

CABINET

19th September 2017

MAINTENANCE CONTRACT FOR THE REVENUES AND BENEFITS SYSTEM

Report of the Director for Resources

Strategic Aim:	Sound financial planning and workforce planning	
Key Decision: Yes	Forward Plan Reference: FP/140717/09	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Oliver Hemsley, Deputy Leader and Portfolio Holder for Growth, Trading Services and Resources (Except Finance)	
Contact Officer(s):	Saverio Della Rocca, Assistant Director - Finance	01572 758159 sdellarocca@rutland.gov.uk
	Andy Nix, Head of IT and Customer Services	01572 758360 anix@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the renewal of the Civica Maintenance contract at a cost of £45,000 from 01/10/2017 to 30/09/2022 in accordance with Regulation 32 of the Public Sector Contract Regulations 2015.
2. Approves the renewal of the Civica Remote Database Administration contract on an annual basis at a cost of £15,000 from 01/04/2018 to 30/09/2022 in accordance with Regulation 32 of the Public Sector Contract Regulations 2015.

1 PURPOSE OF THE REPORT

- 1.1 To seek approval to renew the maintenance and remote database administration contacts with Civica UK Limited (Civica) to ensure the optimum running and support of the system until 30th September 2022.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The Civica system is the main software system for the administration of the revenues and benefits service. The system is fit for purpose and the Council has no plans to change it. The current contract is due to expire in December 2018. The annual ongoing maintenance and remote support costs are £62.7k and £15.5k respectively.
- 2.2 The system requires ongoing maintenance and remote support to ensure that it continues to function correctly and to provide updates to comply with changes to legislation.
- 2.3 There are no other providers with the familiarity and expertise required to maintain and support the Civica system. The proposal therefore is to renew the current contracts.

3 CONSULTATION

- 3.1 The Council is not required to consult on this matter.

4 ALTERNATIVE OPTIONS

- 4.1 The Council could choose not to renew the contracts and undertake a full procurement exercise for a replacement revenues and benefits system. This option has not been recommended for the following reasons:
- The current system works well and is fit for purpose.
 - A system change is likely to increase cost - there are currently only three significant providers in the market place for a revenues and benefits systems: Capita (Academy), Northgate and Civica. The estimated cost of converting to an alternative system is approximately £280k which exceeds the five year continued maintenance cost and would be a significant and highly complex programme of work. There would be additional costs incurred to backfill key staff resources allocated to work on the project. The conversion would be complex and require a significant amount of time and internal resources to complete and performance and collection rates would be impacted during this time.
 - Extending the existing contracts will deliver savings as highlighted in Section 5.

All of these reasons and a lack of cashable benefit leads to the recommendations in this report.

5 FINANCIAL IMPLICATIONS

- 5.1 The current contract costs are £62.7k per annum for ongoing maintenance and

£15.5k per annum for remote database administration.

- 5.2 Officers have negotiated revised contract costs of £45k and £15k (subject to annual inflation). This will give a saving of £18.2k per annum which is a total of £91k over the life of the contract.
- 5.3 There will be a small in year saving of £8.8k as officers have been able to secure an early termination of the current contract to allow savings to be made as early as possible.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The Council has duties under various pieces of legislation relating to the payment of benefits and it also has powers to raise revenues. The Civica system is able to carry out these functions.
- 6.2 The Council procured the Civica system in 2005 and after this date has also purchased a remote database administration support package which is specific to the Civica system.
- 6.3 The recommendation in this report supports the continuation of the ongoing maintenance and remote database administration support package for the Civica system from 1/10/2017 to 30/09/2022. The lifetime value of the contract is £300k and therefore requires to be let in accordance with the Public Contract Regulations 2015 (this includes OJEU requirements). However, the reality is that the support and maintenance of the Civica system can only be provided by the provider of the system. However, as the contract is over the OJEU limit of £167k, no exemptions can be approved by Officers under Contract Procedure Rules hence Cabinet is being asked to exercise the flexibility given in Regulation 32 of the Public Contract Regulations.
- 6.4 Regulation 32 of the Public Contract Regulations 2015 allows contracting authorities in specific cases and circumstances to award public contracts by negotiated procedure without advertising the opportunity.
- 6.5 Regulation 32(2)(b)(ii) provides that the negotiated procedure without prior publication can be used where the service required can only be supplied by a particular economic operator and competition is absent for technical reasons.
- 6.6 On the basis that the Civica system requires specific technical support, the only supplier that can provide that support and maintenance is the supplier of the Civica system itself.
- 6.7 In compliance with Regulation 32 PCR 2015 and Article 32 EU Directive 2014/24/EU, exclusivity due to technical reasons is justified in this case due to the necessity to use the means which only one economic operator has at its disposal. Technical reasons also derive from specific interoperability requirements which must be fulfilled in order to ensure the functioning of the services procured.

7 EQUALITY IMPACT ASSESSMENT

- 7.1 An Equality Impact Assessment has not been completed because there are no service, policy or organisational changes being proposed.

8 COMMUNITY SAFETY IMPLICATIONS

8.1 There are no community safety implications arising from this report.

9 HEALTH AND WELLBEING IMPLICATIONS

9.1 There are no health and wellbeing implications arising from this report.

10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

10.1 The Civica system is the main system for the administration of the Revenues and Benefits service area. The Council has no plans to change the system. The system requires ongoing support and maintenance to optimise performance and ensure compliance with legislation changes. It is therefore recommended that the contract with Civica is renewed as they are the only supplier that can support the system.

11 BACKGROUND PAPERS

11.1 There are no additional background papers.

12 APPENDICES

12.1 There are no appendices.

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