

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3047
Author:	Mick Dunn
Department:	Development and Growth
Contact:	Mick Dunn (Job Title: Head of Information Management, Email: mick.dunn@nottinghamcity.gov.uk, Phone: 0115 8764001)
Subject:	Geographical Information System Contract Renewal
Total Value:	£135,970 over 3 years (Type: Revenue)
Decision Being Taken:	To approve a 3 year maintenance and support contract with a total value of £135,970 for corporate GIS software (met from the existing budget provision), and to agree to dispensation from tendering requirement under Contract Procedure Rule 5.1.2 under Financial Regulations 3.29.

Reasons for the Decision(s)

The decision needs to be taken as support and maintenance is due for renewal. The Council currently uses the GIS (supplied by ESRI UK Ltd) as a corporate data management, mapping and analytical solution in support of a number of key business functions, statutory responsibilities and customer facing web services. The solution also integrates with a number of key ICT business systems to ensure daily business processes are delivered.

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 and/or guidance is required.

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. This means that products and services required cannot be tendered for.

There are no viable technology alternatives to this software system without additional capital and revenue costs incurred as a result of re-licensing, consultancy and staff re training costs at this time.

Although support and maintenance costs have increased year on year, the annual maintenance paid for the system has steadily reduced as a result of rationalisation activities and process improvements. Entering into a 3 year contract offers value for money through reducing costs, as well as safeguarding against known software price increases of 3% this year and any future cost increases.

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. Over time this would also prevent integration with other business systems across the Council and directly impact upon other operational business processes. 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.

3) A collaborative agreement with other local authorities within the vicinity. Following a discussion concerning support and maintenance with colleagues within other districts this option was rejected due to the limited cost saving opportunities, and the differences in deployment and maturity levels between organisations. It would also add an administrative burden upon the City Council.

4) Rationalise and reduce existing products that fall under support and maintenance. This option has partly been accepted in order to keep costs in line with previous spending

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:	None
Equality:	EIA not required. Reasons: EIA not required. The decision relates to the continuation of software maintenance and support, and by its nature will not have an equalities impact.
Social Value Considerations:	n/a
Major Implications for IT:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	18/01/2018
Advice Sought:	Legal, Finance, Procurement, IT
Legal Advice:	This report does not raise any significant legal issues and based on the information provided the request for a dispensation from Financial Regulations is supported. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 19/12/2017.
Finance Advice:	There is budget available to support the purchase, the costs will be supported by IT budget and Information Management Service budget. Advice provided by Manage Bryce (Senior Commercial Business Partner) on 20/12/2017

Procurement Advice:

The request is for dispensation from CPR 5.1.2 in order to continue receiving support and maintenance for our corporate GIS system for a further three years. The current provider holds the IPR for this software, so the Authority is unable to buy this support elsewhere. As such there are no significant procurement concerns with this proposal. Advice provided by Rosalie Parkin (Category Manager) on 11/12/2017.

IT Advice:

The IT Service supports the proposals contained within this delegated decision.
The Council has dependence upon software purchased from third party suppliers in order to deliver services to Citizens. This commercially provided software depends upon supplier's support, through maintenance agreements of the type proposed, to provide bug fixes, upgrades, etc. These services are required in order to provide continuity of service.
Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 12/12/2017.

Signatures

Toby Neal (Portfolio Holder for Community & Customer Services)
SIGNED and Dated: 11/01/2018
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 05/01/2018
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 29/12/2017
Chief Finance Officer's Comments: