European Commission

Future Office Automation Environment - Orientation document for Negotiated procurement procedures with Microsoft

DIGIT/R2/NP/2013/065 FOAE (Licences) and DIGIT/R2/NP/2013/068 FOAE (Services)

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1. INTRODUCTION

In its session of 15 December 2010, the ABM+IT Steering Group:

1. agreed to endorse DIGIT's proposal to renew the then existing contracts with Microsoft covering the Commission's office automation environment, subject to a positive opinion of DG BUDG and SJ on the negotiated procedure proposed;
2. at the same time, undertook to reassess the current Office Automation Platform strategy in two years.

Concerning the first point, as a result of the consultations that followed, two negotiated procedures were carried out. The resulting contracts were signed in May-June 2011. Further details about the current contractual situation will be given at Section 2 below. Suffice it to say, for the present purposes, that contractual coverage for the products currently in use at the Commission is due to expire on 31 May 2014.

Concerning the second point, i.e. the reassessment of the Commission's Office Automation strategy, a substantial amount of work has been carried out since 2011.

As a result of this work, a consensus among all major stakeholders eventually emerged around a paper put forward in May 2013. This paper is enclosed as "Annex 10 – Future Office Automation Environment: Next Steps." In essence, it sets out a triple-track strategy in the Office Automation area. The three tracks are the following:

- **Track 1** will ensure continuity of service and the current desktop environment by putting in place a stable framework to ensure the transition from the current contracts to the next contracting period. It will involve a combination of negotiated procedure and open call for tenders, so as to obtain the best value for money possible. It will take account of the current effective lack of alternative solutions as regards the desktop environment, while at the same time maintaining all efforts to avoid unnecessarily prolonging or reinforcing any captivity (e.g. annual renewals, buy out clauses, etc.).

- **Track 2**, which will run in parallel, will explore ways in which aspects of the current desktop environment can be positively "disrupted" through the introduction of alternative or competing technologies or solutions at different levels of the "stack". By targeting different points in the "stack" it will be possible to explore alternatives in a way that is detached from the current reliance on the underlying operating system. The aim will be to introduce greater overall variety in the existing mix of products and technologies, as well as with respect to delivery models (on-premises vs. cloud).

- **Track 3** will be to prepare the ground for the next tender, which will be carried out in full service mode, once the current consolidation efforts have been completed and the current paradigm shift in the market has stabilised. It will take as its starting point the "as
is" situation which will be the result of tracks one and two at a given point in time (eg. mid-2016), including the completion of the current consolidation efforts (ITIC etc.). It will aim to buy in services at all levels of the "stack", rather than specific products, leaving service providers to compete between themselves both on price and on the choice and mix of products to offer in the "stack". This solution will be introduced by 2017-18, coinciding also with the end of the next ITIC service contract.

Reference is made to "Annex 10 – Future Office Automation Environment: Next Steps" for a more detailed presentation of the rationale leading to this triple-track strategy.

The present orientation document deals only with the procurement aspects pertaining to Track 1, and not with the overall strategy.

More specifically, the present orientation document deals with two of the three procurement procedures which will need to be undertaken in the context of Track 1, namely the negotiated procedures aimed at ensuring licence coverage and availability of high-level services in relation to the existing Office Automation platform.

A third procurement procedure within Track 1 will take the form of an open call for tenders for the selection of a Large Account Reseller for Microsoft products. However, since the existing contract can run until end March 2016, this call for tenders will be launched separately. An ad-hoc orientation document will be drawn up in due course.

We cannot put the Commission into a position whereby we endanger successful delivery of procurement activities under Track 2 of the strategy.

The orientation document will be annexed to the consultation on participation by other EU Institutions and Agencies.

2. CURRENT SITUATION

2.1. Microsoft licences

As a result of the Negotiated Procedure DIGIT/R2/PN/2011/045 (based on Art. 126(1)(g)(i) IR, now Art. 134(1)(g)(i) RAP), an Interinstitutional Licensing Agreement (ILA) was signed with Microsoft Ireland Operations Ltd for a duration of 3 years, going from 1 June 2011 to 31 May 2014. The ILA consists of:

- A Master Business and Services Agreement (MBSA) (DI-06890-00)
- An Enterprise Agreement Subscription (EAS) (DI-06891-00) based on Microsoft's EAS/UAF licensing model (UAF = Unlimited Access Framework), covering a wide range of desktop and server products, grouped in product scenarios (S1 to S4) and complemented by Option Packs. Each EUI enrols for 1 scenario and may decide to add Option Packs as needed.
- A Select Agreement (SA) (06892-00), which allows purchasing any Microsoft software not covered by the above EAS agreement.

The Commission's enrolments into the ILA are the following:
- DI-06893-00 – Enrolment into the EAS
- DI-06894-00 – Enrolment into the SA

56 Institutions, Agencies and other EU bodies have been party to the ILA since the beginning of the contractual period and 2 newly created Agencies have joined the contract later. Thus, at the
The ILA essentially:

- Provides a general legal framework in relation to the use of the licences, establishing general terms and conditions.
- Governs the non-perpetual licences for a wide range of Microsoft software products by the EU Institutions.
- Covers the provision at no extra cost of "SA Value Support" related to support on the above-mentioned products.
- Lays down the ERP price (Estimated Retail Price) which serves as the basis for the calculation of the net prices by the selected LAR, in accordance with Microsoft indirect business model.

It is useful to recall that, as a result of the last bullet point above, the budgetary value earmarked for the ILA is equal to 0 €. This is because actual acquisitions take place under the LAR contract. Although this may be interpreted as meaning that, technically, the award of the ILA is not governed by the provisions of the Financial Regulation, it is advised to treat this file as a normal negotiated procedure for the sake of transparency.

A more detailed description of how the current ILA works is provided in Section 3 below.

2.2. High-level services related to Microsoft products

As a result of the Negotiated Procedure DIGIT/R2/PN/2011/028 (based on Art. 126(1)(b) IR, now Art. 134(1)(b) RAP), a framework contract for high-level services (DI-06900-00) was concluded with Microsoft Belgium SA.

Framework contract DI-6900 was concluded on behalf of 46 Institutions, Agencies and other EU bodies, out of which 29 became party to the contract in the beginning of the contractual period. At the time of drafting this Orientation Document, the framework contract DI-6900 is applicable to 39 Institutions, Agencies and other EU bodies.

The high-level services need to be the subject of a separate procedure, different from the one followed for the licences, and therefore result into a different framework contract. The main reason is that the "SA Value Support services" included in the ILA at no extra cost are sufficient to cover the needs of some EUIs, which are therefore not interested in these additional services.

However, since the high-level services are very closely related to the products covered under the ILA and complementary to the "SA Value Support" services provided under it, it is necessary to carry out both negotiated procedures in parallel and to synchronise the contract duration of both contractual sets.

2.3. Other contracts with Microsoft

This section refers briefly to other existing contractual agreements with Microsoft, in particular in the area of IT security. Although related to the use of software products covered by the ILA, these contractual agreements are not "for pecuniary interest" in the sense of Article 101 of the Financial Regulation. The agreements detailed in section 2.3.1 and 2.3.2 constitute side agreements having no financial value.

As such, they are therefore not the subject of the negotiated procedures described in the present Orientation Document. The opportunity to extend these agreements, or to enter into new ones, will have to be assessed in relation to the benefits they bring to the Commission.
3. THE EXISTING ILA

The ILA is an exception among the contracts entered into by DIGIT in that it is not based on DIGIT's standard contractual documents, but on a heavily customised version of Microsoft's standard agreements. Hence, in order to enable DIGIT's Senior Management to adopt an informed decision on this file, it is essential to explain with some detail how the existing ILA works.

3.1. Microsoft licences - ILA model: EAS-UAF

The Microsoft licensing model used under the existing agreements is called EAS/UAF: Enterprise Agreement Subscription – Unlimited Access Framework. As its name suggests, this model is based on a subscription principle, rather than on the acquisition of perpetual licences for products.

All the EUIs do not have the same requirements and expectations in terms of the products to which they want to subscribe. Therefore, at the conclusion of the latest negotiations, in order to provide the required degree of flexibility, Microsoft offered a choice between possible Scenarios. Each Scenario has a specific price, a specific Products List and, for scenarios different from the base scenario, a specific access condition.
3.2. The available scenarios

To offer the EUI a degree of product flexibility in accordance with their requirements and expectations, Microsoft offered a choice between possible Scenarios. Each Scenario has a specific price, a specific Products List and, for scenarios different from the base scenario, a specific access condition. In a nutshell:
3.3. Scenario adoption

3.3.1. Scenario adopted by the Commission

3.3.2. Scenario adoption by other EUI
4. CHANGES INTRODUCED BY MICROSOFT SINCE JUNE 2011

4.1. Changes to product(s), product bundling and licensing

Since the entry into force of the ILA in June 2011, Microsoft introduced considerable changes to the bundling and/or licensing rules of most (key) products that are covered by the Enterprise Agreement Subscription. The same applies to pricing.

In particular, the licensing rules changed for

Several products covered by the Enterprise Agreement Subscription have been discontinued, including products we are using today as part of our corporate e-mail infrastructure (REMI) and our corporate portal (MyIC):
4.2. Changes to the contractual framework

The Select Agreement the Commission signed in 2011 no longer exists as such. It has been superseded by the Select+ (Plus) Agreement, which is an evergreen contract.

- Evergreen Agreement
- 250+ Desktops
- Centralised or decentralised ordering and billing
- Perpetual Licences
- SA is optional
- Price levels based on points and pools
  - All affiliate purchases contribute to the agreement’s point total
  - Pools can be linked to EA → no compliance check
- Prorated Software Assurance Coverage

As can be seen above, it allows purchase of perpetual licences, with or without Software Assurance or "SA" (i.e. the entitlement to updates and new versions of the software).

5. FINANCIAL BACKGROUND

5.1. Expenditure on licences

Zero (0) budgetary ceiling was assigned to Microsoft Inter-institutional Licensing agreement as it bears no direct cost due to the fact that licences are purchased via large account reseller (LAR).
The budgetary ceiling for the execution of Framework contract DI-07020 (LAR framework contract concluded with Hewlett-Packard on 01/03/2012), via which Microsoft licences are purchased, is 50.033.804,09 € for all participating European Institutions, Bodies and Agencies over its whole period of validity of the contract covering a maximum of 4 years. Out of this amount 21.380.129,65 € is for the Commission and the remaining 28.653.674,44 € covers the budget of other participating Institutions, Bodies and Agencies as well as 5% reserve for newly created EUIs.

The current consumption (as of 10 September 2013) of Microsoft licences by the Commission through the LAR (i.e. on FC DI-07020) on the Enterprise Agreement (EAS) is:

<table>
<thead>
<tr>
<th>GAMA amount</th>
<th>Total consumed</th>
<th>% consumed</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.380.129,65 €</td>
<td>10.042.483</td>
<td>46.97%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2011-2012</th>
<th>2012-2013</th>
<th>2013-2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS EAS</td>
<td>4.998.918</td>
<td>4.953.847</td>
<td>4.929.932</td>
</tr>
</tbody>
</table>

The current consumption (as of 10 September 2013) of Microsoft licenses by the Commission through the LAR (i.e. on FC DI-07020) on the Select Agreement is:

<table>
<thead>
<tr>
<th>2011-2012</th>
<th>2012-2013</th>
<th>2013-2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS Select</td>
<td>0</td>
<td>144.815</td>
<td>13.889</td>
</tr>
</tbody>
</table>

In summary, the EAS clearly represents the lion's share of the EC expenditure in terms of Microsoft licences, which corresponds fully to the intended situation.

Since we are close to the expiry date of the ILA (May 2014), one might expect a higher percentage of expenditure as compared to the earmarked ceiling. This apparent discrepancy is due to non-alignment of the validity periods of the LAR framework contract (DI-07020) and the ILA (i.e. EAS and Select Agreements).

Furthermore, the EAS consumption for 2011-2012 was done on the previous LAR contract (i.e. the predecessor to DI-07020).

5.2. Expenditure on high-level services

The consumption on the DI/06900 Microsoft high level services framework contract is:

<table>
<thead>
<tr>
<th>Gama amount</th>
<th>2011-2012</th>
<th>2012-2013</th>
<th>2013-2014</th>
<th>Total</th>
<th>% consumed</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.628.825,- €</td>
<td>1.212.200</td>
<td>1.364.200</td>
<td>1.876.800</td>
<td>4.453.200</td>
<td>51,6%</td>
</tr>
</tbody>
</table>

The breakdown of this consumption between service categories is as follows:
<table>
<thead>
<tr>
<th>Service category</th>
<th>Amount</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premier Support Services</td>
<td>1.278.800</td>
<td>29%</td>
</tr>
<tr>
<td>Consultancy Services</td>
<td>2.544.000</td>
<td>57%</td>
</tr>
<tr>
<td>Additional Support Services</td>
<td>630.400</td>
<td>14%</td>
</tr>
</tbody>
</table>

### 6. Objectives of the Negotiated Procedure

**6.1. Main objective**

The main objective of the negotiation is to contribute to the successful implementation of the Commission’s Office Automation strategy by ensuring continuity of service and of the current desktop environment in the context of Track 1, i.e. during the transitional period leading from the current situation to the next contracting period (Track 3).

This requires DIGIT to provide continued contractual coverage for Microsoft licences and associated high-level services for the users at the Commission and at those EUIs that will decide to follow the same path.

In addition, this approach protects the significant investments made recently in the context of the projects NOAP, REMI and Corporate Portal, and guarantees the support and continued evolution of the resulting platforms from the contractual point of view.

In order to guarantee the legal use of the products at all times, the new ILA should be signed before end of May 2014, so that it can enter into force back-to-back with the existing one. The new framework contract for associated high-level services should be signed before 27 June 2014.

**6.2. Coverage of Microsoft licences**

6.2.1. *Microsoft licences for the Commission*
6.2.2. Microsoft licences for other EUI

The needs for Microsoft licences in other EUI will be assessed through the survey.

6.3. Analysis of open issues

In what follows, the points below are analysed, but no recommendation is issued. Instead, a SWOT analysis is included to help decide on these questions during the MM-R.
6.4. Coverage of Microsoft high-level services

The objective of the NP is to provide an appropriate coverage of Microsoft high-level services associated to the products covered under the ILA in accordance with the EUI needs expressed as part of the inter-institutional survey.

7. PROCUREMENT PROCEDURE

It is foreseen that, under Track 3 of this strategy, a call for tenders will be carried out in full service mode, so that a new solution can be introduced by 2017-2018. By then, two major on-going processes are expected to have been completed:

- at Commission level, the consolidation of the IT infrastructure — with the next ITIC contract cycle (the first one designed to cater for the entire Commission user base under a single platform) approaching its term;
- at market level, the current paradigm shift towards cloud-based delivery models will have stabilised.
Since the "as is" situation will be the starting point for Track 3, it is necessary to continue to provide contractual coverage for the existing product base, notwithstanding the actions foreseen under Track 2 in order to introduce controlled diversity.

This procedure was chosen in the context of "Track one" of the agreed "triple track strategy" designed to ensure the necessary business continuity and scale economies flowing from the investments that have already been made.

7.1. Microsoft licences

Our requirement for Microsoft licences stems directly from business continuity needs, since critical parts of our office automation platforms are built largely on Microsoft technology:

7.2. Microsoft high-level services

Premier Support Services are packaged services bundles, as explained in section 8.2 below.

To satisfy their needs in terms of support, a subset of EUI require Premier Support offerings (packaged services) at various tier levels, recommended for appropriately sized EUI (ranging from very big to very small EUI).

The Consultancy Services required by EUI need to be of adequately high level. These consultancy profiles are typically used in the design phase of large complex projects, often requiring people with many years of experience in multiple domains, and having very specialised expertise. Only Microsoft itself can make available these highest profiles.

The Additional Support Services contain several profiles, such as additional TAM or Proactive hours, Premier Field engineering, or Emergency Premier Field engineering, or on-site support engineers. However, all of these profiles are only available within the framework of an active Premier Support Service.

As demonstrated by the description given above, these support and consultancy services are intrinsically linked to the products covered by the ILA. They require an in-depth technical know-how about those software products of such a high level that only the editor of the software can provide it. Hence it follows that, for technical reasons, Microsoft is the sole economic operator that can provide services for support and consultancy at the high level required by the Commission and other EUIs.
It must be remembered that other services also linked to the products covered by the ILA —but for which this in-depth know-how is not essential— are provided by other contractors selected through various calls for tender (1).

8. SCOPE OF THE CONTRACT

8.1. Supplies

This concerns the ERP price for Microsoft software products which will serve as the basis for the calculation of the net prices by the selected LAR.

It should be noted that the Large Account Reseller will be changed during the lifetime of the future ILA. The LAR contract (DI-07020) with HP is valid until 01.03.2014, but can be prolonged twice for another year (until 01.03.2016).

8.2. Services

- “High-level Services” related to the products covered under the ILA. Notably:
  - Premier Support Services (PSS), which are given on an operational level, mainly to prevent and correct errors in the functioning of programmes and systems. It includes a service 24-hours-a-day, seven-days-a-week. Premier is a packaged services bundle comprised of:
    - The Support Account Management resource, known as Microsoft TAM, or Technical Account Manager) is the customer's advocate within Microsoft, providing planning and resource facilitation, status meetings and reporting and escalation management of support issues within Microsoft.
    - Workshops can take the form of either workshops or Premier events.
    - Problem Resolution Support may include any combination of the following: (a) Problem Request (Break-Fix) services for solving incidents (b) Rapid Onsite Support services (for onsite emergency support) and (c) Software Assurance Benefits.
    - Support Assistance can take the form of Infrastructure Support Assistance (for resolving issues not attributed to Microsoft products, including multi-vendor coordination interoperability problems) or can take the form of reviews (such as supportability reviews, technology architecture reviews, etc)
    - Information Services include the Premier online website and also Support webcasts scheduled by Microsoft's program managers or developers covering key areas of Microsoft technology.
    - Additional Services are available on request.
      - Consultancy services (MCS), which consist mainly of the transfer of high-level knowledge with regard to the use of Microsoft software products
      - Additional on-site support services, broad technical information access, escalation management, incidence submission and resolution, preventive measures and problem fixing.

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(1) As an example, the first-level support (provided by the ITIC Service) and the second-level support services (provided by DIGIT A2 and A3) for our corporate desktop, notebook and server platforms are staffed relying mainly on non-Microsoft staff.
9. **INSTITUTIONAL ASPECT**

9.1. **Executive agencies**

Both of the present negotiated procedures are open to executive agencies (EA). Executive agencies whose creation is pending or under consideration will be mentioned in the tendering specifications so as to provide them access to the framework contract at a later stage.

EA will be sent the orientation document when approved by the MM and requested to provide their agreement on their participation and their volume estimations which will be added to the Commission's volume (see point 14).

As they are legal entities on their own, they need to be mentioned in the contract notice, specs, framework contract.

9.2. **EU Institutions, agencies and bodies**

The negotiated procedure is open to other EU institutions, agencies and bodies.

EU Institutions will be sent the orientation document when approved by the MM and requested to provide their volume estimations, to be added individually to those of the Commission and executive agencies (see point 14).

EU Institutions whose creation is pending will be mentioned in the tendering specifications so as to provide them access to the framework contract.

As they are legal entities on their own, they will be mentioned in the contract award notice, specs, framework contract.

10. **DIVISION INTO LOTS**

N/A

11. **MULTIPLE SUPPLIERS IN A CONTRACT**

N/A

12. **SUB-CONTRACTING**

N/A

13. **DURATION OF THE CONTRACT**

The duration of the resulting agreements will be as follows:

- **ILA (inter-institutional licensing agreement):**

2

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14. **VOLUME OF THE CONTRACT**

14.1. **Microsoft licences**

The Microsoft licences are sold through a so-called Large Account Reseller (LAR), who applies a discount on the ERP fixed in the basic agreement between the final customer and Microsoft. The present file will have therefore no direct budgetary implications.

14.2. **Microsoft high-level services**

The Microsoft "SA Value Support" are provided under the ILA at no cost. The volume estimation for the high-level services contract is as follows:

- 
- 

14.3. **Survey among DGs**

A survey among the DGs is not planned, but we will mine our SAM (i.e. software asset management) systems to gather the required data. In addition, a survey restricted to DIGIT C was run to estimate suitable values of the product ratios accommodating the Commission's corporate needs.

14.4. **Survey among institutions**

A survey among the Institutions will be conducted in order to assess the needs of the EUI and calculate the volume of the contract.

15. **METHODOLOGY FOR THE FINANCIAL RESERVE**

After the results of the surveys received from all participating EUIs are consolidated, a financial reserve of 5% for indexations, 10% for unforeseen additional consumption and 5% for newly created EUIs will be added to the resulting volume estimation.

16. **BENCHMARKING AND MECHANISMS FOR REVISING PRICES AND PRODUCTS**

N/A

17. **RISKS AND OPPORTUNITIES**

17.1. Risks:

During the negotiations there are some risks that should be taken into consideration in order to mitigate them and/or minimise their impact:
18. NEGOTIATION STRATEGY

From a high-level perspective, our strategy is based on following elements:

18.1. Strategy targets for licences

The main strategy targets of the negotiation can be summarised as follows:
18.2. Strategy targets for high-level services
19. PENALTIES

Liquidated damages will be subject of the negotiations with the future contractor. The basis for these negotiations will be the provision of Article II.4 of the draft Europa framework contract.

20. PERFORMANCE GUARANTEE

A performance guarantee will not be requested in the framework contracts resulting from these procurement procedures.

Art. 164 (1) of the Rules of Application of the Financial Regulation limits the scope of possible application of performance guarantees only to cases when final acceptance according to the terms of the contract cannot be given upon final payment.

The terms of the future contracts will not provide for final payment under the specific contracts before final acceptance of the performed tasks. Therefore no performance guarantee will be requested under this contract (5).

21. INTELLECTUAL PROPERTY RIGHTS (IPR)

22. ORGANISING THE NEGOTIATED PROCEDURE

The tentative timeline for both negotiated procedures (i.e. licences and services) running in parallel is as follows:

5 The future licensing agreement bears no direct cost as licences are purchase via large account reseller. Services provided under the future high level services are only paid for upon delivery.
ANNEX 3 – DESCRIPTION OF THE PROSPECTIVE EC SCENARIO

Based on the current inventory of EC needs, we propose following (draft) "baseline" scenario:
ANNEX 6 – CLIENT ACCESS LICENCES

A CAL Suite is a single licence that provides use rights equivalent to multiple licences. Like other CALs, CAL Suites can be licensed on either a per-user or per-device basis. CAL Suites simplify licensing and tracking by reducing the number of licences necessary to access Microsoft servers.

In addition to the Core CAL suite, Microsoft also offers a more comprehensive suite of client access licences, called the Enterprise CAL suite.

Because CAL Suites contain licences for products that are released independently, CAL Suites are version-less. CAL Suites are only offered with Software Assurance coverage, and accordingly give customers the right to use the most recent version of every product in the suite.

Its components are shown graphically below:

Enterprise CAL Suite

| Windows Server Active Directory Rights Management Services CAL | Exchange Server Enterprise CAL with Services* | SharePoint Server Enterprise CAL |
| Lync Server Enterprise CAL | Exchange Online Archiving for Exchange Server | System Center Client Management Suite |
| Windows Server CAL | Exchange Server Standard CAL | SharePoint Server Standard CAL |
| Lync Server Standard CAL | System Center Configuration Manager CML | System Center Endpoint Protection |

The "System Center Client Management Suite" contains:

- System Center Operations Manager Client Management Licence
- System Center Service Manager Client Management Licence
- System Center Data Protection Manager Client Management Licence
- System Center Orchestrator (formerly Opalis) Client Management Licence
ANNEX 7 – MDOP TECHNOLOGIES

MDOP contains a suite of technologies that helps enterprise customers take advantage of desktop virtualization, better manage Windows devices, and deliver advanced system restore capabilities.

MDOP is available to Software Assurance customers as an add-on subscription licence. It contains a suite of technologies that helps enterprise customers take advantage of desktop virtualization, better manage Windows devices, and deliver advanced system restore capabilities. MDOP can be attached to SA, VDA, or Windows Intune and customers have access to any updates for as long as their MDOP subscription is active.

1. UE-V: Microsoft User Experience Virtualization or UE-V is new to MDOP and allows users to maintain a consistent experience as they roam across devices, regardless if you are using a rich desktop or a VDI session, a physically installed or virtually deployed application.

2. App-V: Application Virtualization (App-V) transforms applications into centrally managed services that are never installed and don’t conflict with other applications.

3. MBAM: Microsoft BitLocker Administration and Monitoring, enhances BitLocker by simplifying deployment and key recovery, centralizing provisioning, monitoring and reporting of encryption status for fixed and removable drives, and minimizing support costs.

4. DaRT: Helps easily recover PCs that have become unusable, rapidly diagnose probable causes of issues, and quickly repair unbootable or locked-out systems, all faster than the average time it takes to reimage the machine.

5. AGPM: AGPM provides a more secure way to control changes to Windows Group Policies (GPOs) by letting IT develop, review, and modify GPOs offline. By acting as an extension to the Active Directory management console and providing granular administration, AGPM enables IT to have greater control over how GPO changes are made and applied.

6. MED-V: MED-V removes the barriers to Windows upgrades by resolving application incompatibility with Windows 7 and delivering applications in a Windows XP-based application compatibility workspace.
External connector

The “Windows External Connector” is still available. An External Connector (EC) licence is an alternative to CALs for each server that external users will access. External users are users who are not employees or onsite contractors. An EC licence assigned to a server permits access by any number of external users, as long as that access is for the benefit of the licensee and not the external user.

Each physical server that external users access requires only one EC licence regardless of the number of instances running. The right to run instances of the server software is licensed separately; the EC, like the CAL, simply permits access. EC licences, like CALs, are version and functionality specific. They must be the same version or later than the server software being accessed. The decision on whether to acquire CALs or an EC is primarily a financial one.


Lyne licensing

The rules for licensing Lyne can be found at:


Microsoft Lync Server 2013 offers three primary deployment options. It can be deployed on premises, hosted by Microsoft, or hosted by a partner. Depending on the option selected, there are different ways to purchase the appropriate licence for Lyne:

- **On premises**: To deploy Lync on premises, users need a server licence for each Lync Server 2013 Front End instance and Client Access Licences (CALs) for each user or device accessing Lync Server. Customers can acquire CALs on a standalone basis, or along with other Microsoft products in the Core CAL or Enterprise CAL (ECAL) Suites.
- **Microsoft-hosted**: For a Microsoft-hosted Lync deployment, a User Subscription Licence (USL) is needed for each user. Similar to on-premises Lync licensing. Users can purchase Lync Online standalone or in combination with other Microsoft products as part of an Office 365 Suite.
  - User Subscription Licences (USLs): Two USLs are associated with Office 365 and Lync Online. Plan 1 provides Presence, IM, peer-to-peer VoIP/Video, and Skype Connectivity; Plan 2 adds Lync Meetings capability.
- **Partner-hosted**: Microsoft has a large partner ecosystem to help customers build, deploy, and service Microsoft Lync Server 2013 products and solutions. Contact a partner directly to host Lync infrastructure or help build a next-generation communications experience.

If we focus on the on-premise deployment option, the conclusion becomes:

**Server Licences**: A licence must be assigned for each instance of the server software that is running the front-end server role—all other roles do not require a licence. Lync Server 2013 is licensed in one edition for all deployment scenarios.

**Client Access Licences** (CALs): To access the Lync Server 2013 services, a Client Access Licence is required. Three CALs are available for Lync Server:
1. Lync Standard CAL (to use IM, presence, one-to-one audio, and video; Skype Connectivity)
2. Lync Enterprise CAL (to use meetings - audio, video, and web conferencing)
3. Lync Plus CAL (to use enterprise voice features)

Enterprise CALs and Plus CALs are additive to the Standard CAL. CALs are available as either Device CALs or User CALs.

Client Licence: Lync 2013 client licensed via Office Professional Plus (and is also available as a standalone). Lync Windows 8 client is licensed via Windows Store and other mobile clients are available via the relevant platform store. Lync Basic 2013 client licensed via download from Microsoft

The feature breakdown per type of CAL is shown below:

**Figure 1: Instant Messaging and Presence**

<table>
<thead>
<tr>
<th>Feature</th>
<th>New or Improved</th>
<th>Standard CAL</th>
<th>Enterprise CAL</th>
<th>Plus CAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>See other’s presence</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manage own presence</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>See presence in Office</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact management</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact card</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC-PC and multiparty IM</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC-PC and multiparty file transfer</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent Chat</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC-to-PC computer audio calling</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC-to-PC computer video calling</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC-to-PC IM, audio, and video with users at federated organizations</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC-to-PC presence display, IM, audio, and video with Skype users</td>
<td>New</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 2: Lync Meetings**

<table>
<thead>
<tr>
<th>Feature</th>
<th>New or Improved</th>
<th>Standard CAL</th>
<th>Enterprise CAL</th>
<th>Plus CAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiate an ad hoc multiparty (3+ users) meeting with audio and video (including dial-out to PSTN or PBX users)</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiate ad hoc application sharing (1:1 or multiparty)</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiate ad hoc white boarding session (1:1 or multiparty)</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schedule and invite attendees to meetings with audio (including dial-out to PSTN or PBX users and hosted audio conferencing features), video, web conferencing and content sharing</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automatically join meeting audio from PBX or other phone number</td>
<td>Improved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feature</td>
<td>New or Improved</td>
<td>Standard CAL</td>
<td>Enterprise CAL</td>
<td>Plus CAL</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>--------------</td>
<td>----------------</td>
<td>----------</td>
</tr>
<tr>
<td>Initiate an ad hoc multiparty (3+ users) meeting with audio (including dial-out to PSTN or PBX users)</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>UC and PBX Call Control</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Visual Access to Voicemail</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Advanced Voice Features</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Routing Rules</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>E911 Capabilities</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Delegation</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Response Group Agent and Agent Anonymity</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Lync Phone Edition “Better Together” features</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Dial out to PSTN</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Receive calls from PSTN</td>
<td>Improved</td>
<td></td>
<td></td>
<td>●</td>
</tr>
</tbody>
</table>
Annex 10 – Future Office Automation Environment: Next Steps

Problem statement

The current contracts for the Commission's office automation environment expire in May 2014. The procedure to procure future office automation solutions now needs to be launched rapidly. The Commission is in a situation of effective captivity with Microsoft as regards its desktop operating system and office productivity tools (word processing and spread sheets, etc.). The procurement of the future office environment poses two distinct challenges:

(i) the extent to which it is possible to identify and deploy viable technological alternatives to the current environment, and over what timeframe;

(ii) ensuring that the procurement channels for whatever solutions are found are open and competitive as well as efficient and cost effective.

This paper examines both aspects and proposes a way forward.

Context

(i) technological alternatives: the current captivity situation as regards desktop operating systems and productivity tools is not new or limited to the Commission. The vast majority (98%) of public bodies are in a similar situation. For example, the UK government holds a Memorandum of Understanding with Microsoft guaranteeing preferential prices to government agencies in the procurement of desktop solutions. The use and development of Open Source solutions in these core areas has been slow, adoption of such solutions remains marginal and tended to result from political decisions (eg. the need to develop a local industry for IT services) rather than superior fitness-for-purpose. Those that do exist have severe limitations both in terms of functionalities (eg. multilingualism) and as regards (the lack of) support and service. The same could be said of other niche market solutions.

The market dominance of Microsoft is not even across the entire "stack" of office tools. Diversity already exists in the Commission, as roughly 2/3 of office desktop solutions (€5.4m/y) involve Microsoft products, while the other 1/3 (€2.8m/y) comes from a range of other independent suppliers. The lack of choice is almost total as regards the desktop operating system and productivity tools, whereas in other areas eg. e-mail, social and collaborative tools, some more mature market alternatives do exist, although some of these offerings pose other challenges for public administrations (eg. they are cloud-based). It should also be noted that the provisioning of significant proportion of the "stack" from one manufacturer offers certain advantages in terms of cost, functionality, interoperability and coherence, that levels of user satisfaction with the functional solutions currently provided are high, and that the procurement procedure covers the needs of all EU institutions.

(ii) procurement options: the relative lack of technological alternatives in turn presents particular challenges as regards the procurement of office tools for the Commission. In reality, the combination of (i) the effective non-availability of viable alternative products at the bottom end of the "stack", (ii) the need to ensure business continuity and respect some specificities of the EU environment (eg. multilingual support), and (iii) the sunk cost investments - both hard (including the interconnections with underlying information systems eg. reliance on Excel files, etc.) and soft (eg. investments made in training) - make an immediate switch away from the current desktop environment effectively impossible. Even a partial switch to eg. an alternative e-mail system is impossible to achieve in short order, given also that IT consolidation across the institutions is at varying degrees of maturity.

In view of the above, and in particular the fact that the bottom end of the market is too well defined and too constrained to make procurement (exclusively) through a competitive procedure suitable, the most appropriate and best value procurement procedure in the immediate term remains a combination of negotiated procedure and open call for tenders. However, while this
can deliver an economically competitive and functionally viable solution - valuable in itself given current resource constraints - it also further increases the impression of effective captivity.

Future requirements

It is vital to ensure that the technological and procurement solutions now chosen maximise the possibilities to open up and change in the future, especially when considering that:

(i) **technologically speaking**, the market is currently undergoing a paradigm shift:

- new products and entire market segments are emerging and/or maturing (eg. desktop video conferencing, tablets, etc.). While these developments are unlikely to shake the current lack of technical alternatives at the bottom end of the "stack" in the near future, they will continue to open up a greater range of choice at the higher levels.

- there is a clear trend across the market towards further integration: bringing together different elements of the "stack" will bring advantages in terms of seamless user experience (eg. possibility to send e-mail directly from social media or collaborative sites, possibility to work in the same environment across different devices eg. desktop, mobile, smartphone), but also potentially increase risks of captivity as providers integrate functionalities across a unified "stack".

- user needs and patterns of usage are changing as the consumerisation of office tools continues and the market delivers new and innovative products, especially as regards collaborative tools and mobile work equipment.

Taken together, these developments will increasingly challenge the traditional desktop environment. It is vital to fully seize the potential of these developments to drive forward more collaborative ways of working and enable more mobility. Captivity must not be a barrier to this. At the same time, the market and technology is not right now mature enough to enable an immediate shift to an alternative model - hence the need for transitional solutions.

(ii) in terms of **procurement options**, the fact that the Commission is still driving forward internal consolidations (eg. ITIC and the migration of intranets to SharePoint) will, once this is completed, provide a more solid basis on which to consider alternative ways of procuring desktop services. This could include the purchase of full service agreements in which the choices of products and suppliers is left to the service provider, with the Commission simply setting out its functional requirements. In effect, this would remove the need for the Commission to choose or procure the products itself; it would merely buy a service. Such options would not necessarily overcome the captivity situation as regards desktop operating systems, given the lack of effective market alternatives, but they would at least provide an alternative procurement solution.

Solutions

Taking account of the above, it is proposed to pursue a **triple track strategy** designed:

(i) in the immediate term, to ensure the necessary business continuity and scale economies flowing from the investments that have already been made, while at the same time

(ii) in the short to medium term, seeking actively to "disrupt" the status quo situation and force the pace of innovation so as to mitigate future captivity and drive forward the transformation of the workplace that is needed to drive productivity and promote more collaborative ways of working; and

(iii) in the medium to longer term, prepare the ground for a **tender for provision of office automation solutions in full service mode** as from 2017-18.

**Track one** will ensure continuity of service and the current desktop environment by putting in place a stable framework to ensure the transition from the current contracts to the next contracting period. It will involve a combination of negotiated procedure and open call for tenders, so as to obtain the best value for money possible. It will take account of the current effective lack of alternative solutions as regards the desktop environment, while at the same time
maintaining all efforts to avoid unnecessarily prolonging or reinforcing any captivity (eg. annual renewals, buy out clauses, etc.).

Track two, which will run in parallel, will explore ways in which aspects of the current desktop environment can be positively "disrupted" through the introduction of alternative or competing technologies or solutions at different levels of the "stack". By targeting different points in the "stack" it will be possible to explore alternatives in a way that is detached from the current reliance on the underlying operating system. The aim will be to introduce greater overall variety in the existing mix of products and technologies, as well as with respect to delivery models (on-premises vs. cloud).

Exploration of alternatives will target three main areas of the "stack":

(i) e-mail and calendaring: here the main objective will be to take advantage of the market offering for enterprise e-mail services. Delivery models based on a software-as-a-service (SaaS) or cloud-based delivery will be explored, as will their compatibility with the applicable security standards. It should be noted that the upgrade to the existing e-mail platform, which was completed in 2012 for an investment of 5M€ in infrastructure and project costs, will be operational until the end of 2017.

(ii) social collaborative tools: here the idea will be to integrate social networking capabilities (similar to those found in consumer systems like Facebook, Google+ and Twitter) into the core of our corporate collaboration and office automation platforms. Social collaboration represents a novel feature set for Commission users, with only limited pilot experiences based on Yammer and Jive, and a DG HR-DIGIT working group is already looking at functional requirements and solutions in this area.

(iii) portal and collaborative: the aim here is to enable and implement a transition towards cloud-based service delivery of the Commission's (team) collaboration services, content management, social collaboration, enterprise application integration and publishing portal capabilities. The existing portal and collaboration platform (ie. "My Intracomm" based on Sharepoint 2010) was upgraded in 2012 (collaboration) and 2013 (publishing portal) and has a life expectancy until 2017. In parallel, a number of functionally equivalent open source solutions, mainly in the context of Europa, are also currently being used (Wiki-Confluence, Drupal, CIRCABC). This strand will also take account of the on-going work on web rationalization led by DG COMM.

Procurement of the alternative products to be introduced under track two will be taken forward in a variety of ways. In some cases it could be carried out very rapidly, using existing mechanisms such as the framework contract for a software acquisition channel, which has been awarded through an open call for tenders. In other cases, particularly where the choice involves alternative delivery models, full-blown open and competitive procurement procedures would need to be issued. It has to be recognised that this would necessarily prolong the timetable and could in some cases complicate the preparation of track three.

The high level governance bodies will need to be closely involved in this process, so as to provide guidance and, in some cases, adopt strategic decisions as regards major choices about products or procurement approaches.

The assumption underlying track two is that effective alternatives should be identified and introduced where possible. While by default the desktop environment on day one will be identical to that of the last day of the previous contract (thereby guaranteeing continuity and a seamless user experience), provided the market offerings identified are viable and deemed to be appropriate by the governance bodies, changes can be introduced, either as pilots or as fully fledged alternatives, as soon as the necessary procurement procedures are completed. At the same time, it is important to understand that such changes will not necessarily be neutral in terms of overall cost, and that there will be a need to guarantee certain basic functional requirements (eg. interoperability, user friendliness, appropriate levels of support, etc.).
Track three will be to prepare the ground for the next tender, which will be carried out in full service mode, once the current consolidation efforts have been completed and the current paradigm shift in the market has stabilised. It will take as its starting point the "as is" situation which will be the result of tracks one and two at a given point in time (eg. mid-2016), including the completion of the current consolidation efforts (ITIC etc.). It will aim to buy in services at all levels of the "stack", rather than specific products, leaving service providers to compete between themselves both on price and on the choice and mix of products to offer in the "stack". This solution will be introduced by 2017-18, coinciding also with the end of the next ITIC service contract.