

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3060

Author:

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Department:

Strategy and Resources

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Subject:

Software Maintenance Renewal for 5 Systems 2018-2019

Total Value:

£279,000 (Type: Revenue)

Decision Being Taken:

1. To dispense with Financial Regulation 3.29 and agree to the proposed licence and software maintenance extensions (for a period of up to 2 years) with the contractors, for the systems, outlined in appendix A.
2. To approve a total spend of £279,000 over 2 years for the renewal of the 5 licence and software maintenance extensions, as outlined in appendix B, to be met from the IT revenue budget.

Reasons for the Decision(s) Each year the Council must purchase software maintenance in order to receive technical support, updates, etc. for these five 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 costs.

The five IT systems have been in use by the Council for many years and there have been considerable investments in licences, implementation, training etc.

A review of all these systems is undertaken each 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 two 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.

Briefing notes documents: Appendix A Justification for Software renewals.docx, Appendix B Five Software Systems.xls

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: None

Published Works: Software Maintenance Renewal for 9 Systems - Decision 2731 (10/02/2017)

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: Purchase of software not directly used by colleagues and citizens.

Major Implications for IT: Yes

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 08/02/2018

Advice Sought: Legal, Finance, Procurement, IT

Legal Advice: It is not considered that this procurement gives rise to any significant legal concerns. The legal section will be able to assist.
Advice provided by Brian Lewis Stewart (Solicitor) on 09/01/2018.

Finance Advice: The value of the decision (£279k) is based on the estimated cost of renewing 5 separate contracts for software maintenance for a period of up to two years. Details of the systems, proposed suppliers and an estimated cost for each renewal are set out in Appendix A and B of this report. The cost of the renewals will be met from existing provisions within IT revenue budgets as incorporated within the Medium Term Financial Plan.

Dispensation from Contract Procedure Rule 5.1.2 is being sought in accordance with Financial Regulation 3.29 on the grounds of operational efficiency and continuity because there are no viable technological alternatives to the current systems in the short to medium term. Value for money will be pursued in the medium to long term through an ongoing review of system maintenance requirements and via specific tendering / procurement exercises.

Advice provided by Hayley Mason (Strategic Finance Business Partner) on 20/12/2017.

Procurement Advice:

Dispensation from CPR 5.1.2 is being sought in this instance as only the company which owns the intellectual property rights can provide the maintenance on their software and this means that separate support and maintenance for the software in question cannot be tendered for. In addition, 3 of the 5 systems in question (Rent Accounting, Hornbill and Macfarlane) are only being extended for one year whilst other solutions are being put in place so a re-tendering exercise would not be suitable or cost effective. In these circumstances a dispensation is supported as there are no significant procurement concerns.

Advice provided by Rosalie Parkin (Category Manager) on 02/01/2018.

IT Advice:

The IT Service support the proposals made in this delegated decision. The recommendation is to continue to purchase from system providers' support and maintenance for their systems. The systems identified are used by colleagues to provide services to citizens and disruption to these caused by technical failure, software that has become out of date because 'patching' has not been made, etc. would have an adverse impact on service delivery and productivity. The purchase of on-going support for the systems is a means of managing this risk and of providing access to system improvements and suppliers' expert advice. Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 20/12/2017.

Signatures

Toby Neal (Portfolio Holder for Community & Customer Services)
SIGNED and Dated: 31/01/2018
Candida Brudenell (Corporate Director for Strategy and Resources)
SIGNED and Dated: 31/01/2018
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 31/01/2018
Chief Finance Officer's Comments: