



Board Briefing Paper

Subject:

HSE 22890 – Mini Competition under Multi-Supplier Framework Agreement for the provision of Microsoft Solution Renewals and Associated Services (ISW023F) for Health Service Executive. eTenders ID: CFT 3030445

Estimated Total Contract Value of [REDACTED] to [REDACTED] with an initial term of 24 months with 3 x 12-month extensions (Incl VAT). A total of 5 years if all extension options are taken.

Annual contract value is an estimated [REDACTED] - [REDACTED] (Incl VAT)
Awarded supplier is Software Pipeline Ireland Limited
Incumbent Supplier is Software Pipeline Ireland Limited

Submitted for Meeting on: 29th May 2024

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Why is this information being brought to the Boards attention?

The Boards approval is required for the approval of the contract for for the provision of Microsoft Solution Renewals and Associated Services (ISW023F) for Health Service Executive. The estimated value of the contract is between [REDACTED] and [REDACTED] over 5 years.

Is there an action by the Board required, if so please provide detail?

Board approval is sought for the contract to be finalised

Background and Summary**1. O365.**

The O365 onboarding programme was initiated following a strategic decision, post Cyber-attack, taken by the HSE to migrate mail users to Exchange Online, as a secure cloud-based email service. It ensures that our technology remains evergreen (i.e. does not go out of date)

In June 2023, the cost of licences was [REDACTED] covering [REDACTED] staff (Average cost per staff member [REDACTED]). The increase in costs is reflecting growth in the HSE's O365 users base under the onboarding programme. The rates achieved under this framework compare very favourably against the open market and general government pricing. The detail of the pricing is commercially sensitive because of the favourable rates achieved.

Since June 2023 there has been a further significant ramp up in our HealthIrl (single ICT domain for HSE staff) programme. This is an enabler for staff to migrate to Office 365. The Office365 programme runs about 1 month behind the HealthIrl programme before they get Office365.

For 2024, the HSE will require licencing for approx. [REDACTED] staff, an increase of [REDACTED] staff on previous requirements. (Following completion of the O365 migration programme). The average cost per staff member is expected to reduce to approximately [REDACTED] per annum. The costs are therefore likely to be [REDACTED].

In addition, the contract will provide for usage by S.38s & S.39 organisations, which may increase the value of the contract further – this is estimated to be in the range of [REDACTED] per year

2. Cloud Consumption.

The HSE increasingly utilises cloud technologies to deploy solutions. Throughout the pandemic several large-scale new solutions were stood up using different cloud platform. All new solutions consider cloud as the default option to be considered, in line the government policy as articulated in the “[Cloud Computing Advice Note](#)” published in 2019 and updated in 2022.

At current rates of consumption, the HSE has an annual Cloud Consumption bill of approx. [REDACTED]. This is likely to increase in the coming three years to an annual figures between [REDACTED]-[REDACTED]. The LSP contract we are now seeking to establish will facilitate consumption reports, optimisation mechanisms, as well as transparent billing.

The final value of the contract is subject to a number of variables:

- a) the number of staff who have Office 365 licences.
- b) the type of licence that they require (i.e. office based or mobile etc)
- c) over the lifetime of the contract additional services will be moved to the Azure Cloud thus increasing consumption costs

This is the rational for the range of contract value between [REDACTED] - [REDACTED].

Implications

Highlight any implications that the Board should be made aware of in its consideration such as:

- Current Status
- Service User Implications
- Budget Implications
- Risk Assessment
- Impact to deliver of services
- Legal factors

The implementation of MicrosoftOffice 365 is part of our cyber programme. Users when they migrate to HealthIRL, within a month, migrate from on-premise MicrosoftOffice tools to the cloud based 365 offering. This benefits of utilising the 365 offering include:-

- Improved **resilient and reliability** of using the Microsoft Cloud and the ability to store all data on the cloud which is maintained by Microsoft.
- **Flexibility** for remote working in any location with full access to the 365-productivity suit of software
- **Enhanced Collaboration** - Live collaboration on documents by multiple staff
- **Security** improved security and evergreen environment over the on-premise version
- **Improved Communications** through the use of MSTeams

The benefits of utilising the Microsoft Cloud include:-

- Data Security
- Scalability and Sustainability
- Disaster Recovery
- Advanced Analytics
- Regulatory and Legislative Compliance Frameworks

What actions are required by the Board?

Approval of the contract with Software Pipeline for max of 5 years at a estimated contract value of between [REDACTED] and [REDACTED].

Conclusion

The implementation of the contract is essential for HSE eHealth to continue to support HSE Divisions, Programmes and Regions to focus on improving population wellbeing, health service efficiencies and economic opportunity through the use of technology enabled solutions.

This is a critical part of the Health Service modernisation programme to enable staff to have basic collaboration tools with an evergreen technology toolset.

Recommendation / Decision Sought

HSE Board approval for this contract approval request