

# Report

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Report to:	<b>Finance and Information Technology Resources Committee</b>
Date of Meeting:	<b>13 September 2011</b>
Report by:	<b>Chief Executive</b>

Subject:	<b>Renewal of e-Sourcing Software</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Committee of an extension to an existing contract for the provision of e-sourcing software.

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the action taken by the Chief Executive in authorising the Head of Finance to implement a 12 month extension to the existing agreement with BiP Solutions for the period 1 June 2011 to 31 May 2012 is noted.

## 3. Background

- 3.1. The Council has been using BiP Solutions Ltd Delta suite to provide e-sourcing software for the past three years. The software provides a remote solution for EU project advertising, e-tendering, e-auction, supplier accreditation, EU posting of contract awards and contract management facilities.
- 3.2. The current contract expired on 20 April 2011, although there is an informal agreement for an interim short term extension to allow transition to a new provision.
- 3.3. It was intended that the Council adopt a new national solution procured by Procurement Scotland upon the completion of the current BiP contract. Procurement Scotland has been working on this e-sourcing solution since 2009 and this was forecast to be in place at the end of 2010 and available to all public sector bodies.
- 3.4. Unfortunately, the Procurement Scotland tender process has experienced significant slippage and the national solution is not expected to be available until November 2011.

## 4. Proposed solution

- 4.1. Whilst the Council intends to adopt the national solution there has been no opportunity to date to investigate or assess the appropriateness of the future e-sourcing software solution and ensure it meets the technical and best value requirements of the Council.
- 4.2. It would create significant problems for procurement activities if the Council's current provision was terminated and the Procurement Scotland solution was not available

as a replacement until November 2011. It should also be recognised that the national solution is untried, has not been assessed by the Council and the cost, as yet, is unknown.

- 4.3. In order to facilitate a short term solution, BiP Solutions has proposed a negotiated extension for a period of one year to cover the delay in the national solution, the proposed change-over, the opportunity to assess any new provision and any delays or teething problems experienced in the new provision.
- 4.4. Discussions with Legal Services have confirmed that a one year extension to provide contract transition is acceptable as a best value solution and could be enacted on a negotiated basis.
- 4.5. Legal Services has advised that such a negotiated procurement solution does meet with the Council's Standing Orders under the provision of Standing Order 11.3 and Standing Order 14.3. The negotiation meets the requirements in terms of previous competition, 10% increased costs maximum (the new provision is 22% cheaper than the previous contract), the extension not exceeding three years, the original contract not having been previously extended and the limited technical availability of this type of service.

## **5. Technical and Cost Implications**

- 5.1. Currently the Council pays £9000 per year for the BiP Delta solution, including all support. BiP has proposed that a one year extension will be provided for the sum of £7000 for the year.
- 5.2. The new iteration of the Delta software would be available which includes enhanced contract register functions and improved supplier management functions, this would be available under the extension.

## **6. Employee Implications**

- 6.1. There are no employee implications.

## **7. Financial Implications**

- 7.1. As detailed in section 5.1, there would be a cost, but this would represent a £2000 saving based upon our current contract.

## **8. Other Implications**

- 8.1. A one year extension to the contract will mitigate the risk of the Council's current provision being terminated prior to the availability of a new national solution.
- 8.2. There are no implications for sustainability in terms of the information contained in this report.

## **9. Equality Impact Assessment and Consultation Arrangements**

- 9.1. There is no requirement to carry out an impact assessment in terms of the proposals contained within this report.
- 9.2. Consultation has been undertaken with Legal Services.

**Archibald Strang**  
**Chief Executive**

16 August 2011

**Link(s) to Council Values/Improvement Themes/Objectives**

- ◆ Accountable, effective and efficient

**Previous References**

- ◆ None

**List of Background Papers**

- ◆ None

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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