

**Written statement of a key decision**  
**Cabinet member finance and corporate services**

<b>Title</b>	<b>Award contract for an Educational Management and Adults and Childrens Social Care IT solution.</b>
Decision maker	Cabinet member finance and corporate services Information about cabinet, including the names and contact details of the cabinet members, can be found here: <a href="http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251">http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251</a>
Date of decision	2 July 2019
Report exemption class	Open
Reason for being a key decision	This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.
A notice was served in accordance with Part 3 (Key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	No
Purpose	To award contract to Servelec for renewal of the support and annual maintenance of the Educational Management and Adults and Children's Social Care case management IT solution, along with associated additional modules for a period of up to seven years at a maximum cost of £2.348m.  The contract will be through "Direct Award" via the Crown Commercial Services Data & Applications Solutions Framework (RM3821) due to Servelec having a proven track record over a number of years in the delivery of educational management and social care case management IT solutions and are one of the market leaders.
<b>Decision</b>	<b>That:</b> <b>(a) a contract be awarded to Servelec for up to seven years at a maximum value of £2.348m to provide IT services for the Social Care (Mosaic &amp; Abacus) and Education (Synergy) systems with additional modules covering Sign's of Safety; Corius (Mosaic BI); Provider portal;</b>

	<p><b>Early years funding including the IT health check on the social care solutions; and</b></p> <p><b>(b) the existing Early Years Funding system (Sentinel) contract is extended until 31<sup>st</sup> May 2020 to a value of up to £12k to ensure this provision can be moved into the core education management system (Synergy) in a timely manner.</b></p>
Reason for the decision	<p>As set out in the report. Documents relating to this decision are available at</p> <p><a href="http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50030395">http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50030395</a></p>
Options considered	<p><b>Alternative options</b></p> <ol style="list-style-type: none"> <li>1. Do nothing. This is not recommended, as the council would be contravening the Public Contract Regulations Act (2015) as well as its own internal Contract Procedure Rules and could be exposed to legal challenge from other suppliers. In addition to which Servelec and other suppliers often apply a higher annual uplift to customers who renew contracts annually verses those customers whose contract are for a longer period. The council will not meet its statutory duties in relation to early years funding, address the Ofsted recommendation, reduce administration costs and achieve best value for money.</li> <li>2. Negotiate separate contracts with Servelec. This is not advisable as the council will not achieve the contract management efficiencies achievable through the management of one contract verses three or achieve best value for money; the indicative costs are that the annual % uplift from Servelec is lower by combining the contracts.</li> <li>3. Open tender rather than through Crown Commercial Services Data &amp; Applications Solutions Framework. This is not advisable due to the facilities in place to use the framework that has already tested requirement compared to the significant amount of resources needed to run a tender (OJEU) process (both in time and money. The estimated additional internal cost of change to move to another IT service provider is in the region of £750,000 makes the option to switching to another IT solution provider uneconomic. Both the cost of buying into a new product (circa £500k) as well as the cost of change (circa £250,000), for example, training, systems, project management, support, resourcing, would be substantial. The council has also made a significant investment in integrating Mosaic and Synergy with other applications, including the web; there would be considerable effort and additional cost required to de-couple this complex environment.</li> <li>4. Use the 'further competition' option within the Data and Applications Solutions Framework; this option is not recommended. The three market leading suppliers who are able to provide both education and social care solutions are</li> </ol>

	on the framework and the selection process is very similar to the option "open tender", but limiting the number of suppliers who can respond to a tender, the reasons for not progressing this option are the same as point 3 above "Open tender".
Declarations of interest (see ▪ below)	
Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply)	8 July 2019

<p>Councillor: .....</p> <p>Cabinet member finance and corporate services (Councillor Liz Harvey)</p>	<p>Date 2 July 2019</p>
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- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

and

- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.