

Decision maker:	Assistant director communities
Decision date:	Thursday, 26 April 2018
Title of report:	Geographic information systems support and maintenance.
Report by:	Business and corporate applications manager

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose and summary

To agree to a 3 year upfront payment to Pitney Bowes for intranet GIS at a cost of £24k and also renewal of Desktop GIS at £10k pa saving £42k over 3 years. This contract will include support and maintenance of the council's geographic information system (GIS) that serves the web site and major applications across statutory functions such as planning, environmental health, emergency planning and others.

Recommendation(s)

That:

- (a) **a 3 year contract for provision, support and maintenance of geographic information systems be awarded to Pitney Bowes for a period of three years at a cost of £54k.**

Alternative options

1. **To retender.** A detailed soft market test and analysis was undertaken to establish options in the market. 3 separate quotes were obtained from Pitney Bowes, CDR and ESRI for the

GIS desktop software, a similar investigation was undertaken for the web mapping solution. The analysis of both market tests established Pitney-Bowes as being the leading and preferred supplier based on price and functionality. This soft market test has resulted in a £42k saving if the 2 contracts with Pitney-Bowes are merged together into 1 overarching contract and prepaid over a 3 year period. The other potential suppliers tested provided quotations which were of a higher annual cost, additionally there would be a cost of change estimated to be more than the original cost of the 2 contracts with Pitney-Bowes and would result in moving things away from a centralised corporate solution for the council's GIS application. This option of retender was therefore not recommended.

2. **Non-renewal of Pitney Bowes maintenance and support.** This is not recommended as the council would be running without support and maintenance on a product that is used extensively across statutory service areas. The application suite is used extensively through the economy, communities and corporate directorate to deliver statutory functions which carry penalties if not delivered correctly or on time.
3. **Proceed with the current annual renewal.** If the current renewal was progressed the application would be supported but Herefordshire Council would not benefit from a £14k saving a year which equates to £42k over the 3 year term.

Key considerations

4. The agreement with Pitney Bowes for the continued provision of a corporate geographic information systems was first implemented in 2007 and included the implementation of the system and associated licences as well as support and maintenance on the system. From this time the product offering and statutory requirements have grown which Pitney Bowes have helped to deliver.
5. The Pitney Bowes solution is one of a number in the market place but would be regarded as one of the main providers. Herefordshire have had a good relationship with Pitney Bowes and always had very good prices. By looking at others in the investigations ESRI came back with £100k pa charge for just the desktop component and Astun Technology came back with £77k for just the web solution over 3 years.
6. There has been a preliminary assessment of the other vendor options and from this there is little to drive a move away from Pitney Bowes due to reductions in cost or better, more efficient practices. The cost of change alone would be the biggest determining factor on remaining with Pitney Bowes for the next 3 years.
7. The council has also made a significant investment in integrating Pitney Bowes with other applications including the web; there would be considerable effort and additional cost required to de-couple this environment. There are potentially more integrations coming up with new web functionality therefore should be straight forward than other vendors.
8. The recommended solution would see Herefordshire Council benefit from the new enhanced Pitney Bowes upgrade but also provide enhanced support during implementation. The council already has the GIS desktop solution in place but license numbers have been reduced to save on annual costs.

Community impact

9. The recommended approach seeks to maintain the standard of service and expected cost, effectively supporting achievement of the corporate plan priority to secure better services, quality of life and value for money.

10. The recommended approach is the best suited to enhance and enable the potential partnership capabilities available to Herefordshire Council.
11. Without the recommended approach being taken there is a potential issue in officers being able to deliver their statutory duties in areas such as planning, environmental health, highways, waste management and emergency planning.

Equality duty

12. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
13. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

14. The £34k per annum charge, to be paid upfront for the initial 3 years, has been included as part of the Medium Term Financial Strategy (MTFS) and is available in existing revenue budgets.
15. The charges will be adjusted in line with inflation from year four onwards.
16. This charge represents a saving of £14k per annum on current annual charges.

Legal implications

17. The council has a duty to obtain best value in the delivery of all of its functions. In respect of services which are contracted, undertaking a competitive tendering process as well as regularly monitoring the performance of a contract are the typical means by which best value in a contract such as this would be measured. This Report explains the reasons why there are good grounds for considering that the proposed recommendation represents a best value solution at the present time.
18. The value of this contract is below the financial threshold for tendering services set out in the Public Contract Regulations 2015 and therefore there is no legal requirement to subject this contract to a competitive tendering process.

Risk management

19. **Risk** - There is a risk that since this contract has been in operation since 2008 another provider may challenge this renewal and seek to argue that the contract should be put out to tender, on the grounds of best value.

Mitigation – Having undergone a market review and identified the most appropriate potential suppliers, the demonstrations, prices and technical offerings further indicated that the council was using a fit for purpose and cost effective solution that would be difficult to challenge.

Consultees

20. Internal business leads and management team.

Appendices

None

Background papers

None