

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**16 November 2017**

**Report of the Strategic Director Commissioning, Communities and Policy**

**USE OF A NON-DCC FRAMEWORK FOR SAP SUPPORT REQUIRMENTS  
(COUNCIL SERVICES)**

**1 Purpose of the Report**

To seek Cabinet approval under Protocol 2 of the Council's Financial Regulations to utilise Crown Commercial Services (CCS) Framework RM3804 (Technology Services) (the "**RM3804 Framework**") to procure an Application Managed Service (AMS) for the Council's SAP system.

**2 Information and Analysis**

The existing AMS contract provides expert support to the Council for functional and technical matters relating to the Council's SAP system on a business as usual basis, e.g. day to day system operation to resolve system problems, and for additional project work to facilitate system development projects.

The Council has a requirement to procure a replacement for its existing AMS, currently provided by Capgemini. Cabinet on 24 November 2015 agreed to extend the existing contract by up to 24 months from 1 April 2016 until 31 March 2018 to allow the Council to consider its external support requirements and undertake a procurement exercise as appropriate.

SAP is a business critical system that provides the Council's core HR, Financial and payroll systems and external support is essential to ensure the continued operation of the system.

The main aim of the new contract will be to continue to ensure the Council has access to technical experts over a given contractual period providing consistency of support.

Lead times for the delivery of the new AMS can be lengthy. In order to reduce the delivery time and establish a compliant procurement process, officers have concluded that the most appropriate route to market is to use the CCS

RM3804 Framework. This Framework provides a level of commercial assurance in that:

- The Framework terms and conditions are pre-agreed, which avoids lengthy contract negotiation;
- There are benchmarking clauses in the “Model Contract” which allow prices to be monitored and redressed if found to no longer represent best value during the life of the contract; and
- The Framework provides levels of discount which reflect the aggregated volumes sold nationally, enabling individual public sector organisations to take advantage of lower prices than they would be able to secure as single buyers.

The proposed contract under the CCS Framework will be for a maximum contract term of 5 years from 1 April 2018.

The proposal to use the CCS Framework has been supported by a business case, including options appraisal which has been approved by the Director of Finance and ICT.

A further report will be submitted to Cabinet for the award of the contract using the CCS Framework.

### **3 Financial Considerations**

The existing AMS contract is approximately £84,000 per annum which equates to £420,000 over 5 years; it is anticipated that the new contract will be of similar value. However, until the procurement has been undertaken these figures must be treated as an estimate. Funding exists within the Finance & ICT Services budget.

### **4 Legal Considerations**

Protocol 2 of the Council's Financial Regulations relate to the use of a non-DCC framework and requires the submission of a business case to the Director of Finance for approval and the approval of the terms and conditions, including call off terms, by the Director of Legal Services.

Call-offs under the CCS Framework will be approved under the Council's Financial Regulations and carried out by a mini-competition, in accordance with the Financial Regulations.

## **5 Social Value**

The tender will incorporate a question on potential Social Value initiatives and, where appropriate, work will be undertaken with the successful supplier during the lifetime of the contract to capture the benefits.

## **6 Other Considerations**

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

## **7 Key Decision**

No.

## **8 Call-in**

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

## **9 Background Papers**

Files held in Corporate Finance & ICT Division.

## **10 Officer's Recommendation**

That Cabinet approves the use of CCS Framework RM3804 (Technology Services) to procure an Application Managed Service (AMS) under Protocol 2 of the Council's Financial Regulations.

EMMA ALEXANDER

STRATEGIC DIRECTOR COMMISSIONING, COMMUNITIES & POLICY