

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2731

Author:

Anne Clarke

Department:

Resources

Contact:

Anne Clarke

(Job Title: Team Leader, Email: anne.clarke@nottinghamcity.gov.uk, Phone: 01158763155)

Subject:

Software Maintenance Renewal for 9 Systems

Total Value:

£786550 (Type: Revenue)

Decision Being Taken:

It is recommended that the Portfolio Holder agrees:-

a. In accordance with financial regulation 3.29 to dispense with the provisions of contract procedure rules relating to tenders and agree to the proposed licence and software maintenance extension (for a period of up to 3 years) for the nine systems outlined in Appendix A.

b. The total cost for the renewal of the licence and software maintenance of these systems is £786550 spread over 3 years (Ref Appendix B). There is available revenue budget to meet these costs.

Reasons for the Decision(s)

Each year the Council must purchase software maintenance in order to receive technical support, updates, etc. for these nine 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 cost of £786550.

The annual renewal costs of the IDOX system also includes an element of licensing costs.

The nine IT systems have been in use by the Council for many years and there have been considerable investments - of approx. £6.3million in licences, implementation, training etc.

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.

A review of all these systems has been undertaken this 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.

We have also spoken to the users of these systems and where these systems will still be required for the foreseeable future we have requested quotations for up to five years, to ensure we get the best pricing. The maximum period we have been able to secure is three years.

Appendix B provides details of the length of the renewals and annual costs.

It should be noted that, 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 the circumstances it is proposed, in accordance with financial regulation 3.29, to dispense with the provisions of contract procedure rules relating to tenders for the maintenance of these eight systems.

Briefing notes documents:

Appendix B Nine Software Systems.xlsx, Appendix A Justifications for 9 Software Systems.docx

Other Options Considered:

To do nothing 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 11 Systems 2016 DDMF 2333
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.
Major Implications for IT:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	17/02/2017
Advice Sought:	Legal, Finance, Procurement, IT
Legal Advice:	These procurements do not give rise to serious legal concerns. Legal will be able to assist and support IT with these matters. Advice provided by Brian Lewis Stewart (Solicitor) on 02/02/2017.

Finance Advice:

The cost of this decision is £786,550 over the next three financial years; £537,650, £124,000 and £124,900 respectively as illustrated in appendix B. The IT revenue budget within the medium term financial plan contains sufficient provision to meet these costs.

In view of the justifications given in appendix A, the dispensation from contract procedure rules is appropriate.

Advice provided by Ian Greatorex (Finance Project Manager) on 12/01/2017.

Procurement Advice:

Following the recommendation from legal and procurement colleagues last year, a review (of nine software systems and the associated maintenance costs) has taken place this year. The group consisting of ICT and procurement colleagues have liaised with the relevant service areas to review the Councils requirements and investigated longer term contracts to provide assurance on best value. Given this approach, Procurement have no significant concerns with the proposal due to the justification set out within this report. Advice provided by Rosalie Parkin (Category Manager) on 12/01/2017.

IT Advice:

The IT Service supports this proposal.

Maintenance of IT systems from suppliers is required to ensure continued support for information systems that enable the Council to deliver services to citizens. Maintenance ensure that software products are regularly updated to take account of any identified errors and faults and to ensure continued support from suppliers that provide a resource the Council can draw on in the event of experiencing problems with systems.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 11/01/2017.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 10/02/2017
Candida Brudenell (Corporate Director for Strategy and Resources)
SIGNED and Dated: 03/02/2017
Geoff Walker (Strategic Director Finance/CFO) - Dispensation from Financial Regulations
SIGNED and Dated: 07/02/2017
Chief Finance Officer's Comments: Agreed for the operational reasons contained in the report