

Report to Council

**Subject: Waiver of Contract Standing Orders – Waste and Grounds
Maintenance IT System Contract**

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Purpose of the Report

- 1 To request a waiver of Contract Standing Orders to enable the Council to enter into a new contract with Bartec to continue to maintain and support the existing waste and grounds maintenance IT system.

Background

- 2.1 Following a joint European tender exercise with two other Nottinghamshire authorities the current waste management IT system was acquired from Bartec, the contract for which commenced 28th February 2011. The initial contract was for the provision of a waste software management solution which included the purchase of software and equipment; and the provision of ongoing support and hosting services. During May 2015, the functionality of the system was expanded to enable its use for the grounds maintenance. The initial contract has expired and the Council has a number of options. It is important that the Council continues to have a digital solution for waste and grounds management and does not revert back to the previous paper based systems. With this in mind, new software and equipment could be procured to replace the existing system and software: alternatively the Council could continue to use the software and equipment and enter into a new contract with Bartec to provide continued support and hosting services. The Council has enjoyed a successful relationship with Bartec over the period of the contract and is satisfied that the system and equipment are of a high quality.
- 2.2 The Council's Contract Standing Orders require tenders to be invited where the estimated value or amount of a proposed Contract exceeds £50,000. Exemption from this provision may be made by direction of the Council where it is satisfied that the exemption is justified in special circumstances. Such a waiver cannot be given where the contract value exceeds the E.U. threshold unless an exemption is available under the E.U. Procurement Regulations.

2.3 The purpose of the Council's Contract Standing Orders is to:

- achieve value for money
- be consistent with the highest standards of integrity
- ensure fairness in the allocation of contracts
- ensure compliance with legal requirements
- prevent fraud and corruption
- protect the interests of the Council and its employees.

2.4 The value of the contract exceeds £50,000, but falls under the E.U. threshold (currently in excess of £170,000) therefore tenders should be invited or a Framework Agreement used in accordance with Contract Standing Orders.

Proposal

3.1 It is proposed that Council approve the waiver of Contract Standing Orders to enable a new contract to be entered into with Bartec for continued hosting services and maintenance and support for the existing waste and grounds maintenance IT system. The agreement would commence 1st May 2017 for a period of five years.

3.2 It is considered that there are special circumstances to agree a waiver in this case. Soft market testing indicates that the cost of changing to a new supplier, including all procurement, implementation and new equipment costs would be considerably greater than the cost of remaining with the current provider. A tendering process would take approximately 10 months from commencement to award of contract. Implementation of a new system would then take a further minimum 6 months. Officers are of the opinion that the existing system remains fit for purpose and still offers the functionality required and therefore disruption to processes and staff arising from introducing a new a system and equipment can be avoided.

3.3 The original tender evaluation exercise demonstrated that the functionality provided by each of the major IT system suppliers is broadly equivalent and there is no evidence that there would be any particular benefits to be gained from improved functionality by going out to the market. Indeed, a significant amount of development work on the existing system has been undertaken with further developments still possible to unlock the full potential of the system and so ensure further efficiency improvements are secured.

3.4 The more recent addition of the Grounds Maintenance functionality essentially means that the implementation journey is at an earlier stage

compartmented with the Waste Management side of the system and, consequently, there may be lost opportunities if a decision to procure a new solution was taken.

- 3.5 A 15% reduction in cost has been agreed with the supplier with effect from the commencement of the new contract. Further detail is included in exempt Appendix 1. The reduction in cost represents a saving for the Council.
- 3.6 In summary, it is considered that entering into a further contract with Bartec will achieve value for money and enable the continued use of an existing system which remains fit for purpose and still offers the functionality required

Resource Implications

- 4 The cost of the proposed new contract with Bartec can be accommodated within existing base budgets.

Appendices

- 5 Exempt Appendix 1 – Contract pricing information

Recommendation

- 6 It is recommended that Contract Standing Orders are waived to enable the Council to enter into a new agreement with Bartec for a period of 5 years to continue to provide hosting services and support and maintenance of the existing waste and grounds maintenance IT system.