

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

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| Reference Number: | 4038   |
| Author:           | Mick Dunn  |
| Department:       | Development and Growth   |
| Contact:          | Mick Dunn<br>(Job Title: GIS Service Manager, Email: mick.dunn@nottinghamcity.gov.uk, Phone: 0115 8764001) |

Subject: **Geographical Information System Contract Renewal**

Total Value: **£149,997 (Type: Revenue)**

Decision Being Taken:

- (1) To approve a 3 year maintenance and support contract with a total value of £149,997 for corporate Geographical Information System (GIS) software (met from the existing budget provision).
- (2) to approve dispensation from financial regulation 3.29 under Contract Procedure Rule 5.1.2 to directly award the contract.

Reasons for the Decision(s)

The decision needs to be taken as support and maintenance is due for renewal. The Council currently uses the GIS (supplied by ESRI UK Ltd) as a corporate data management, mapping and analytical solution in support of a number of key business functions, statutory responsibilities and customer facing web services. The solution also integrates with a number of key ICT business systems to ensure daily business processes are delivered.

Each year the Council must purchase software maintenance and support in order to keep the corporate GIS system, to take advantage of software enhancements; and receive support in the event that a problem should arise and/or guidance is required. If the annual maintenance and support is not purchased for the corporate GIS system then any software issues that occur will not be resolved by the supplier. A system failure would put many business operations at risk.

The company (ESRI) which own the intellectual property rights to the solution is the only provider of the level of support and maintenance required. This means that products and services required cannot be tendered for. There are no viable technology alternatives to this software system without additional capital and revenue costs incurred as a result of re-licensing, consultancy and staff re training costs at this time.

Support and maintenance costs have increased year on year but the annual maintenance paid for the system has has remain static or reduced in real terms due to on-going negotiations. Entering into a 3 year contract offers value for money through reducing costs, as well as safeguarding against known software price increases of 3% this year and any future cost increases.

**Other Options Considered:** 1) Support and maintenance is not renewed. This option is not considered viable given the scale of risk involved should a problem arise, and would limit the Council to take advantage of future product enhancements and related operational efficiencies. Over time this would also prevent integration with other business systems across the Council and directly impact upon other operational business processes. For this reason, this option was not considered viable.  
2) Competitive tender. Following a soft market testing exercise, this option is not considered viable due to the capital costs associated with the purchase of an alternative software system and the additional capital and revenue costs incurred as a result of re-licensing, consultancy and staff re training costs, with a lengthy payback period. For this reason, this option was not considered viable.

**Background Papers:** none

**Published Works:** none

**Affected Wards:** Citywide

**Colleague / Councillor Interests:**

**Dispensation from Financial Regulations:** Yes

**Consultations:** Those not consulted are not directly affected by the decision.

**Crime and Disorder Implications:** None

**Equality:** EIA not required. Reasons: The decision relates to the continuation of software maintenance and support, and by its nature will not have an equalities impact.

**Social Value Considerations:** None

**Any implications affecting IT:** Yes

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| <b>Decision Type:</b>       | Portfolio Holder   |
| <b>Subject to Call In:</b>  | Yes  |
| <b>Call In Expiry date:</b> | 11/11/2020   |
| <b>Advice Sought:</b>       | Legal, Finance, Procurement, IT  |
| <b>Legal Advice:</b>        | <p>This report seeks authority to renew a contract for the support and maintenance of GIS. On the basis that the supplier is the owner of the intellectual property rights in the GIS then the City Council is permitted to renew the contract without a tender. On that basis this report does not raise any significant legal issues but consideration should be given in good time before the renewed contract expires to consider whether a new procurement process should be undertaken. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 22/10/2020.</p>  |
| <b>Finance Advice:</b>      | <p>This decision seeks to approve the GIS maintenance and support contract costs for the next 3 years (Nov 20- Oct 23, spanning across 20/21- 23/24 Financial Years) at a total cost of £149,997. There is sufficient budget provision within the GIS revenue budget to meet the costs therefore this expenditure will not result in pressures to Nottingham City Council's Medium Term Financial Plan. It is the responsibility of the GIS service manager to ensure that this contract is contained within budget. It must be ensured that the revenue budget which is to meet the costs of this contract is earmarked from future saving proposals.</p> <p>The decision also requests to renew the maintenance and support contract for the GIS with supplier ESRI UK Ltd rather than undertaking a formal tendering process to inform the award of the contract. This approach is supported due to ESRI UK Ltd being the only provider of the level of support required as advised by the GIS service manager. Renewal of the contract for another 3 years with ESRI UK Ltd will also provide protection from known increases in prices.</p> <p>Advice provided by Roma Patel (Commercial Business Partner) on 22/10/2020.</p> |
| <b>IT Advice:</b>           | <p>The IT Service supports the proposal contained within this delegated decision.</p> <p>The GIS system provides important IT functionality for the Council and in order to maintain the currency of the system and its vendor support a support and maintenance agreement with the system provider is required. The application runs on standard technology in use by the Council and is considered a reliable and stable product.</p> <p>Advice provided by Paul J. Burrows (IT Change, Projects &amp; Strategy Manager) on 21/10/2020.</p>  |
| <b>Procurement Advice:</b>  | <p>A decision to dispense from Financial Regulations is required to approve this spend. Advice provided by Paul Ritchie (Lead Procurement Officer) on 20/10/2020.</p>  |
| <b>Signatures</b>           | <p>Linda Woodings as Portfolio Holder (PH Housing, Planning and Heritage)</p> <p>SIGNED and Dated: 04/11/2020</p>  |

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| <b>Chris Henning (Corporate Director for Development and Growth)</b>                           |
| <b>SIGNED and Dated: 02/11/2020</b>  |
| <b>Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations</b> |
| <b>SIGNED and Dated: 28/10/2020</b>  |
| <b>Chief Finance Officer's Comments:</b>   |