

## DELEGATED POWERS REPORT

### SUBJECT: Interim Electronic Records and Document Management System (EDRMS) Support Solution

#### Control sheet

All of the following actions **MUST** be completed at each stage of the process and the signed and dated report **MUST** be passed to the Governance Service for publishing

<b>All reports</b>		
1. Governance Service receive draft report	Name of GSO Date	Andrew Charlwood 23/05/2013
2. Governance Service cleared draft report as being constitutionally appropriate	Name of GSO Date	Andrew Charlwood 23/05/2013
3. Finance clearance obtained ( <i>report author to complete</i> )	Name of Fin officer Date	Adela O'Brien 24/07/2013
4. Staff and other resources issues clearance obtained ( <i>report author to complete</i> )	Name of Res officer Date	N/A
5. Strategic Procurement clearance obtained ( <i>report author to complete</i> )	Name of SPO Date	Kevin Bates 05/08/2013
6. Legal clearance obtained from ( <i>report author to complete</i> )	Name of Legal officer Date	Stephen Dorrian 11/06/13
7. Policy & Partnerships clearance obtained ( <i>report author to complete</i> )	Name of P&P officer Date	Andrew Nathan 23/05/2013
8. Equalities & Diversity clearance obtained ( <i>report author to complete</i> )	Name of officer	Andrew Nathan 23/05/2013
9. The above process has been checked and verified by Director, Head of Service or Deputy	Name Date	Lesley Meeks 05/08/2013
10. Signed & dated report, <u>scanned or hard copy</u> received by Governance Service for publishing	Name of GSO Date	Andrew Charlwood 07/08/2013
11. Report published by Governance Service to website	Name of GSO Date	Andrew Charlwood 07/08/2013
12. Head of Service informed report is published	Name of GSO Date	Andrew Charlwood 07/08/2013
<b>Key decisions only:</b>		
13. Expiry of call-in period	Date	N/A
14. Report circulated for call-in purposes to Business Management OSC members & copied to Cabinet Members & Head of Service	Name of GSO Date	

## **ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER IN CONSULTATION WITH CABINET MEMBER(S) (EXECUTIVE FUNCTION)**

<b>Subject</b>	<b>Interim Electronic Records and Document Management System (EDRMS) Support Solution</b>
<b>Officer taking decision</b>	Assistant Director Commercial Assurance, Procurement and Estates
<b>Date of decision</b>	5 August 2013

<b>Summary</b>	This interim contract is required because the Council's original EDRMS support provider went into administration on 11 <sup>th</sup> February 2013 so it could no longer provide the services required. It is necessary to procure an emergency arrangement to secure the continuation of this critical IT service provision
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<b>Officer Contributors</b>	Shahzad Rehman IS Project Manager Andrew Gee, Head of IS Service Delivery
<b>Status (public or exempt)</b>	Public
<b>Wards affected</b>	All
<b>Enclosures</b>	None
<b>Reason for exemption from call-in (if appropriate)</b>	N/A
<b>Key decision</b>	No

Contact for further information: Lesley Meeks, Assistant Director, Commercial Assurance and Estates, 020 8359 7535

## **1. RELEVANT PREVIOUS DECISIONS**

- 1.1 Cabinet Resources Committee 17<sup>th</sup> March 2005, (Decision Item 16). Resolved that the Council accept the tender of Prime Business Solutions Ltd to deliver and implement a Core Infrastructure for the Council and provide a managed service for three years, with the Council having the option to extend the contract for a further two years, subject to the Council and Prime Business Solutions entering into a contract in the appropriate terms.
- 1.2 Cabinet Resources Committee, 1 December 2008 (Decision Item 7) – the Committee approved the extension of the IT Managed Services contract for a period of 12 months (from 20 June 2008 to 20 June 2009) in accordance with the original contract which includes an option for the original 3 year contract to be extended to 5 years. The Committee delegated authority to the Director of Resources to extend the contract for a further period of 12 months (June 2009 – June 2010).
- 1.3 Cabinet Resources Committee, 2 November 2009, (Decision Item 13) - resolved that the IT Infrastructure Managed Services contract with 2E2 UK Limited (“2e2”) be renegotiated and extended from 20 June 2010 for a period up to three years.
- 1.4 Cabinet Resources Committee, 18<sup>th</sup> October 2012, (Decision Item 14) resolved – That, in response to identified Council risks and One Barnet change projects, the Committee authorise a waiver of Contract Procedure Rules to enable additional purchases to be made with 2e2 UK Limited, the Council’s Managed Service for IT Infrastructure provider, the additional annual cost for 2012/13 being £710,000. The annual contract cost is £836,000 and is due to expire 21 June 2013.
- 1.5 CRC 28<sup>th</sup> February 2013 (Decision Item 12) – resolved to authorise variation of the Council’s managed service support contract with 2e2 in order to include within the contract the provision of support for the WISDOM software
- 1.6 Delegated Powers Report 1946, Interim IT Infrastructure Support Solution, 7<sup>th</sup> March 2013, details the decision taken by the Director of Commercial Services using urgent / emergency provisions to appoint a service provider to ensure continued support to the Council’s critical IT services following the service provider (2e2) going into administration. Cabinet Resources Committee 18<sup>th</sup> April 2013, (Decision Item 8) resolved - the Committee note the decisions taken by the Director of Commercial Services.

## **2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 2.1 It is a corporate priority that the Council's data is accessible and held in a secure and stable environment. Loss of the Council’s EDRMS (Wisdom) provision would have an immediate impact on large areas of the Council including the Children’s and Adults Service.

### **3. RISK MANAGEMENT ISSUES**

- 3.1 Loss of accessibility and compromised security to Wisdom as a result of no relevant support arrangement would impact particularly heavily on the Children's and Adults service areas as the Council would be unable to ensure continuity of its EDRMS system (Wisdom) which is a critical ICT service

### **4. EQUALITIES AND DIVERSITY ISSUES**

- 4.1 Under the Equality Act 2010, the Council and all other organisations exercising public functions on its behalf must have due regard to the need to: a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; b) advance equality of opportunity between those with a protected characteristic and those without; c) promote good relations between those with a protected characteristic and those without. The 'protected characteristics' referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.
- 4.2 Wisdom houses data on Barnet residents and continued support would comply with the provision of services under the Equality Act 2010.

### **5. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

- 5.1 The council and/or Capita will undertake a procurement exercise in compliance with public procurement rules before the end of the 12 month interim contract with Daisy Data Centre Solutions Limited ("Daisy") This could take between 4 - 6 months if the procurement is regulated and subject to the Public Contracts Regulations 2006. An emergency arrangement is necessary to ensure that the Council continues to be able to use the managed software solution it procured from 2e2 whilst the procurement activity takes place. The NSCSO provider Capita are being consulted as part of the current process.
- 5.3 This is an interim services contract (12 month) which will novate across for the NSCSO provider.
- 5.4 The 2e2 Managed Service charges were paid annually in advance and the Council has paid approximately £55,000 for support until September 2013. The Council has effectively received 2 months support from Daisy free of charge while a formal support arrangement is being considered.
- 5.5. The estimated cost to IS for 12 months support from contractual signature is £55,000 and this will be contained within the IS budget. This charge is the same as previous annual fee from 2e2.

## **6. LEGAL ISSUES**

- 6.1 IT Services are Part A Services under public procurement rules but the proposed interim contract with Daisy is under the financial threshold of around £174,000 and the circumstances require an urgent interim solution so the council can lawfully enter into the interim contract with Daisy.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Council Constitution, Contract Procedure Rules – Section 15.2 provides that:

7.1.1 “Directors, Assistant Directors, Lead Commissioners and Heads of Service may take decisions on emergency matters (i.e. an unexpected occurrence requiring immediate action) as set out in the Leader’s Scheme of Delegation providing they report to the next available Cabinet Resources Committee, setting out the reasons for the emergency waiver. A copy of the relevant Cabinet Resources Committee report must be provided to Central Procurement and stored on the Council’s contract repository”.

- 7.1.2 Rule 15.4 states that:

“Any waiver can only be granted for a maximum period of 12 months and will count as a variation”.

- 7.2 This decision has been taken as an emergency decision pursuant to rule 15.2 of the Contract Procedure Rules because the service provider who provided a critical service to the Council went into administration rendering them incapable of being able to continue to provide those services to the Council. It was therefore necessary to procure a suitable replacement service provider to mitigate against any interruption to the provision of the services as such an interruption would have had critical business implications for the Council.

- 7.3 In accordance with the provisions of Contract Procedure Rule 15.2, this decision will be reported to the next available Cabinet Resources Committee on 24 September 2013.

## **8. BACKGROUND INFORMATION**

- 8.1 Wisdom is a corporate wide application used to house and manage much of the Council’s data requirements across several service areas. The Wisdom application was procured in 2006/7 to serve as the Council’s EDRMS from Morse who were themselves subsequently purchased by 2e2. Whilst the Council had entered into Managed Service contract for Infrastructure support with 2e2 the Wisdom support was out of scope. 2e2 and the Council signed a separate contract for Wisdom support.

- 8.2 The Council lost its Wisdom support service upon 2e2 going into administration and the relevant 2e2 resource was released. The same staff who delivered the bespoke system subsequently became employed by Daisy for whom they have signed long term commitments. As the Council’s IS department is not resourced or skilled to deliver adequate cover for Wisdom and as a result of 2e2 going into administration

the only way to secure continuation of an adequate service is to enter into an emergency arrangement with the appropriate service provider as the Council does not have any resourcing options to deliver support to the bespoke system other than through Daisy

- 8.2 The Council last signed a support agreement with 2e2 for Wisdom application support to run for 12 months till September 2013. The system is hosted on site at the NLBP data centre and the environment and hardware is supplied and supported by the Council's own IT staff. The EDRMS system underwent a degree of stabilisation works in 2012 which reduced the amount of downtime. Whilst new storage was procured the core servers are ageing and currently out of the normal supported timeframes.
- 8.4 Upon 2e2 going into administration the Council was able to temporarily secure, on an agency basis, the services of an experienced ex-2e2 employee who was familiar with its bespoke Wisdom application but this person has since been recruited by Daisy on a long term commitment. Daisy is currently offering "free" support on a goodwill basis for a very limited duration on the assumption that the Council will enter into a contract for a minimum 12 month term. Daisy have said they are unwilling to extend interim support if the Council chooses to go out to tender. It is unlikely that adequate Wisdom support could be purchased elsewhere as Daisy have recruited all known relevant support staff on long term contracts. The risk is that Daisy will relinquish the support provision before the tender process can run to completion or may even choose not to apply for the tender. The only option open to the Council in order to mitigate risk is to secure an interim (12 month) contract with Daisy while all options are considered. As the service is within scope for transfer to the New Support and Customer Services Organisation (NSCSO) the provider (Capita Plc.) are also being consulted on any plans for Wisdom support
- 8.5 With minor amendments the Council is seeking to provision the support of the Wisdom application along similar lines to that agreed with 2e2. As novation is not possible a new contract would need to be agreed between the Council and Daisy who have offered a 1, 2 or 3 year support term. The Council would seek the 1 year term while all longer term options are being considered.

## **9. LIST OF BACKGROUND PAPERS**

- 9.1 None

**10. OFFICER'S DECISION**

**I authorise the following action:**

- 10.1 To appoint Daisy Data Centre Solutions Limited to provide interim Wisdom support services utilising the urgent/emergency provisions as set out in Sections 15.2 and 15.4 of the Contract Procedure Rules for a twelve (12) month contract period from date of contract signature, anticipated to be before 31<sup>st</sup> August 2013**

**Signed**

**Lesley Meeks**

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**Assistant Director Commercial Assurance**

**Date**

**5 August 2013**

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