
To: The Finance, Resources and Customer Services Policy Board

On: Wednesday 11 November 2020

Report by: Chief Executive and the Director of Finance and Resources

Heading: Contract Authorisation Report for the Support, Maintenance and Hosting of Business World

1. Summary

- 1.1 The purpose of this report is to seek approval of the Finance, Resources and Customer Services Policy Board to award a negotiated contract for the Support, Maintenance and Hosting of Business World.
- 1.2 The procurement exercise was conducted in accordance with the Renfrewshire Council's Standing Orders Relating to Contracts and the Public Contracts (Scotland) Regulations 2015.
- 1.3 The request to negotiate was approved by the Strategic Commercial Procurement Manager on 14 May 2020. An addendum to the request to negotiate altering the contract length and value previously requested was also approved by the Strategic Commercial Procurement Manager on 7 October 2020.
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2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise the Head of Corporate Governance to:
- 2.1.1 Award the contract for the Support, Maintenance and Hosting of Business World to Unit 4 Business Software Limited following completion of negotiation on the terms to the satisfaction of the

Head of Corporate Governance and the Director of Finance and Resources.

- 2.1.2 The Contract will be for a period of 8 years from the Date for Commencement of Services ("Go-live Date") plus the option to extend for a year, on 2 separate occasions. It is anticipated that the Contract will start on 27th November 2020 to allow time required as noted in 3.2.
- 2.1.3 The Contract value will be £475,000 per annum excluding VAT plus an annual increases attributable to the Consumer Price Index. These will be applied annually throughout the life of the contract including the extension periods if taken up. The total Contract value including all extension periods if utilised will be £4,750,000 excluding VAT plus any annual CPI increases.
- 2.1.4 The Contract will allow additional exceptions of cost for Licence Scalability. This will be required should the number of Self-Service Users within the Council increase and additional licences need to be added during the contract duration. Therefore, there will be a contingency value of 10% of the annual contract value for Licence Scalability.

3. **Background**

- 3.1 The Council awarded a Contract for the Supply and Implementation of an Enterprise Resource Planning (ERP) Solution ("ERP Contract") on 19 July 2016 (the Effective Date). This current Contract is due to expire on 31 March 2021. The Council requires a replacement and in accordance with the preference for cloud based ICT support and digital strategy ICT Services require a Software as a Service (SaaS) Contract for the Support, Maintenance and Hosting of Business World for this continued use of the Business World system.
- 3.2 To ensure continuity and continued access to the Business world system the Council requires the replacement service to be in place prior to the expiry of the Council's current ERP Contract on 31 March 2021 and to allow for an implementation phase to transition to the new Contract. This overlap will allow the Council to work with the supplier to upgrade the current hosting infrastructure from Azure 0.1 to Azure 0.2, and for the Council to conduct Integration Systems Testing and User Acceptance Testing of all environments on the Business World System before the Go-live Date for the Contract.

- 3.3 As a minimum, this Contract will include:
- All Licenses required with usage limits of 120 Enterprise Users, 1,100 Professional Users and 9,780 Self Services Users;
 - Business World software including development and support; and
 - Cloud hosting for 3 environments (i.e. instances), 2 of which are high performance, required by the Council. These instances are: LIVE, DEVELOPMENT, TEST/TRAIN. Each environment has significant daily performance expectations given the scale of the Council (i.e. 11,000 employees) and associated technical support.
- 3.4 To assess the level of interest in providing this replacement service the Council initially published a Prior Information Notice (PIN) on 6 April 2020 asking interested suppliers to express their interest by answering a list of 6 questions relating to the requirements of this Contract. When no responses were received to the PIN, the Council contacted all fifteen (15) suppliers who noted interest on the Public Contract Scotland portal via email to ask if they would be willing to provide details regarding why they did not submit a response. The three (3) responses were received, one (1) stated that they would not be responding on this occasion and two (2) explained that only Unit 4 Business Solutions Limited, who own the licence for Business World can provide a SaaS for the continued support, maintenance and hosting of Business World.
- 3.5 The current supplier (Agilisys Limited) for the Supply and Implementation of an Enterprise Resource Planning (ERP) Solution advised they would not be interested in tendering for this Contract as their role had been implementation of the Business World software system. Agilisys Limited also confirmed that only Unit 4 Business Software Limited can provide the SaaS solution for the continued support, maintenance and hosting of Business World. Unit 4 Business Software Limited have also confirmed this position to the Council.
- 3.6 This procurement for this Contract was conducted as a negotiated procedure in accordance with Regulation 33 (1)(b) (iii) of the Public Contract (Scotland) Regulations 2015 which states that “a contracting authority may award a public contract following negotiated procedure without prior publication of a contract notice or prior information notice in any of the following cases— (iii)the protection of exclusive rights, including intellectual property rights but only, in the case of paragraphs (ii) and (iii), where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.”

- 3.7 Unit 4 Business Software Limited were evaluated against a pre-determined set of criteria in the form of the European Single Procurement Document (ESPD) and confirmed compliance with the minimum selection criteria set within the ESPD.
- 3.8 The costs and charges in respect of this Contract will be funded by the Business World Budget.
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Implications of the Report

1. **Financial** - costs and charges under this Contract will be funded by the Business World Budget
2. **HR & Organisational Development** - No TUPE implications for the Council have arisen or are anticipated.
3. **Community/Council Planning –**
 - Working together to improve outcomes – the services under this contract will support this Strategic Outcome by embracing new ICT developments and opportunities for service delivery across the Council
4. **Legal** - This procurement exercise was conducted under the negotiated procedure of The Public Contracts (Scotland) Regulations 2015 and the requirements of the Council's Standing Orders relating to Contracts.
5. **Property/Assets** - No property/assets implications have arisen or are anticipated as this will be a cloud based hosted system.
6. **Information Technology** – the Business World system will be supplied as a SaaS Contract which aligns to the Council's Digital Strategy.
7. **Equality & Human Rights -**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the

recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** – no health and safety implications have arisen or are anticipated.
9. **Procurement** – The procurement procedures outlined within this report ensure that the Council meets its statutory requirements in respect of the EU regulatory requirements, the Council's Standing orders Relating to Contracts and the Council's Financial Regulations.
10. **Risk** – Unit 4 Business Software Limited insurance documents were evaluated by Corporate Risk and met the Council's minimum requirements regarding insurable risk.
11. **Privacy Impact** - No Privacy Impact implication has arisen or is anticipated
12. **Cosla Policy Position** - No Cosla policy position implications have arisen or are anticipated.
13. **Climate Risk** - The level of impact associated with provision of this service has been assessed using the Scottish Government Sustainability Test and is considered to be low risk.

List of Background Papers

None.

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