

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2069

Author:

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Department:

Resources

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Subject:

Contract Extension for Document Management system

Total Value:

£162,290 (Type: Revenue)

Decision Being Taken:

It is recommended that the Portfolio Holder agrees:-

1. In accordance with Financial Regulations 3.29 to dispense with the requirements of the Contract Procedure Rule 5.1.2 and extend the current contract with Open Text Uk Ltd for three years up to and including 30 September 2017 at a cost of £162,290.

2. That the total cost of £162,290 for software maintenance of the Document Management system, be approved and met from the IT Efficiency Fund and the IT Revenue budget.

Reasons for the Decision(s)

The (Castle) Opentext Document Management system is an electronic storage and retrieval system which is a critical part of the Council's IT applications. The five year maintenance contract for this software system commenced in September 2006 and was extended for three years in Oct 2011. As this contract is due to end on the 30th September 2014, it is proposed that a further extension of three years be made to this contract at a total cost over that period of £162,290.

If the software maintenance and support is not purchased for the (Castle) Document Management system then any software issues that occur will not be resolved by Open Text Uk Ltd . This will mean that the Council will have to pay consultancy rates for technical resolutions, answers to support queries and will not receive software upgrades to keep the system up to date. If it is a serious software issue, the following services will be affected:-

- 1. Housing Aid
- 2. East Midlands Shared Services (EMSS - 6300 Council Users)
- 3. Human Resources
- 4. Children and Adults
- 5. Admission and Exclusions (Education)
- 6. ICT Administration

Open Text Uk Ltd owns the intellectual property rights of the (Castle) Document Management system and therefore they are the only company which can provide the support to this software. This means that the provision of this support service is from a single source and cannot be tendered for hence the need to seek dispensation from Financial Regulation 3.29.

Other Options Considered:

The Council currently uses the (Castle) Document Management system, which is supplied by Open Text Uk Ltd, as the main method for electronically storing and retrieving records needed by EMSS, Housing Aid, Children and Adults etc.

Each year the Council must purchase software maintenance - in order to receive support and upgrades from Open Text Uk Ltd - for the Document Management system. There are no viable technology alternatives to this system without incurring re-licensing, consultancy and staff training costs which would be well in excess of the annual software maintenance and support cost. Doing nothing is therefore not a viable option if the Council wishes to continue using this system.

Background Papers:

Published Works:

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: Not Applicable

Equality: EIA not required. Reasons: Not Applicable because this software is not directly accessible by colleagues and citizens.

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 23/07/2015

Advice Sought: Legal, Finance, Procurement, IT

Legal Advice: Dispensation is required under CPR 5.1.2 in accordance with Finance Regulation 3.29 to extend the Open Text contract for a 3 year period from 1 October 2014 at a cost of £162,290. The terms and conditions remain as set out in the existing contract.

Finance Advice:

The value of the decision (£162,290) is based on the cost of extending a software maintenance contract for three years at a cost of £54,097 per annum. A funding bid for £144,450 to meet the contract extension from the IT Efficiency Fund has recently been approved and will be applied to part fund the extension. Additional costs of approximately £5,950 per annum (£17,840 over 3 years) will be met from the IT revenue budget. Ongoing costs of software maintenance would normally be met in full from IT's revenue budget so it is recommended that the scope for accommodating these costs within IT's base revenue estimates is investigated (before expiry of the extended contract term if possible).

Exemption from Contract Procedure Rule 5.1.2 is being sought in accordance with Financial Regulation 3.29 on the grounds that the supplier has intellectual property rights over the software and is the sole provider of system support. Although this contract will not be subject to a tendering process, the proposed extension should allow time to progress consolidation work on document management systems (as recommended in the Procurement Advice) in pursuit of longer term value for money.

Advice provided by C I Sharpe (Finance Analyst) on 28/04/2015.

Procurement Advice:

The request is for dispensation from CPR 5.1.2 in order to continue receiving support and maintenance for our corporate document management system up to September 2017. As such there are no significant procurement concerns. However, during this time, it is recommended that the business conducts a review of all the document management systems used throughout the Council and considers consolidating those systems into one, in order to improve efficiencies and minimise any potential duplicated maintenance costs for the same functionality. Discussions on this have already commenced between IT and GIS and a proposal for resource may be put forward in order to complete this review and make recommendations. Advice provided by Rosalie Parkin (Category Manager) on 07/10/2014.

The above advice by Rosalie Parkin is still valid and up to date
Paul Ritchie (Category Manager) on 11/05/2015.

IT Advice:

The IT Service supports this proposal. The electronic document management system (eDMS) supports service delivery to citizens and colleagues. The eDMS is the principal system for providing the Electronic Social Care Record for vulnerable citizens' unstructured data. Without a support contract it is probable that any problems incurred with the system will be resolved with increased cost and delay with consequent impact on citizens and colleagues.

Advice provided by Paul J. Burrows (Strategy Manager) on 06/05/2015.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 15/07/2015
Glen O'Connell (Acting Corporate Director of Resources)
SIGNED and Dated: 08/07/2015
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 02/07/2015
Chief Financial Officer's Comments: