

Nottingham City Council Delegated Decision



Nottingham
City Council

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| Reference Number: | 3336 |
| Author: | Michael Megaw |
| Department: | Strategy and Resources |
| Contact: | Michael Megaw (Job Title: Senior Analyst - Financial Systems, Email: michael.megaw@nottinghamcity.gov.uk, Phone: 63299) |
| Subject: | Extension of CivicIcon Contract |
| Total Value: | £160 000 (Type: Revenue) |
| Decision Being Taken: | <ul style="list-style-type: none">i) To extend the contract for CivicIcon for two yearsii) To delegate authority to the Strategic Director of Finance to agree the final terms of the agreementiii) To delegate authority to the Strategic Director of Finance to utilise any optional extensions to the contract, subject to satisfaction that to do so provides value for money |
| Reasons for the Decision(s) | <p>The original Delegated Decision 2431 approved a contract for three years with the option to extend for two years at one year increments. The three year contract comes to a conclusion in March 2019. This decision seeks approval to extend the funding for a further two years as outlined in decision 2431. ICN handles the vast majority of the City's income with transaction information passed from a number of line of business systems to ICN. The present contract was for a three year period with two options to extend for a further one year period. There is now a wish to take up the option to extend for a further two years on a year by year basis whilst the Fit for the Future Project is concluded. A review of how income is managed and the software supplier is scheduled to take place after the Fit for the Future project is concluded.</p> <p>Significant improvements as outlined in the original delegated decision have been realised and further opportunity exists to improve customer experience, introduce payment channel change, increase channel choice and improve financial process efficiency.</p> <p>UPDATE: Advice from Civica that that Enterprise will need to be extended. Total costs have been revised to reflect this. Contract Extension document has been uploaded. Discount will be given if the purchase order is received by Civica by 30/11/2018</p> |

Other Options Considered: i) Do nothing - this will result in the City no longer being able to collect income. Therefore this option has been rejected.
ii) Tender for an alternative - a full tender would likely take too long to implement and with Fit for the Future underway resource is limited; this would also create significant interface risks if the two major financial systems are changed simultaneously. Therefore this option has been rejected.

Background Papers: None

Published Works: Delegated Decision 2431 '3 year (+1+1 optional extension) Income Management Enterprise Licence'

Affected Wards: Citywide

Colleague / Councillor Interests: None

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: None

Equality: EIA not required. Reasons: An EIA is not required because it is an extension of existing contract and not a new policy or service.

Any implications affecting IT: Yes

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 10/12/2018

Advice Sought: Legal, Finance, Procurement, IT

Legal Advice: This report raises no significant legal issues as the decision is to exercise an option to extend which is contained in the contract. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 05/10/2018.

Finance Advice:

This decision seeks approval to extend the CivicCON Contract for a period of one year commencing April 2019 with the possibility of extending for a further year.

The total cost of this decision for the maximum 1+1year contract period is £160,000.

The cost of this decision can be met from existing revenue budgets (see split below), as incorporated in the MTFP.
 £79,980 - IT revenue budget (£39,990 per annum)
 £80,020 - Finance revenue budget (£40,010 per annum)

The original contract period was set based upon the possibility that the main financial system tender could include an income management function. As the option chosen did not include this functionality, there is a need to continue with a separate system for this.

This decision represents value for money as the risks associated with changing the main income collection system at the same time as the Council's main HR & Finance system far outweigh any potential saving from re-tendering the system at this time.

Advice provided by Hayley Mason (Strategic Finance Business Partner) on 17/10/2018. Advice provided by Hayley Mason (Strategic Finance Business Partner) on 20/11/2018.

Procurement Advice:

This report raises no significant concerns from a procurement perspective as the original contract allowed for the extension periods as requested in this decision. Advice provided by Steve Oakley (Head of Contracting and Procurement) on 07/11/2018.

IT Advice:

The IT Service support the proposals included in this delegated decision.
 The CivicCON product is established and there is some merit in maintaining a consistent set of financial systems whilst the 'Fit for the Future' programme is implemented. Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 07/11/2018.

Signatures

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| Graham Chapman (PH for Finance, Resources and Commercial Services) |
| SIGNED and Dated: 30/11/2018 |
| Candida Brudenell (Corporate Director for Strategy and Resources) |
| SIGNED and Dated: 29/11/2018 |