

Decision by Portfolio Holder



Report reference: FIN-003-2017/18
Date of report: 18-January-2018

**Epping Forest
District Council**

Portfolio: Finance

Author: Shane McNamara (ext 4331) **Democratic Services:** J Leither

Subject: Request to waive Procurement Rules – E-Procurement System

Decision: To waive Procurement Rules relating to the Total Contract Value in Appendix 1 (Contracts exceeding £50,001 and Minimum Number of Tenders) in order to enter into a new agreement with our current system provider, Proactis/EGS.

ADVISORY NOTICE: <i>A Portfolio Holder may not take a decision on a matter on which he/she has declared a prejudicial interest. A Portfolio Holder with a personal interest must declare that interest when exercising delegated powers.</i>	
I have read and approve/ do not approve (delete as appropriate) the above decision:	
Comments/further action required:	
Signed: Cllr G Mohindra	Date: 5 th February 2018
<i>Personal interest declared by Portfolio Holder/ conflict of interest declared by any other consulted Cabinet Member:</i>	<i>Dispensation granted by Standards Committee: Yes/No or n/a</i>
None	N/A
Office use only: Call-in period begins: 9 th February 2018	Expiry of Call-in period: 15 th February 2018

***After completion, one copy of this pro forma should be returned to
Democratic Services IMMEDIATELY***

Reason for decision:

It is believed that the waiving of the Council's Procurement Rules will provide the most economic and efficient means of procuring an electronic procurement system for use across the authority, which also contains the capacity to continue with the Council's electronic invoicing project.

Options considered and rejected:

Support could possibly be procured through a conventional specification and tendering route, but on this occasion this would not be as efficient and is highly unlikely to be as economically advantageous.

Initialled as original copy by Portfolio Holder:

To move away from the provider of our current e-procurement system would also involve substantial training costs across the authority (approximately 270 users of the system would require re-training) and re-starting the electronic invoicing process with a new provider, which was considered to be prohibitive and not cost-effective.

There is also an option to extend our current contract for a further two years as agreed in our original agreement with Proactis/EGS back in May 2015 – however, the new proposal includes a cost reduction from the current annual subscription charge and was considered to present good value to the Council.

Background Report:

1. The Council has used Proactis/EGS as the supplier of our electronic procurement system since 2006, and the current agreement is due to come to an end at the end of May 2018. The Council has an option to extend the agreement currently in place by an additional 2 years, commencing 01 June 2018 at the current subscription level of £17,000 per annum.
2. By entering into a new Contract instead of exercising the extension option on our current Contract, the Council will save £1,000 per annum in comparison to the current subscription.
3. The Council has begun the process of electronic invoicing across the authority, and the solution offered by Proactis/EGS has previously been identified at the best way of achieving this. (This system has been used by numerous other Councils over the last few years, including Essex County Council). To move away from the current system at this stage would cause disruption to and delay the project's progress, and require significant re-training for users across the authority, which would both incur considerable cost to the Council to remedy.
4. For this level of spend, Spending Control Officers are usually required to seek tenders from a minimum of three companies, but for the reasons previously listed it is deemed that negotiating directly with Proactis/EGS is the best option on this occasion and a waiver is sought to enable this.

Resource Implications: The proposed agreement would cost £16,000 per annum for a maximum of five years (to be reviewed after four), meaning a maximum cost of £80,000 over the five year period. This is a reduction in cost from the current subscription of £1,000 per annum.

Legal and Governance Implications: The decision involves a waiver of the Procurement Rules, which normally requires a minimum of three contractors to be invited to tender where the Total Contract Value is between £50,001- £250,000.

Safer, Cleaner and Greener Implications: None

Consultation Undertaken: Director of Resources, Assistant Director of Resources (Accountancy), Essex Procurement Hub

Background Papers: None

Impact Assessments: None

Risk Management: None

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided separately to this report.

Key Decision Reference (Y/N): No