

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4096
Author:	Anne Clarke
Department:	Commercial and Operations
Contact:	Anne Clarke (Job Title: Team Leader, Email: anne.clarke@nottinghamcity.gov.uk, Phone: 01158763155)

Subject: **Software Maintenance Renewal for Four Systems 2021-2023**

Total Value: **£177,000 (Type: Revenue)**

Decision Being Taken:

1. To dispense with Financial Regulation 3.29 and agree to the proposed licence and software maintenance extensions (for a period of up to 2 years) with the contractors, for the systems, outlined in appendix A.
2. To approve a total spend of £177,000 over the 2-year period for the renewal of the four licence and software maintenance extensions, as outlined in appendix B, to be met from the IT revenue budget.

Reasons for the Decision(s)

Each year the Council must purchase software maintenance in order to receive technical support, updates, etc. for these IT systems. There are no viable technology alternatives to this without incurring re-licensing, consultancy, data conversion and staff re-training costs, which would be well in excess of the annual consolidated software maintenance costs.

The four IT systems have been in use by the Council for many years and there have been considerable investments in licences, implementation, training etc.

A review of all these systems is undertaken each year, to ensure the effectiveness and value for money of the software maintenance being delivered by IT software suppliers and that the software maintenance service remains current and that value for money is being achieved.

Please see appendix A, which details the justification to continue with these systems.

Appendix B provides details of the annual costs.

Briefing notes documents: Appendix A Justification for Software renewals 2021.docx, Appendix B Four Software Systems 2021.xls

Other Options Considered: To do nothing - this is not a feasible option as it would leave the Council without any software support for major systems which are crucial in providing services to its citizens

Background Papers:

Published Works: Software Maintenance Renewal for Seven Systems 2020-2023 Delegated Decision reference 3785

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: There are no crime and disorder implications

Equality: EIA not required. Reasons: Purchase of software not directly used by colleagues and citizens. This decision does not relate to new or changing policies, services or functions

Any implications affecting IT: Yes

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date:

28/01/2021

Advice Sought:

Legal, Finance, Procurement, IT

Legal Advice:

The proposed delegated decision relates to 4 separate contracts. Dispensation from CPR 4.1.1 in accordance with financial regulation 3.29 is only required in respect of the Bartec Hosting, Hornbill support and McFarlane contracts. For all of the contracts except McFarlane, an extension of software support is required whilst the council undertakes a procurement exercise for new contracts in order to maintain continuity of services. Advice provided by Sarah O'Bradaigh (senior solicitor) on 24/11/2020.

Finance Advice:

This decision seeks approval to spend £0.177m over a 2 year period on the renewal of four IT licence and software maintenance contract extensions, justification and details of which are outlined in appendices A and B. £0.109k is expected to be incurred in 2021/22 and £0.068k in 2022/23.

The funding of this decision is to be met by existing MTFP base budget held by IT. No financial pressure is expected as a result of approving this decision.

The IT service have reviewed these contracts in light of the on-going transformation activity to ensure NCC are not contracted to anything where the level of service provision needed may reduce or cease over the next 12-24 months (for example Fit For The Future, merging contract centres and therefore Macfarlane licenses reduction etc). The year-on-year renewal basis for the 2 year extensions also minimises this risk.

The IT service should ensure these contracts are delivered at the minimum cost and over the minimum term needed to ensure full procurement exercises are undertaken to achieve full value for money as soon as possible. There are no viable alternative delivery solutions that the IT service could implement in the interim to avoid awarding these contract extensions.

Dispensation from Financial Regulations is sought in order for the continuation of vital IT services whilst the council undertakes procurement exercises for new contracts and/or finalise new contracts that are currently in progress but impacted adversely by covid-19.

Advice provided by Philip Gretton (Finance Analyst) on 15/12/2020.

Procurement Advice:

This report seeks approval using clause 3.29 of the Financial Procedure Rules on grounds of operational issues to dispense with the requirement under clause 4.1.2 of the Contract Procedure Rules to seek tender responses for the reasons as outlined by the report author. If dispensation is granted, then the requirements of the contract procedure rules will be satisfied and there will be no procurement concerns. Advice provided by Mabs Karim (Procurement Officer) on 16/11/2020.

IT Advice:

The IT Service support the proposals made within this delegated decision.
Software maintenance is purchased from system providers to provide access to upgrades, such as security patches, and to provide reactive support in the event of faults being identified with the software. For most application software maintenance is only available from the system provider as they own the intellectual property of the software and so regular competitive tendering is not available. Because software requires regular patching to resolve security issues that may be identified having regular maintenance is required to protect systems and the data that they hold.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 13/11/2020.

Signatures

David Trimble (Portfolio Holder for Leisure, Culture and IT)

SIGNED and Dated: 21/01/2021

Hugh White (Corporate Director for COVID Response and Recovery)

SIGNED and Dated: 20/01/2021

Clive Heaphy (Chief Finance Officer) - Dispensation from Financial Regulations

SIGNED and Dated: 17/12/2020

Chief Finance Officer's Comments: Agree based on comments in the paper that this has been assessed for VfM assurance