

**DEPUTY LEADER**  
**3rd February, 2015**

Present:- Councillor Hoddinott (in the Chair); Councillors Sims and Tweed.

**D37. MINUTES OF THE PREVIOUS MEETING HELD ON 23RD JANUARY, 2015**

Consideration was given to the minutes of the previous meeting held on 23rd January, 2015.

Reference was made to Minute No. D34(2) – (Post Abuse Support) and the finalisation of the Post Abuse Strategy Needs Analysis document which would now be provided for Elected Members.

With regards to Minute No. D35 (Child Sexual Exploitation Support Services Strategy) it was noted that this information, as per Recommendation 2, had now been circulated to all Elected Members.

Resolved:- That the minutes of the previous meeting be approved as a correct record for signature by the Chairman.

**D38. FINANCIAL SYSTEMS MANAGED SERVICE RENEWAL - EXEMPTION FROM STANDING ORDERS**

Consideration was given to a report presented by Richard Douthwaite, Finance Manager, which sought an exemption from Standing Order 48.1 (requirement to invite three to six tenders for a contract with an estimated value of £50,000 or more) in order to contract directly with Advance Business Solution (ABS), as the proprietary provider of Cedar e5, in respect of providing a Managed Service for the hosting and support of the Council's financial systems and thereby enabling Financial Services and Procurement Services to deliver its services.

In July, 2011, the e5 and other financial systems were hosted with Advance Business Solution to enable Financial Services to deliver and underpin the objectives of the Financial Services' review and to support the Council's wider objective of delivering more for less without compromising the level or quality of services. As the contract was approaching its renewal date, October 2016, the Council's Procurement Service were asked to identify other suppliers capable of providing similar services with the aim of undertaking a full procurement exercise to introduce competition in to the process, allowing for sufficient lead in time to enable any resulting negotiations and implementation to take place whilst avoiding adverse impact on business critical activities such as close down and budget setting. Investigations have revealed that there were no other providers in the market place who were capable or have any experience of hosting and supporting the e5 system. The estimated annual value of the contract was £125.5k.

Additionally, approval was sought to publish a European Union (EU) Voluntary Ex-Ante Transparency (VEAT) notice for ten days which was to be published aiming at notifying suppliers of the fact that the Council did not plan to issue an invitation to tender thereby giving them the opportunity to make contact and offer their services prior to the contract being awarded.

The Chairman sought clarification on the period of the contract, the reason for the exemption from Standing Order request, the procurement process and confirmation of whether there were any other providers that could support the contract.

The Finance Manager confirmed the contract was for a period of five years and the reason for the exemption from Standing Order request was because current market testing had shown that alternative providers were unable to provide similar levels of support having no experience of supporting e5, which was confirmed by Procurement Services and Legal Services.

Investigations have also revealed that the market place was not mature enough to provide such an offering, with suppliers only able to provide the hardware platform, but were unable to provide the application support remarking that they would need to put a back to back contract in place with Advance Business Solutions to provide this support, ultimately leading to further complexity and increasing costs.

Councillor Sims, Adviser, sought advice on the contract renewal dates and whether the managed service contract and the financial systems contract aligned to each other to allow for a full tendering process in the future.

The Finance Manager reported that this contract only related to the managed service elements and would allow for an upgrade on the software solutions to include shared services in the future. There was scope in the future to look at the overall system to consider its overall viable functionality when the need arose.

The Chairman asked about current market testing which had shown that alternative providers were unable to provide similar levels of support and why a tendering process had not been pursued to confirm this. It was acknowledged that market testing had been undertaken, but confirmation in writing was required to confirm that the contract could not be delivered by any another supplier.

The Finance Manager explained about the process undertaken by Procurement Services to identify any other suppliers and it was noted that investigations have revealed that there were no other providers in the market place who were capable or have any experience of hosting and supporting this system. This was endorsed by Legal Services.

The current supplier had a proven track record of providing acceptable levels of support and system resilience and as current market testing had shown introducing a new supplier could inevitably introduce unacceptable levels of risk not only affecting the delivery of services by Financial Services and Procurement Services, but the Council's ability to manage its finances.

The Chairman asked for confirmation from the Finance Manager that Advanced Business Solutions were the only practical option for providing the service and this was confirmed by the Finance Manager. The Chairman also asked for confirmation from procurement and legal, by email, that they agreed with the proposed approach.

The Chairman asked for it to be noted that it was helpful and assuring that a VEAT notice was proposed to be issued

Resolved:- (1) That written confirmation be received from Procurement Services and Legal Services that there were no alternative providers who were able to provide similar levels of support and following confirmation an exemption from Standing Order 48.1 (requirement to invite three to six tenders for a contract with an estimated value of £50,000 or more) be granted and Advance Business Solutions be appointed to provide a ICT managed Service for Cedar e5.3 and ancillary reporting systems be approved for a period of five years.

(2) That a procurement exercise be undertaken at the end of the renewed contract to determine whether the market has matured.

(3) That negotiations be commenced immediately with Advance Business Solution to review current contract costs and services with the aim of achieving improved value for money.

(4) That the publication of an EU VEAT notice be welcomed as a safeguard and approved.

#### **D39. DATE AND TIME OF THE NEXT MEETING**

Resolved:- That the next meeting of the Deputy Leader and Advisers take place on Tuesday, 17<sup>th</sup> March, 2015 at the time of 4.30 p.m. with a briefing at 4.00 p.m.