

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

|                             |   |
|-----------------------------|---|
| Reference Number:           | 4163  |
| Author:                     | Michael Megaw   |
| Department:                 | Strategy and Resources  |
| Contact:                    | Michael Megaw<br>(Job Title: Senior Analyst - Financial Systems, Email: michael.megaw@nottinghamcity.gov.uk, Phone: 63299)  |
| Subject:                    | 3-year Income Management Enterprise License   |
| Total Value:                | £484,402 (Type: Capital and Revenue)  |
| Decision Being Taken:       | To enter into a direct award call-off contract with Civica, under an existing Crown Commercial Service framework arrangement, for a Parity Licence in conjunction with the Council's corporate income management system.  |
| Reasons for the Decision(s) | The current contract with the software provider for income management is coming to an end, and it is proposed to create a new 3-year contract with the existing supplier. The total contract value is £484,402. The fee schedule is as follows: a £175,000 Parity License fee that is payable upfront, plus an annual fee of £103,134 to cover Annual Fees, Parity License Annual Fees, and 300k Additional Transaction Fees. Overall, savings can be made by consolidating online transactions to a single provider and taking advantage of existing contracts to cover the additional transaction costs. This proposal recommends that a contract is signed for a period of three years to allow the Council to further utilise the existing functionality, migrate functionality from third-party systems, consolidate income and cash management, and take advantage of the efficiencies and savings that result. |
| Briefing notes documents:   | CivicalCON Briefing Paper (2).docx  |

**Other Options Considered:**

1) To do nothing: this constitutes continuing with the existing suboptimal processes and consequent process inefficiency, so this option is rejected. 2) To renew the contract for one year only: this option has been ruled out because Civica will not support a one-year extension. Civica have back-off contracts with third-party providers they commit to for a minimum term of 3 years. The back-off contracts enable CivicaPay to provide a hosted PA DSS Level 1 compliant payment and income management solution. 3) To renew the contract for five-years: this option remains feasible, with an overall contract cost of £630,985 for the five-year period. However, in the Council's current financial position, it would not be prudent to commit to a contract for the five year period, which would result in an addition financial burden of £146,000. 4) To re-tender the contract: this option was considered and ruled out last year due to commitments from the Fit for the Future (FftF) project. It is not feasible to manage an income and cash management tender and implementation alongside the FftF project. Although FftF is due to go live in April 2021, the time required to retender and award will be 18 months, which falls after the renewal date. Knowledge of the market suggests there is limited scope for savings through a re-tender, and the time required for implementation is a minimum of 6 months. The costs of a reimplementation would be expensive and there is little to differentiate the providers.

**Background Papers:**

None

**Published Works:**

None

**Affected Wards:**

Citywide

**Colleague / Councillor Interests:**

None

**Consultations:**

Date: 19/03/2021

Chief Finance Officer: Clive Heaphy

The capital expenditure is within the Capital Programme. The funding for this comes from contributions from existing budgets and no prudential borrowing is required.

Those not consulted are not directly affected by the decision.

**Crime and Disorder Implications:**

None

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|--------------------------------|--|
| Equality:                      | EIA not required. Reasons: This decision does not represent a new or changing policy, service or function, as it is for the renewal of the contract with an existing supplier.   |
| Social Value Considerations:   | Not applicable   |
| Any implications affecting IT: | Yes  |
| Decision Type:                 | Portfolio Holder   |
| Subject to Call In:            | Yes  |
| Call In Expiry date:           | 29/03/2021   |
| Advice Sought:                 | Legal, Finance, Procurement, IT  |
| Legal Advice:                  | <p>This decision raises no significant legal issues. Given the total estimated value of the scheme, the Council's Contract Procedure Rules stipulate that at least 3 tenders in writing must be obtained. However, the use of a framework agreement is a permissible legal alternative, provided that the procedure for direct award of a call-off contract from the relevant framework is adhered to and is in compliance with procurement rules.</p> <p>Advice provided by Sarah O'Bradaigh (Senior Solicitor) on 23/02/2021.</p>        |
| Finance Advice:                | <p>Advice provided in the attached document.</p> <p>Advice provided by Philip Gretton (Finance Analyst) on 11/03/2021.</p> <p>Advice documents: Finance Comments - 3-year income management enterprise licence.docx</p>  |
| IT Advice:                     | <p>The IT Service supports the proposals made in this decision. Continuing with the current system, which the business users are satisfied with, presents no risk of change and avoids the potential cost of migration to a new system. The system offers the opportunity to move other business functions to it and this will enable the Council to consolidate business functions to fewer systems in line with the IT strategy.</p> <p>Advice provided by Paul J. Burrows (IT Change, Projects and Strategy Manager) on 01/03/2021.</p> |

**Procurement Advice:**

**This decision raises no significant procurement issues. Use of compliant third party frameworks, such as those offered by crown commercial services, is permitted under clause 3.1.1.3. of the contract procedure rules. Procurement supports the use of third-party frameworks in appropriate situations and where it can be demonstrated that they provide value for money. Any contracts based on this framework must be awarded in accordance with the terms of the framework agreement.**

**Advice provided by Mabs Karim (Procurement Officer) on 26/02/2021.**

**Signatures**

**Sam Webster (PH Finance, Growth and City Centre)**

**SIGNED and Dated: 22/03/2021**

**Clive Heaphy (Chief Finance Officer)**

**SIGNED and Dated: 19/03/2021**