

	<b>Officer Key Decision</b>
	<b>Report to the Strategic Director of Customer and Digital Services</b>
<b>AUTHORITY TO AWARD CONTRACT FOR THE SUPPORT ARRANGEMENTS FOR THE HOUSING AND REVENUES AND BENEFITS SYSTEMS</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key Decision
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>No. of Appendices:</b>	None
<b>Background Papers</b>	None
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## 1.0 Purpose of the Report

- 1.1 This report concerns the award of a contract to NEC Software Solutions (UK) Limited. This report requests authority to award the contract as required by Contract Standing Order 88. This will ensure that the Council's systems for Housing and Revenues and Benefits remain supported and the performance is stable.

## **2.0 Recommendation(s)**

That the Strategic Director of Customer and Digital Services:

- 2.1 Approves the award of the contract for support for the Housing and Revenues and Benefits systems to NEC Software Solutions (UK) Limited for a period of three years from 1 May 2022, plus a possible further two year extension.

## **3.0 Detail**

- 3.1 The Council currently uses systems provided by NEC Software Solutions (UK) Limited (“NEC”) for the administration of Housing and Revenues and Benefits. These are key line of business systems which ensure the Council is able to manage the Housing functions and the administration of Revenues and Benefits in an effective and efficient way. The Council’s current contract with NEC expires on 30 April 2022, and it is therefore necessary to procure a new contract.
- 3.2 Whilst work is undertaken to review alternatives to the NEC systems, the Council needs to ensure that the Housing and Revenues and Benefits systems remain on a fully supported version and also that options to upgrade and keep up to date with changes remain available. As the provider of the systems, only NEC is permitted to support the systems and provide updates and it is not possible for the Council to procure such support from a third party. Therefore, it is necessary to enter into a new contract with NEC.
- 3.3 The move from NEC systems is not something that can be done in the short term. The cost of change would be substantial, in terms of having to re-implement an alternative solution, coupled with the extensive staff training and disruption to business critical systems. Officers intend to market test alternatives with a view to re-procure a system for the administration of Housing and Revenues and Benefits approaching the latter stages of this contract.
- 3.4 The procurement and implementation of a new system will potentially take more than 2 years to complete, particularly if a new supplier was awarded the contract. Officers therefore recommend the award of a 3 year contract with the option to extend this by a further 2 years as this would give the added assurance if more time was required to complete the process, without rushing the implementation and placing service provision at risk.
- 3.5 The current pricing arrangement which Brent officers have previously agreed with NEC is one of the most favourable within London, specifically when compared to other Councils.

- 3.6 The new contract will be at an annual cost of £191,087, i.e. £573,261 over the initial three year period. The total over the possible five year period would be £955,435. It should be noted that, if the contract is not extended, there will be an additional cost upon termination of £33,500.
- 3.7 The contract increase is £38,087 per annum and can be contained within the overall IT budget.
- 3.8 The proposed contract start date will be 1 May 2022.

#### **4.0 Financial Implications**

- 4.1 Part 3 of the Council's Constitution states that the Strategic Director of Customer and Digital Services has delegated authority to approve the award of contracts for services valued at less than £2 million.
- 4.2 The estimated value of this contract is under this threshold.
- 4.3 The new contract will increase by £38,087 per annum. The cost of this contract will be funded from within the existing budget.

#### **5.0 Legal Implications**

- 5.1 The value of this contract over its lifetime is in excess of the threshold for Services/Supplies under the Public Contracts Regulations 2015 (PCR 2015) and the award of the contract is therefore governed by the PCR 2015.
- 5.2 Whilst the contract is subject to full application of the PCR 2015, Regulation 32(2)(b) of the PCR 2015 does permit a contracting authority to use a negotiated procedure without the prior publication of a contract notice when competition is absent for technical reasons, or for reasons connected with the protection of exclusive rights, the public contract may only be awarded to a particular economic operator. This must be 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. Paragraph 3.2 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 32(2)(b).
- 5.3 In view of the value of the Contract, the award is subject to the Council's own Standing Orders and Financial Regulations in respect of Medium Value Contracts. Medium Value Contracts are subject to formal tendering procedures but Contract Standing Order 86 (f)(i) provides that:

*Subject to complying with any relevant parts of Procurement Legislation, Tenders need not be invited nor quotes sought:*

- (i) 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 required PROVIDED that advice is sought from the Director of Legal, HR , Audit & Investigations and in the case of High Value Contracts, approval is sought from the Cabinet (or, if appropriate, the General Purposes Committee);*

As indicated above, paragraph 3.2 details reasons why for technical and for the protection of exclusive rights Officers consider that full tendering is not appropriate following liaison with the Director of Legal, HR, Audit and Investigations. Officers seek approval pursuant to Contract Standing order 88 to award the contract to NEC.

5.4 Chief Officers have delegated to them power to award Medium Value Contracts in accordance with paragraph 9.5, of Part 3 of the Constitution.

5.5 In accordance with the PCR 2015, the Council is required to publish a Contract Award Notice following the award of the contract.

## **6.0 Equality Implications**

6.1 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

## **7.0 Consultation with Ward Members and Stakeholders**

7.1 Given the nature of the contract, there has been no consultation with Ward Members and Stakeholders

## **8.0 Human Resources/Property Implications (if appropriate)**

8.1 There are no implications for Council staff arising from awarding the contract.

## **9.0 Public Services (Social Value) Act 2012**

9.1 The Council is under a duty pursuant to the Public Services (Social Value) Act 2012 (“the Social Value Act”) to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Officers have had

regard to considerations contained in the Social Value Act in relation to the procurement.

**Report sign off:**

**SADIE EAST**  
Operational Director of  
Transformation