



Executive
23 May 2011

Report from the Director of Housing and Community Care

Wards Affected:
[ALL]

Authority to Award Support and Maintenance Contract

“Appendix 1 of this report is Not for Publication”

1.0 Summary

- 1.1 This report requests authority to award a support and maintenance contract in respect of “frameworki”, the Council’s Adult and Children Social Care Case Management IT System and seeks approval not to invite tenders in accordance with Contract Standing Order 86 (e)(i).

2.0 Recommendations

- 2.1 The Executive award a support and maintenance contract in respect of frameworki to Corelogic Ltd for a term of five (5) year with an optional two (2) year extension from 1 June 2011.
- 2.2 The Executive give approval to tenders not being invited in accordance with Contract Standing Order 86 (e) (i) for the reasons detailed in paragraph 3.7

3.0 Detail

- 3.1 The frameworki system (“framework”) is the Case/Care Management and Workflow Database IT System used by both Adult Social Care and Children Social Care in both the Housing & Community Care and Children & Families Departments respectively.
- 3.2 Frameworki was procured via an EU compliant tender process. The contract for the supply, the implementation of the software and the ongoing support and maintenance was awarded to Corelogic Ltd (“Corelogic”) on 1st April 2003. The contract period was for an initial five (5) years plus optional three (3) years. In the event the contract was extended for the optional 3 years and therefore the support and maintenance element of the contract ended on the 31st March 2011.

- 3.3 Prior to expiry of the support and maintenance contract in respect of frameworki on 31 March 2011, Officers looked at the market for Adult and Children Social Care management systems. Officers concluded that the frameworki Care Management system continues to meet the functionality requirements of the H&CC Adult Social Care Service as well as that of the Children & Families' Social Care Service.
- 3.4 Officers consider the benefits to Brent of continuing to use the frameworki system are:
- The System meets current Social Care business requirements
 - The System's future system software functionality roadmap has been developed in partnership with the National User Group of which Brent is a member.
 - Continuity with no disruption or training to 400 staff (bringing in a new system would be extremely disruptive to staff and costly to the Council particularly when it is not required).
 - The Council is currently in the process of implementing new functionality within frameworki which is part of a One Council Tranche 1 Project (Adult Social care Transformation – Customer Journey) to commence from 1st April 2011. Any change of system would seriously undermine the success of this One Council project.
 - There are financial advantages in maintaining frameworki – the avoidance of cost, both in terms of cash and officer resource time. Costs can be excessive and include the cost of the tendering process as well as the cost to build or set up a new system, which could be £500,000 as well as costs for implementation, training and migration costs for which there is no identified budget.
- 3.5 Having determined that it is not in the Council's interests to replace the existing frameworki system, Officers considered whether the existing system could be adequately maintained and supported by other organisations as Brent Council have a non-exclusive license to use frameworki in perpetuity under the terms and conditions of the original contract entered into on April 1st 2003.
- 3.6 Corelogic own 100% of the Intellectual Property Rights (IPR) in the software solution known as frameworki. Therefore only Corelogic have access to the source code and the ability to make changes to that source code thereby maintaining the operational integrity of the system in the process. Corelogic do not allow other organisations access to the source code as it is indicated this would impact on the operational integrity of the system and undermine Corelogic's ability to make changes frameworki in a controlled and manageable way that enables it to meet their obligations to its 50,000 end user across the UK and globally. Any third party access could have a severe and potentially devastating impact on the quality of the code and consequently upon user's ability to offer a support & maintenance service at all.
- 3.7 Despite Corelogic's unwillingness to allow other organisations access to the source code Officer's looked at whether it would be possible for support for the frameworki system to nevertheless be provided by some other maintenance and support provider without access to the source code. Whilst third parties could theoretically provide maintenance and support for the current frameworki system, there is concern that without access to the source code, an alternative provider would not be able to guarantee the functionality of the system which would pose an unjustifiable risk to Adult and Children Social Care management systems. The Council would also not benefit from the on-going revisions made to frameworki by Corelogic and whilst a third party could potentially develop frameworki functionality by writing layers of code on top of the code base, no third party would be able to guarantee that changes would not break without access to the source

code. Officers therefore concluded that Corelogic was the only organisation in a position to provide the necessary support to the frameworki software.

- 3.8 In view of the Council's wish to maintain its frameworki system and the inability of third parties to provide maintenance and support that would guarantee the integrity of the frameworki system, Officers discussed with the Council's Legal and Procurement Department whether there were grounds that may justify negotiating a contract with Corelogic. The advice received was that there was a potential exemption under Regulation 14 (1) (a) (iii) of the Public Contracts Regulations 2006 on the basis that the contract could only be awarded to a particular economic operator for reasons connected with the protection of exclusive rights. Therefore, with assistance from the Procurement Team, negotiations were held with Corelogic to explore the possibility of a new contract.
- 3.9 The 2010/11 support & maintenance costs of the Corelogic contract to the Council was £144,955. This included the core frameworki support plus the additional support and maintenance costs of system add-ons and interfaces. The breakdown of this was as follows:

Framework i support	107,992
Oracle Support	8,963
Report pack Support	28,000
TOTAL	144,955

- 3.10 With discussions between the Council and Corelogic on-going, the existing contract with Corelogic expired on 31 March 2011. In order to ensure continuity of support therefore, Officers entered into a short term contract with Corelogic of two month duration using delegated powers.
- 3.11 A new five year contract extension based on current cost plus inflation (RPI) is outlined in Appendix 1 below resulting in a total cost of £868,865 over the 5 years. Following negotiations between Corelogic and Council Officers, an improved offer has been received from Corelogic which over 5 years results in a total contract cost of £694,779 which Officers believe offers future savings and a value for money support & maintenance. Further details regarding this proposal are contained in Appendix 1. In addition, fifty (50) additional user licenses have been included at no extra cost.
- 3.12 Officer consider that the proposals detailed in paragraph 3.11 offer the Council value for money and given the reasons outlined in paragraph 3.7, recommend the award of a contract to Corelogic for a term of 5 years with an optional two (2) year extension from 1 June 2011.

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 90.
- 4.2 The estimated value of this support & maintenance contract is £694,779 over 5 years; a full breakdown of the cost is included in Appendix 1 and is 'below the line'
- 4.3 It is anticipated that the cost of this contract will be funded from existing resources.

5.0 Legal Implications

- 5.1 The value of this contract over its lifetime is higher than the EU threshold for Services and the award of the contract is therefore governed by the Public Contracts Regulations 2006 (the “EU Regulations”). Given the breakdown between the different elements of the contract, it is regarded as a contract for Part A Services and is therefore subject to full application of the EU Regulations.
- 5.2 Whilst the contract is subject to full application of the EU Regulations, Regulation 14 (1) (a) (iii) of the EU Regulations does permit a contracting authority to use a negotiated procedure without the prior publication of a contract notice when, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the public contract may only be awarded to a particular economic operator. Paragraph 8.7 details Officer’s reasons why for technical and for the protection of exclusive rights the Council is justified in using a negotiated procedure under Regulation 14 (1) (a) (iii).
- 5.3 The estimated value of the contract is above the Council’s Standing Orders threshold for High Value Service Contracts (of £500k), and the procurement and award of the contract is consequently subject to the Council’s own Standing Orders and Financial Regulations in respect of High Value contracts. High Value contracts are subject to formal tendering procedures but Contract Standing Order 86 (e)(i) provides that subject to complying with EU Regulations, contracts are not subject to full tendering requirements:

“where for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the services, supplies or works may only be provided by a particular provider or where there is only one provider who would be able to provide the services, supplies or works, provided that advice is sought from the Director of Legal and Procurement and in the case of High Value Contracts approval is sought from the Executive (or if appropriate, the General Purposes Committee);”

As indicated above, paragraph 8.7 details reasons why for technical and for the protection of exclusive rights Officers consider that full tendering is not appropriate and following liaison with the Director of Legal and Procurement seek approval pursuant to Contract Standing Order 86 (e) (i) not to tender the contract. Further, officers seek approval pursuant to Contract Standing order 88 to award the contract.

- 5.4 In accordance with the EU Regulations, the Council is required to publish a Contract Award Notice following the award of the contract.

6.0 Diversity Implications

- 7.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

7.0 Staffing/Accommodation Implications

- 8.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the contract.

9.0 Background Papers

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