

13 December 2021

Executive Member for Finance & Performance

Director of Customer & Communities

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

Summary

- 1) The report presents details of a procurement to renew or replace a core ICT system in the council with a whole life contract value of over £250k. This is defined as a non-key routine procurement as per the council's contract procedure rules and expenditure will fall within existing capital and revenue budget provisions. The details of the reprocurement of the council's HR and Payroll system is contained at the annex to this report.
- 2) Exceptionally this is a retrospective report to meet the requirement for transparency regarding procurements of this nature. In this case due to contract renewal timescales and the critical nature of the system involved it has not been possible to present details of this procurement at a scheduled Executive member Decision Session in advance (approved instead by published officer decision in line with the council's Constitution).

Recommendation

- 3) The Executive Member is asked to note the reprocurement of a HR & Payroll system for the council at a total three year cost of £343k as laid out in the attached Annex A.

Reason: To ensure the 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

- 4) The council's 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.”

- 5) It has been agreed for transparency that that whilst the procurement in the annex have been agreed as routine by the Monitoring Officer, the Chief Finance Officer and relevant Chief Officer each decision will be scrutinised by the Executive Member for Finance and Performance rather than presented in a register. In this case due to contract renewal timescales this has not been possible and so further scrutiny will be provided in this public Executive Member Decision Session following the publication of the officer decision. The officer decision was published on the council's website on 28th October 2021 and can be found here:
<https://democracy.york.gov.uk/ieDecisionDetails.aspx?ID=6318>
- 6) 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

- 7) The council's officer ICT Board and statutory officers have been consulted in the formation of the recommended decisions in this report.

Options/Analysis

- 8) Any options and analysis considered will be contained within Annex A.

Council Plan

- 9) 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

- 10)
 - a. **Financial:** The procurement will fall within existing capital and revenue budget provisions.
 - b. **Human Resources (HR):** Non approval of this procurement will have serious implications in respect of essential HR and payroll processes and could impact on the delivery of all services delivered by the schools and those organisations who contract with the council to deliver their payrolls.
 - c. **Equalities:** None
 - d. **Legal:** The procurement exercise was 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

11) The controls and evidence in this report mitigate/minimise risks associated with:

- the impacts of availability of core systems that the council relies upon and without which day to day services would be impacted;
- future-proofing of core platforms that digital services rely upon.

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Chief Officers Responsible for the report:

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Report Approved



Date 30/11/2021

Specialist Implications Officer(s)

Financial: Debbie Mitchell, Chief Finance Officer
Legal: Janie Berry Director of Governance

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

All



Annexes:

Annex A – HR & Payroll System Procurement

List of abbreviations used in this report:

CYC	City of York Council
HR	Human Resources
ICT	Information & Communications Technology
k	Thousand