

Gloucester City Council

Meeting:	Overview and Scrutiny Committee	Date:	25 March 2019
	Cabinet		2 April 2019
Subject:	Proposed Extension to Civica ITO Contract		
Report Of:	Cabinet Member for Performance & Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
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FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 This report presents the recommendation to extend the Civica UK Limited ITO contract for a period of 11 months to the 31st March 2021.

2.0 Recommendations

2.1 Overview and Scrutiny Committee is asked to consider the information contained in the report and make any recommendations to the Cabinet.

2.2 Cabinet is asked to **RESOLVE** that

(1) Civica UK Limited ITO contract be extended for a period of 11 months until 31st March 2021.

3.0 Background and Key Issues

3.1 The current outsourcing arrangement for Information Technology services commenced on 23rd April 2014 following a detailed procurement exercise and was awarded to Civica.

3.2 The arrangement with Civica is a contract for an initial 6 year period with the option to extend by two periods of up to 1 year.

3.3 With the move to Shire Hall, it makes sense to potentially undertake a joint procurement with the County Council for IT services. The County Council's contract for outsourced IT services is due to expire on 31st March 2021 and this proposed extension would allow both arrangements to come to an end on the same date.

- 3.4 A joint procurement with the County Council should be able to demonstrate both efficiencies in the provision of IT services and also lead to reductions in the cost of delivering services under the new arrangements. This is expected to be a joint procurement and will not tie the Council to entering a joint single contract. The option to procure separately will still be available.

4.0 Alternative Options Considered

- 4.1 The option to end the existing contract in 2020 has been explored. However with the current transformation programme in play this is not considered feasible as any change during the process could have a negative impact on the programme delivery.
- 4.2 The option to extend past 31 March 2021 and procure a contract itself has also been discarded, due to the expected benefits of a joint procurement with the County Council.

5.0 Reasons for Recommendations

- 5.1 As highlighted in the report

6.0 Financial Implications

- 6.1 Due to the limited time associated with the proposed extension, Civica cannot unfortunately offer any further savings or time in which to redesign services. They will continue to work with the service desk on the progression of initiatives to improve the service capability and to support the Council's move towards automation and self-serve where possible.
- 6.2 The contract can be delivered at the same monthly price we have now (£), subject to annual indexation from April 2019, per the current contract terms.

7.0 Legal Implications

- 7.1 The City Council has an existing contract for these Services with CIVICA UK Limited dated 23 April 2014. The Contract has an initial 6 year period with the option to extend by two periods of up to 1 year each. To exercise the extension option the City Council needs to give notice to such effect to Civica UK Limited no later than 12 months prior to the date upon which the contract would otherwise expire and Civica UK Limited would need to accept the proposed extension offered.
- 7.2 The Council's Contract Rules allow for joint procurement to take place when it is assessed to be most likely to achieve the purchasing objectives.

9.0 Risk & Opportunity Management Implications

- 9.1 As highlighted in the body of the report this extension provides the opportunity to deliver further efficiencies through a joint procurement with Gloucestershire County Council.

10.0 People Impact Assessment (PIA):

10.1 A PIA screening review was undertaken. It did not identify any potential or actual negative impact. For this reason, a full PIA is not required.

11.0 Other Corporate Implications

Community Safety

11.1 None.

Sustainability

11.2 None.

Staffing & Trade Union

11.3 None.

Background Documents:

Civica ITO contract