

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	2671
Author:	David Vernau
Department:	Development
Contact:	David Vernau (Job Title: GIS and Data Management Team Leader, Email: david.vernau@nottinghamcity.gov.uk, Phone: 01158763987)
Subject:	Software Maintenance and Support for Corporate GIS (Geographical Information System)
Total Value:	£44,254.00 for 1 year (Type: Revenue)
Decision Being Taken:	1. To agree to a dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial Regulation 3.29;2. To approve the total cost of £44,254 for the next 1 years for software maintenance and support for corporate GIS, to be met from the existing budget provision 2016.
Reasons for the Decision(s)	We are looking to preserve the maintenance for another year whilst we investigate the possibility of a shared licencing arrangement with Esri (the supplier) and other interested local councils (currently Broxtowe, Gedling). With this quotation we have saved approximately £2000 on previous years' maintenance costs and intend to drive further savings in future through a shared model. The contract needs to be renewed by 3rd November 2016.
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. For this reason, this option was not considered.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.
Background Papers:	None.

Published Works:	None.
Affected Wards:	Citywide
Colleague / Councillor Interests:	None.
Dispensation from Financial Regulations:	Yes
Consultations:	The decision concerns continued operational issues. 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:	Not applicable - the decision is below the Social Value Consideration thresholds.
Decision Type:	Portfolio Holder
Subject to Call In:	No
	The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.
	Person Consulted: Councillor Brian Parbutt
	Consultation Date: 01/11/2016
	The contract was due to be renewed on the 4th of November.
Advice Sought:	Legal, Finance, Procurement

Legal Advice:

The City Council is able to make a direct award to Esri for support and maintenance of the GIS software without undertaking a competitive tender as it is understood from discussions with the report author that Esri is the owner of the intellectual property rights in the software. The ability to make a direct award in these circumstances is expressly permitted by the Public Contracts Regulations 2015.

Advice provided by Andrew James (Team Leader Contracts and Commercial) on 01/11/2016.

Finance Advice:

There is budget available to pay for this software maintenance and support costs, and also there is around £3k saving compared to last year's contract payment.

Advice provided by Mandy Bryce (Finance Analyst) on 01/11/2016.

Procurement Advice:

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. 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. Dispensation from tendering requirements under Contract Procedure Rule 5.1.2 is required under financial regulation 3.29 for operational reasons, and as such, there are no significant procurement issues with this proposal due to the operational reasons stated and the current business review which is assessing future possibilities for economies of scale and cost reductions.

Advice provided by Rosalie Parkin (Category Manager) on 22/08/2016.

Signatures

Jane Urquhart (Portfolio Holder for Planning and Housing)
SIGNED and Dated: 28/11/2016
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 28/11/2016
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 22/11/2016
Chief Finance Officer's Comments: