

**DERBYSHIRE COUNTY COUNCIL**  
**CABINET MEMBER MEETING FOR COUNCIL SERVICES**

**12 September 2016**

**Report of the Strategic Director of Corporate Resources**

**PROCUREMENT OF THE SUPPLY AND SUPPORT OF A REPLACEMENT  
OCCUPATIONAL HEALTH ADMINISTRATION SYSTEM**

**1. Purpose of the Report**

To seek approval to procure a solution to replace an existing occupational health administration system (OPAS) for use by the Council for an initial term of five (5) years with options to extend for five (5) further one year periods.

**2. Information and Analysis**

The current Occupational Health Administration (OH) solution is provided by Warwick International Computing Systems and has been in place since 1993. The system has been subject to a number of modifications and agreed extensions.

The current contract is due to expire on 14<sup>th</sup> August 2017.

It is essential for the Council to have a new system that enables the OH service to deliver an efficient and effective service for both internal employees and external customers.

In 2015-16, the current system was used to process approximately 2,500 management referrals, and 6,000 pre-employment forms. This includes some Derbyshire Schools which have purchased the OH services from the Council.

It is a requirement of the new system that it allows online completion and submission of management referrals and pre-employment forms, as well as use of paper forms. This new functionality should result in savings in postage and stationery reducing the number of hard copy letters and forms issued to existing and prospective employees.

It is proposed that there will be an optional requirement for the new system to obtain pre-populated information from the SAP HR system, meaning that the data will not have to be entered several times manually during the appointment and pre-employment processes.

The current system's support and maintenance contract costs the Council approximately £3,700 per annum.

In April 2016, a soft market testing exercise (SMT) was undertaken, which invited suppliers to present their solutions. A number of responses were received from organisations offering OH systems. The information gathered from the SMT provided reassurance that the Council's needs could be met by the market place.

Suppliers also provided indicative costs, which, although varied, have been used to calculate an estimated cost for the one-off charges for the procurement of the new system, and ongoing support and maintenance.

The SMT also established that the suppliers could provide an on-premise or externally hosted system; however, the indicative pricing showed that the externally hosted options would be more expensive. Therefore, the preferred hosting option would be an on-premise internally hosted solution.

The initial contract will be for a period of five years, with the option to extend on an annual basis for a further five years, if required.

The new system will deliver the following benefits:

- On-line submissions to avoid the re-keying of information from paper documents, providing greater accuracy and producing efficiency savings;
- The ability to send communications electronically instead of through the post, resulting in a reduction in printing & postage costs;
- The introduction of on-line pre-employment forms, which include mandatory fields, should reduce the time taken in recruitment & selection. They will eliminate the necessity of chasing missing information and reduce the time taken waiting to receive forms through the post;
- On-line management referrals, which will reduce the time taken to create new records and provide the ability for managers to view data in real time and, therefore, reduce staff workload;
- Reminders and notifications for appointments, which will allow the Administrators, Doctors and Nurses to work more efficiently, and reduce the number of missed appointments;
- The ability to view employee records securely, reducing the need to have paper copies and, therefore, increase the security of the information;
- Effective records management - Automated data retention schedules can be applied; and
- A comprehensive reporting suite, providing improved reports for managers and resulting in better monitoring and decision making.

### 3. Financial Considerations

Until the commencement of the procurement process for the new system, it is difficult to accurately predict the set-up costs and annual revenue costs associated with the project.

The following maximum estimated costs are, therefore, based on current market information, indicating that the costs for the five year procurement of the new system would be as follows:

<b>ONE-OFF CHARGES</b>	
Licence Fee & Training	£20,000
<b>ANNUAL CHARGES</b>	
Support and Maintenance (5 years)	£45,000
<b>Subtotal:</b>	<b>£65,000</b>
<b>Contingency</b>	<b>£5,000</b>
<b>TOTAL CHARGES:</b>	<b>£70,000</b>

It is proposed that the one-off costs are funded from HR underspends and any increase in annual costs (currently £3K) are funded from a corresponding adjustment of the in-service medical charge.

### 4. Legal Considerations

The Director of Legal Services will assist the Strategic Director to ensure that appropriate contracting arrangements are in place for this procurement and any subsequent award for the new system.

### 5. Social Value Considerations

These considerations will be included in the tender process and the subsequent contract approval as appropriate.

### 6. Other Considerations

In preparing this report the relevance of the following factors has been considered; prevention of crime and disorder, equality of opportunity, environmental, health, property and transport considerations.

## **7. Key Decision**

No.

## **8. Call-in**

Is it necessary that the call-in be waived in respect of the decisions proposed in the report? No

## **9. Officer Recommendation**

That the Cabinet Member approves the procurement of a replacement Occupational Health Administration system for a period of 5 years with options to extend on an annual basis for a further 5 years.

**Judith Greenhalgh**  
**Strategic Director of Corporate Resources**