

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3785
Author:	Anne Clarke
Department:	Strategy and Resources
Contact:	Anne Clarke (Job Title: Team Leader, Email: anne.clarke@nottinghamcity.gov.uk, Phone: 01158763155)
Subject:	Software Maintenance Renewal for Seven Systems 2020-2023
Total Value:	£992,500 (Type: Revenue)
Decision Being Taken:	<ol style="list-style-type: none">1) To dispense with Financial Regulation 3.29 and agree to the proposed licence and software maintenance extensions (for a period of up to 3 years) with the contractors, for the systems as outlined in Appendix A.2) To approve a total spend of £992,500 over 3 years for the renewal of the seven licence and software maintenance extensions as outlined in Appendix B, to be met from the IT revenue budget.3) To delegate acceptance and signing of these seven licence and software renewals to the Head of IT.
Reasons for the Decision(s)	<p>Each year, the Council must purchase software maintenance in order to receive technical support, updates, etc., for seven 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 seven 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.</p> <p>Appendix A details the justification to continue with these systems. Appendix B provides details of the annual costs. It should be noted that only the company that 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.</p>
Briefing notes documents:	Appendix A Justification for Software renewals 2020.docx, Appendix B Seven Software Systems 2020.xlsx

Other Options Considered:	To do nothing is not a feasible option, as it would leave the Council without any software support for major systems that are crucial in providing services to its citizens.
Background Papers:	None
Published Works:	Delegated Decision 3314: Software Maintenance Renewal for 4 Systems 2019-20 (https://committee.nottinghamcity.gov.uk/ieDecisionDetails.aspx?ID=4633)
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: The purchase of the software does not represent a change to a policy, service or function.
Any implications affecting IT:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	12/02/2020
Advice Sought:	Legal, Finance, Procurement, IT

Legal Advice:

This procurement does not give rise any material legal concerns. Legal are available to assist with the procurement.

Advice provided by Brian Lewis Stewart (Solicitor) on 23/01/2020.

Finance Advice:

This decision seeks approval to renew seven IT systems for a period of up to 3 years at a total cost of £992,500. The funding of this decision is split between the IT Efficiency Fund (ITEF) and existing IT revenue budgets as follows:

ITEF

2020/21 - £60,000

2021/22 - £60,000

IT revenue

2020/21 - £320,500

2021/22 - £272,000

2022/23 - £280,000

Details of the cost per system can be found in Appendix B, as provided by the IT service. The service will need to ensure all contracts are spent in accordance with current budget provision and ensure any previous years MTFP savings are being achieved. No financial pressure is expected as a result of this decision. The profiling of the above costs have been considered in the ITEF forward plan and are affordable from within this budget. It is to be noted however that there are further IT projects within the ITEF forward plan that are yet to be approved. The current balance of the ITEF funding is insufficient to fund all of these projects therefore careful consideration when prioritising projects is a must in order to maximise the ITEF funding and support corporate needs.

The decision seeks dispensation from Contract Procurement Rule 5.1.1 in accordance with Financial Regulation 3.29 to directly award to the current suppliers due to compatibility and intellectual property rights reasons. A review has been undertaken to ensure the effectiveness and value for money of the systems is being achieved.

Advice provided by Philip Gretton (Finance Analyst) on 06/01/2020.

Procurement Advice:

This report seeks approval using clause 3.29 of the Financial Procedure Rules on grounds of operational issues, to dispense with the requirement under clause 5.1.2 under the contract procedure rules to seek tender responses for the reasons as outlined by the report author. If dispensation is granted, then the requirements of the contract procedure rules will be satisfied and there will be no procurement concerns.

Advice provided by Mabs Karim (Procurement Officer) on 08/01/2020.

IT Advice:

The IT Service supports the proposals contained within this delegated decision. The proposals will allow the Council to continue to receive support and maintenance for systems in use. Software systems are regularly 'patched', provided with software updates to fix bugs, and upgrades, to improve functionality and ensure legislative compliance. If maintenance agreements are not sustained and systems kept up-to-date then there is a risk that systems will be vulnerable to cyber-attack resulting in loss of data and services and that systems may cease to function in the optimum manner for delivery of Council services. Payment of licences also provides the Council with access to suppliers' support services in the event of incidents occurring that cannot be resolved by the Council's own resources.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 12/12/2019.

Signatures

David Trimble (Portfolio Holder for Leisure, Culture and IT)
SIGNED and Dated: 03/02/2020
Candida Brudenell (Corporate Director for Strategy and Resources)
SIGNED and Dated: 03/02/2020
Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 27/01/2020
Chief Finance Officer's Comments: