

POLICY AND RESOURCES COMMITTEE – 7 DECEMBER 2020

PART I - DELEGATED

8. EXEMPTION FROM PROCUREMENT PROCEDURE RULES – FINANCIAL MANAGEMENT SYSTEM (DOF)

1 Summary

- 1.1 To advise Members that an exemption to the Procurement process was approved by the Chief Executive and Director of Finance under the Exceptional Circumstances exemption as permitted by the Council's Constitution.

2 Details

- 2.1 An exemption may be considered by the Chief Executive or a Director when there are exceptional circumstances. This applies in the case of the extension of the contract for the Financial Management System.
- 2.2 Once approved, a report to the Policy and Resources Committee must detail the actions taken. This report is for information only to comply with the requirements of the Constitution.
- 2.3 The contract for the council's financial management system was due to expire at the end of March 2021. However a 5-year extension to the current contract has been negotiated. This was done via a new contract being sought on a framework and then secured, bringing the benefit of having a new contract in place from March 2021 with agreed annual licence fees.
- 2.4 The decision to extend the contract was taken for 3 reasons which are explained below
- 2.5 The council has been dealing with the COVID-10 pandemic since March 2020 which has had an impact on all staff in terms of an increased workload and having to adapt to working differently and at home. This is likely to continue for the foreseeable future. This would have made the implementation of a new system practically impossible as it requires a lot of onsite support from the system suppliers.
- 2.6 At the time when the decision was taken there was still a realistic possibility that Hertfordshire would be subject to local government reorganisation and that the Council would not exist in its current form in the near future. So to take the decision to invest in a new financial system would not be a sensible one with this on the horizon.
- 2.7 Finally there has recently been the need to upgrade the system and develop other interfacing systems to achieve improved efficiency and effectiveness. If we were to bring in a new system then this work will need to be done again with the new system incurring unnecessary additional cost.
- 2.8 It was considered that the reasons above amounted to there being exceptional circumstances whereby a procurement exemption could be sought and agreed.
- 2.9 A Procurement Exemption to the Council's Procurement Procedures was agreed on 31 July 2020 for the council to obtain an extension to the contract through a direct award to the existing supplier.

3 Options and Reasons for Recommendations

3.1 The Constitution requires that a report is taken to the Policy and Resources Committee on the action taken in the event that an exemption to the procurement process is approved.

4 Policy/Budget Reference and Implications

4.1 The recommendations in this report are set out in Part 4 of the Council’s Constitution.

5 Financial

5.1 None as there is currently a budget to cover the annual costs of the software.

6 Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications

6.1 None Specific.

7 Risk Management and Health & Safety Implications

7.1 None Specific.

8 Recommendation

8.1 That the Policy and Resources Committee note the action taken.

Report prepared by: Tina Stankley, Interim Head of Finance

Data Quality

Data sources: Finance System Contract

Data checked by: Colin South, Finance Manager System

1	Poor	
2	Sufficient	
3	High	X

Background Papers

The Council’s Constitution: Part 4 – Contracts Procedure Rules

APPENDICES / ATTACHMENTS

None