

EAST RENFREWSHIRE COUNCIL

CABINET

15 September 2016

Report by Head of Accountancy

EXEMPTION FROM TENDERING - eFINANCIALS

PURPOSE OF REPORT

1. The purpose of the report is to seek exemption from tendering in accordance with Contract Standing Order 15 (ii), in relation to the award of a contract to Advanced Computer Software Group Ltd for the provision of annual maintenance, support and upgrade to the current version of the eFinancials system.

RECOMMENDATIONS

2. It is recommended that, in accordance with Contract Standing Order 15 (ii), the Cabinet approve an exemption from tendering procedures to allow a contract to be negotiated with Advanced Computer Software Group Ltd, for the provision of annual maintenance and support from 1st April 2017 until 31st March 2019, and an upgrade from the current version of eFinancials to version 5, at a cost of under £150,000.

BACKGROUND

3. The eFinancials system has been used by the Council since the contract was first awarded in 1999 to Bull Information Systems. The contract was transferred to the current provider Advanced Computer Software Group Ltd. Since that date the costs for annual maintenance and support have risen to the point where in 2016/17 the total annual payment to Advanced Computer Software Group Ltd is £56,208.30. The Accountancy Service and the Council is wholly dependent on the eFinancials system for financial performance reporting, statutory accounting, purchasing, accounts payable and accounts receivable.

4. Advanced Computer Software Group Ltd have informed the Council that we need to upgrade to a new version for performance and information security reasons. This upgrade is mandatory and will be covered under the 2 year cost of £150,000. This cost will also cover full implementation support and provide additional capability.

5. The upgrade would need to be completed by the financial year end, March 2017.

REPORT

6. The current eFinancials system is a well established, market leading system which has allowed the Accountancy Service to deliver services efficiently and effectively since implementation.

7. The Council has benchmarked with other local authorities and has concluded that in the short term (0–2 years) an upgraded eFinancials system will provide value for money.

8. The Council had intended to tender for a new solution, but findings from a recent review have confirmed that it would take 2–3 years to replace the current financial system, due to the complexity and number of interfaces involved.

9. This leaves the Council with no choice, but to upgrade eFinancials in the short term. In the long term, work will commence later this year to start reviewing all core systems. All options will be considered including service unique systems and enterprise systems.

FINANCE AND EFFICIENCY

10. It is confirmed that provision for this expenditure will be met from within existing budgets. Funding will be sought in due course for a replacement system which will be procured in line with the Scotland Excel framework.

11. This proposal will generate additional demands on ICT or other staff resources, but we have confirmed that this can be managed within current resources.

CONSULTATION

12. It is confirmed that the Chief Officer – Legal and Procurement and Chief Procurement Officer have been fully consulted and are comfortable with the approach taken. Consultation has also taken place with the Deputy Chief Executive and the Head of ICT.

CONCLUSIONS

13. The approval to negotiate and award a contract to Advanced Computer Software Group Ltd for maintenance and support for the eFinancials system is considered essential to meet service responsibilities and statutory duties.

RECOMMENDATIONS

14. It is recommended that, in accordance with Contract Standing Order 15 (ii), the Cabinet approve an exemption from tendering procedures to allow a contract to be negotiated with Advanced Computer Software Group Ltd, for the provision of annual maintenance and support from 1st April 2017 until 31st March 2019, and an upgrade from the current version of eFinancials to version 5, at a cost of under £150,000.

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KEY WORDS

eFinancials, maintenance, support, upgrade, exemption