023 in the Find a Tender Service (“**FTS**”), reference: 2023/S 000-030318. In accordance with the Open Procedure, as set out in Regulation 27 of the Public Contract Regulations (2015), the Invitation to Tender (“**ITT**”) was issued in parallel with the Contract Notice.

Welsh Government (“**WG**”) approval was sought in the form of a Contracting Briefing Paper prior to the publication of the ITT and Contract Notice due to the anticipated value of the Framework Agreement exceeding the procurement thresholds outlined in 12.11.1 of DHCW’s Standing Financial Instructions (“**SFI’s**”). The specific dates for the key stages in the procurement process are set out in Section 3.3 below.

The Framework Agreement is underpinned by the NHS Wales Standard Terms and Conditions for Provision of Services v3.0 May 2018.

3.3 What has been the approximate timeline for procurement?

Date	Activity
18 th September 2023	Contracting Briefing Paper Issued to NHS Wales Shared Services Partnership and Welsh Government
13 th October 2023	Publication of the ‘Invitation to Tender’ and Contract Notice
13 th October 2023	Clarification Period Starts
26 th October 2023	Clarification Period Ends
30 th October 2023	Authority’s Deadline for Publication of Responses to Tender Clarifications
15 th November (12 noon)	Deadline for Submission of a Tender to the Authority
29 th November to 8 th December 2023	Evaluation of Supplier Responses
14 th December 2023 – 2 nd January 2024	Standstill period
3 rd January 2024	Contract Award Notification Issued to NHS Wales Shared Services Partnership and Welsh Government
11 th January 2024	DHCW SHA Board Paper Issued
19 th January 2024	Welsh Government to Provide Formal Acknowledgement of Noting Award
25 th January 2024	DHCW SHA Board Approval to Award Contract
5 th February 2024	Framework Agreement Award
1 st April 2024	Framework Agreement Start Date

4. BENEFITS (Quantifiable / Non-Quantifiable)

4.1 Outline benefits of preferred option

The provision of the Microsoft Reseller Provider (“MRP”) Framework Agreement will bring a number of benefits as detailed below:

- Standardising, agile and flexible approach for NHS Wales Organisations to purchase Microsoft products and professional services.
- Low financial risk profile as there is no financial commitment associated with the Framework Agreement, only following a call-off agreement made by an NHS Wales Organisation will any commitment to expenditure be made.
- Partnership approach with the appointed Supplier to maximise benefits, minimise costs, deliver best value for money and ensure seamless management of the NHS Wales Microsoft estate, training and licensing position.
- Maximising the use and functionality of Microsoft products and services.
- Provisioning a customisable Microsoft 365 Licence Monitoring Platform to monitor and allocate licences provided by sub-organisations within the NHS Wales Tenancy and view them in aggregate.
- Provisioning a customisable Cloud Monitoring Platform to provide visibility of assets across the estate, a breakdown of costs and usage and reporting capabilities utilising asset tags.
- Continuous upskilling of staff/resources within NHS Wales Organisations in Microsoft products and services via free training and education programs such as the Microsoft Enterprise Skills Initiative (“ESI”).
- Supporting the Welsh economy by provisioning three (3) apprenticeships for Welsh-based students over the term of the Framework Agreement.
- Providing advice and support in negotiations with Microsoft, in particular the National Enterprise Agreement, Microsoft Products and Services Agreement (“MPSA”), and Server and Cloud Enrolment (“SCE”).
- Providing support in the management of Microsoft licensing arrangements to ensure that the Participating Authorities are correctly and optimally licensed.
- Supporting with the delivery of the NHS Wales Microsoft 365 Centre of Excellence.

5. RISKS & MITIGATION

5.1 Please state risks of not proceeding with the scheme	5.2 Please state any mitigation to reduce the risk if the scheme is not approved
DHCW and applicable NHS Wales Organisations would not be able to purchase Microsoft products and services via the Framework Agreement. This would have a significant impact on the National Enterprise Agreement with Microsoft.	The specification could be shared with the appropriate Procurement Teams in order to reduce the time required to prepare the tender documentation.

As Microsoft do not sell their products and professional services directly to public sector organisations, each NHS Wales Organisation would be required to undertake its own separate procurement process in order to acquire a Microsoft Reseller Provider (“MRP”) for the provision of products and services. This could lead to the duplication of work and reduce the economies of scale for each organisation, potentially leading to additional and unforeseen costs to those organisations.

This approach would not provide the best value for money (as indicated in Section 5.1) and would not meet the required timescales.

6. FINANCIAL ANALYSIS

Maximum expected whole life cost relating to the award of contract	Excluding VAT £450,000,000.00	Including VAT £540,000,000.00
The nature of spend	Capital <input type="checkbox"/>	Revenue <input checked="" type="checkbox"/>

How is the scheme to be funded? Please mark with a (x) as relevant.

Existing budgets
 Additional Welsh Government funding
 Other

EXPENDITURE CATEGORY	Year 1 (exc. VAT)	Years 2 – 4 (exc. VAT)	Optional Years 5 – 6 (exc. VAT)	Total (exc. VAT)	Total (inc. VAT)
<p>The Framework Agreement does not commit the Authority to any expenditure and will have a nominal value of £1.00 only. Only following a call-off agreement made by an NHS Wales Organisation will any commitment to expenditure be made.</p> <p>Each NHS Wales Organisation will be required to comply with their own governance procedures prior to calling and awarding off the Framework but all call-off arrangements should be in accordance with the scope and call off procedure under the Framework Agreement.</p>					
Overall Total	The total of the Framework Agreement value will not exceed £450,000,000.00 exc. VAT.				


7. DECLARATION OF COMPLIANCE

7.1 Procurement Approval

The Head of Commercial Services / Delegated Authority has approved the procurement route and confirms that policies and procedures have been followed.

Head of Commercial Services: Julie Francis

Signature:	16/01/2024
	X Julie Francis <hr/> Julie Francis Head of Commercial Services Signed by: Julie Francis (JU000244)
Date:	

7.1 Director Approval	
The Lead Director, by providing email confirmation, to seek Board approval is making a declaration that all procurement rules, standing orders and standing financial instructions have been complied with. DHCW's Commercial Services Team retain this confirmation electronically in the tender file.	
Lead Director Name:	Sam Lloyd
Signature:	16/01/2024
	X  <hr/> Sam Lloyd Executive Director of Operations Signed by: Stephanie Royal (St093997)
Directorate:	Operations
Date:	

Executive Director of Finance Approval	
The Director of Finance, by providing email confirmation, to seek Board approval is making a declaration that all budgetary and financial matters in respect of this decision have been considered and complied with.	
Lead Director Name:	Claire Osmundsen-Little
Signature:	16/01/2024
	X  <hr/> Claire Osmundsen-Little Executive Director of Finance & Business Assura... Signed by: Stephanie Royal (St093997)
Directorate:	Finance and Business Assurance
Date:	

8. APPROVALS AND ASSURANCE RECEIVED

List and include date of approvals and assurance received in support of this scheme.

	Date of Meeting	Outcome
--	-----------------	---------

9. CONFIRMATION OF DHCW BOARD APPROVAL

Where approval by the Board is granted, signature by the Chair of the Board of this document is required as the formal record of such approval and is to be witnessed by at least one (1) Independent Member.

The Digital Health and Care Wales Board has approved the award of this agreement for the durations and values (including extensions and options) as set out in this paper at its meeting of 30th November 2023.

Chair of DHCW Board:	
Signature:	<p style="text-align: center;">X</p> <hr style="width: 80%; margin: auto;"/> <p style="text-align: center;">Chair of DHCW Board</p>
Date:	

Independent Member:	
Signature:	<p style="text-align: center;">X</p> <hr style="width: 80%; margin: auto;"/> <p style="text-align: center;">Independent Member</p>
Date:	

Chief Executive Officer:	Helen Thomas
Signature:	<p style="text-align: center;">X</p> <hr style="width: 80%; margin: auto;"/> <p style="text-align: center;">Helen Thomas Chief Executive Officer</p>
Date:	