

18<sup>th</sup> November 2019

## **Executive Member for Finance & Performance**

Report of Assistant Director, Customer & Digital Services

### **Approval of ICT procurements with a whole life contract value of over £250k**

#### **Summary**

- 1) The report will present the proposals to renew or replace any core ICT systems in the council with a whole life contract value of over £250k. These have been defined as non-key routine procurements as per the council's contract procedure rules and expenditure will fall within existing capital and revenue budget provisions.

#### **Recommendations**

- 2) The Executive Member is asked to approve:
  - the extension to the payments system contract in order to secure capital savings and avoid increases in revenue costs for the next 5 years (Annex A);
  - agree the replacement document management system as recommended with a new procurement rather than an upgrade to the existing system (Annex B).

*Reason: To ensure that councillors consider routine procurement decisions over £250k in value in line with procurement regulations and the public have the opportunity to see transparent decision-making in operation relating to major procurements.*

#### **Background**

3) The contract procedure rules state:

7.7 Where the aggregate contract value (including any extension) is between £250,000 and less than £500,000 then the decision to enter the contract requires the approval of an Executive Member or the Executive unless the procurement is treated as Routine as defined in clause 7.9.

7.8 Where the aggregate contract value (including any extension) is £500,000 or more the decision will be regarded as a Key Decision unless the Chief Finance Officer acting in consultation with the Monitoring Officer has approved the procurement as Routine.

7.9 A Routine procurement is any arrangement that represents a low commercial and legal risk to the Council and relates to procurement of goods, services or works with a clearly defined specification and that clearly relate to the routine day to day operation of the Council. Routine procurements will be limited to items such as utilities, insurance or stationery. Where Officers consider a procurement process may be Routine, they are required to liaise with Commercial Procurement who will advise on the relevant paperwork to be submitted to the Chief Finance Officer. Authorisation to treat a procurement as Routine must be sought before the procurement process commences. A Director may enter a Contract where the procurement has been treated as Routine. An updated register of routine procurement must be presented regularly to the Executive Member for Finance and Performance.

4) It has been agreed for transparency that that whilst the procurements in the annexes have been agreed as routine by the Monitoring Officer and the Acting Section 151 Officer (Chief Finance Officer), and approved by the relevant Chief Officer, each decision will be approved by the Executive Member for Finance and Performance rather than presented in a register.

5) Whilst in some cases the procurement route will be indicated in the annex, as a general rule the most appropriate procurement route will be used in line with professional procurement advice, as determined at the time the council is ready to issue the related specification.

### **Consultations**

6) The council's officer ICT Board, Directorate Management Team and statutory officers have been consulted in the formation of the recommended decisions in this report.

### **Options/Analysis**

7) Any options and analysis considered will be contained within the annexes.

## Council Plan

- 8) Outcomes achieved by the activities covered in this report help to deliver all services across the council, but particularly support the Council Plan 2019 - 23 priority of An Open and Effective Council in supporting the delivery of digital services.

## Implications

- 9)
- a. **Financial:** The procurements will fall within existing capital and revenue budget provisions.
  - b. **Human Resources (HR):** Additional resources will be required to deliver either option of the Document Management System solutions, and existing budget provisions will be utilised for this purpose.
  - c. **Equalities:** None
  - d. **Legal:** The procurement exercise will be undertaken in accordance with the Council's Contract Procedure Rules and the Council's Financial Standing Orders.
  - e. **Crime and Disorder:** None
  - f. **Information Technology (ICT):** As covered in the Annexes
  - g. **Property:** None
  - h. **Other:** None

## Risk Management

- 10) The controls and evidence in this report mitigate/minimise risks associated with the impacts of:
- availability of core systems that the council relies upon on a day to day services;
  - compliance with government security requirements such as the Public Service Network (PSN) requirements, which allows council officers to access government systems as part of their work;
  - compliance with Data Protection/GDPR regulations;
  - with regard to Annex A avoids price increases in the medium term;
  - futureproofing core platforms that digital services rely upon.
- 11) Procurement risks will be minimised by following Procurement Team advice on procurement routes including use of frameworks. Where frameworks

exist for procurements, for example through the Crown Commercial Service or Yorkshire Purchasing Organisation, the buying of common goods and services is consolidated, so that public sector organisations with similar needs achieve value by buying as a single customer. Suppliers tender to get onto the frameworks (including checks such as insurance and PSN compliance), most frameworks have a maximum rates/product costs built in as part of the initial tender, and the suppliers will still compete within the framework to offer the cheapest prices. Also frameworks themselves have to be renewed every four years or sooner which provides a complete re-valuation of the suppliers' offers on a value for money basis.

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**Report Approved**

**Date** 7/11/2019

**Specialist Implications Officer(s)**

Financial: Debbie Mitchell, Corporate Finance & Commercial Procurement Manager  
Legal: Interim Assistant Director - Legal and Governance

**Wards Affected:** *List wards or tick box to indicate all*

**All**

**Annexes:**

Annex A Payment System Procurement  
Annex B Document Management System (DMS) Procurement

**Background Papers:** The Council's Constitution – **Section 4G – Contract Procedure Rules**

<https://democracy.york.gov.uk/ecSDDisplay.aspx?NAME=SD2467&ID=2467&R PID=22470570>

**List of abbreviations used in this report:**

CYC City of York Council

PSN	Public Services Network
ICT	Information & Communications Technology
GDPR	European General Data Protection Regulation
k	Thousand