

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	1894
Author:	Anne Clarke
Department:	Resources
Contact:	Tony Roman (Job Title: Schools IT Manager, Email: tony.roman@nottinghamcity.gov.uk, Phone: 01159150900)
Subject:	Hornbill Software Maintenance Renewal
Total Value:	£26,230 (Type: Revenue)
Decision Being Taken:	<ol style="list-style-type: none">1) To procure a further two year contract (17 March 2015 to 16 March 2017), payable in one amount, for the management of the IT Service Desk with Hornbill Service Management Limited.2) To meet the maintenance cost from the I.T. revenue budget which has provision to meet these costs.3) In accordance with financial regulation 3.29 to dispense with the provisions of contract procedure rules relating to tenders and to agree to the continuation of this maintenance contract with Hornbill Service Management for a further period of 2 years. The total cost of which is £26230.
Reasons for the Decision(s)	<p>All Customer communication within the IT Department is logged via Hornbill Supportworks. The Supportworks system is essentially the focal point for logging IT related incidents, service requests and change across the Organisation.</p> <p>The costs of purchasing and migrating to suitable alternative software solution would be substantially in excess of the annual maintenance cost. In addition we have also negotiated a 5% discount (saving of £1380 over the two year period) if we agree to renew this for a period of 2 years and pay upfront.</p>
Other Options Considered:	<p>To do nothing</p> <p>The risk is this could disrupt IT support for the entire Organisation if the system is down and we need to obtain support from Hornbill in order to rectify the problem.</p> <p>The IT Department also relies heavily on support from Hornbill re any incremental changes to the system that are intended to improve the IT support experience for all customers.</p>

Background Papers:	None
Published Works:	None
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
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: Support renewal not directly used by colleagues and citizens.
Social Value Considerations:	Not applicable.
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	31/03/2015
Advice Sought:	Legal, Finance, Procurement, IT
Legal Advice:	The terms and conditions of contract will remain the same; the only change being the extension of the period of Support Services in respect of the licensed programs for a further 2 years. Dispensation under 3.29 (operational issues) is needed from CPR 5.1.1. Advice provided by Sarah O'Bradaigh (senior solicitor) on 09/03/2015.

Finance Advice:

The value of the decision (£26,230) is based on the quoted cost of procuring a two year contract for the management of the IT Service Desk with Hornbill Service Management Limited. For reasons of materiality and consistency, the cost will be treated as revenue expenditure and will be met from provisions for software maintenance within the Resources ICT revenue budget as incorporated into the current Medium Term Financial Plan. Costs will be apportioned to appropriate accounting periods by means of year end accrual postings.

Delegated Decision 1819 entitled 'Software maintenance for fourteen IT systems' (signed by the Portfolio Holder for Resources and Neighbourhood Regeneration on 22 Jan 2015) included the cost of the Hornbill maintenance contract at a cost of £14,010 for one year only. The current proposal will displace that component of the previous decision and should now reduce the overall value of that decision to £737,840.

Dispensation from Contract Procedure Rule 5.1.1 in accordance with Financial Regulation 3.29 is being sought on the grounds of value for money and operational efficiency. Operational reasons are more fully explained in the Procurement Advice. Value for money will be delivered by taking advantage of the reduced cost of a two year agreement as evidenced by the one year cost included in Delegated Decision 1818. Further value is expected to be realised through service continuity and by avoiding any additional costs that might arise if the Council were to migrate to an alternative software solution.

Advice provided by C I Sharpe (Finance Analyst) on 12/03/2015.

Procurement Advice:

The proposal is for a dispensation from contract procedure rule 5.1.1 to conduct a three quote process for any contracts between £10,000 and £50,000.

The justification for this is based on a) value for money (the costs of purchasing and migrating to suitable alternative software solutions would be substantially in excess of the annual maintenance costs for these software currently in use) and b) intellectual property rights (only the company which owns the intellectual property rights can provide the maintenance on their software and this means that support and maintenance for the software in question cannot be tendered for). In addition, this proposal provides value for money for the Council by engaging in a longer term contract than just one year, thus enabling savings to be made on the cost over 2 years. It is on this basis that there are no significant procurement concerns.

Advice provided by Rosalie Parkin (Category Manager) on 10/03/2015.

IT Advice:

The IT Service supports this proposal. The Hornbill system is used for management of Incidents and Service Requests within the IT Service including provision of the self-service portal that enables colleagues to register and review the progress of work. The system is also used for the IT Service's internal Change Management process. The maintenance agreement provides access to support and upgrades for the software.

Advice provided by Paul J. Burrows (Strategy Manager) on 03/03/2015.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)

SIGNED and Dated: 23/03/2015

Glen O'Connell (Acting Corporate Director of Resources)
SIGNED and Dated: 23/03/2015
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 23/03/2015
Chief Financial Officer's Comments: