

## **Urgent Cabinet Report/Delegated Decision Form**

<b>Report/Decision Title</b>	Civica ICON E-Payments (income) Managed Service – Variation & Extension to Contract for Enterprise Licensing – May 2023
<b>Date of request</b>	20 March 2023
<b>Date of meeting/decision</b>	

### **Urgent – General Exception - Reasons for urgency outlined below.**

Officers in the Resources Directorate request an Urgency Exemption for approval to extend the existing contract with Civica for the ICON E-Payments (income) Managed Service.

The Council has a long-standing contract in place with Civica UK LTD to provide ICON e-payments service. The existing contract is due to expire on 31 May 2023. Officers are currently negotiating to enter into a new contract arrangement from 1 June 2023 under the Crown Commercials Ltd Framework Agreement for Business Applications. In order to finalise the contractual agreement under the Framework, Civica Limited have requested that the Council approve the contract offer by 28 April 2023. The contract will be for the minimum three-year period which Civica are willing to enter into a contract. The estimated value of the contract is expected to exceed £0.25m and is likely to be in excess of £0.3 million for a three-year period. This is based on one-off licensing costs of £115k (capital) and an annual maintenance/service charge of around £85k per annum for revenue (an increase in annual costs of around £28k per annum). Therefore, urgency arrangements are viewed as appropriate to mitigate the risks of falling out of contract after 31 May 2023 as a result of the 28-day forward plan process.

This contract is required to ensure the Council can maintain essential customer services relating to income collection and income management. The Contract also provides industry-approved security standard software which is compliant with Payment Card-Industry Data Security Standards, which the Council are required to adhere to when using customer card details to process face to face, telephone, and online card transactions.

The Council must continue with the licensing of Civica products to maintain business as usual and will also look to expand the use of the products available to make further administrative savings in income collection and management. The new license also allows the Council to maintain its adherence to PCI-DSS card holder data standards.

The arrangement will therefore be recommended to be in place for the minimum period of three years, in order to provide the Council with flexibility to consider alternative income collection and management solutions in line with changing methods of service delivery from 1 June 2026.

**I confirm that the relevant chair of Scrutiny and Improvement Committee (or if there is not chair, the whole committee individually) and the Cabinet Member have been informed by notice in writing of the decision to be taken.**

<b>Officer name</b>	Rob Davisworth	<b>Officer Signature</b>		<b>Date</b>	20 March 2023
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<b>(Delegated Power Author)</b>					
<b>Assistant Director Name</b>	John Bulman	<b>Assistant Director signature</b>		<b>Date</b>	20 March 2023

**This urgent report/decision has been seen and agreed by the following:**

<b>Officer / Member</b>	<b>Signature</b>
Managing Director	
Section 151 Officer	
Monitoring Officer	

# Delegated Power Record

Are the details of the decision to be public or confidential?

## Public

If the details of the decision are confidential, please select the category for exemption under the Local Government Act 1972

Choose an item.

<b>Reference</b>	<b>RES-23-030</b>
<b>Corporate Plan Priority</b>	Meeting Residents' Needs
<b>Delegation Title</b>	Civica ICON E-Payments Managed Service
<b>Delegated Power Number</b>	450 - Award a Contract
<b>Date of Exercise</b>	18/04/2023
<b>Cabinet Member</b>	Cllr Glyn Nightingale
<b>Assistant Director</b>	John Bulman

<b>Type of Decision (Key/Executive/Non-Executive)</b> See Scheme of Delegation to Officers – Council Constitution	Key - Executive
<b>FOR KEY DECISIONS ONLY</b>	
<b>Delegated Power Forward Plan Ref</b>	Not applicable
<b>Date Decision Published in Forward Plan</b>	
<b>Urgency</b> (For Key Decisions not included in Forward Plan only)	Urgent - General Exception - Forms Attached

### Background to Decision:

The Council has had a contract in place with Civica UK Ltd to provide an ICON E-Payments Managed Service. This contract expires on 31 May 2023. The requirement is ongoing and therefore a new contract arrangement is to be put in place from 1 June 2023 under the Crown Commercial Services Ltd Framework Agreement for Data and Application Solutions – RM3821. Framework contractual terms and pricing have been secured providing a contract is agreed before 28 April 2023. The contract will be for a three-year period. The estimated value of the contract is likely to be £0.355 million for a three-year period. This is based on one-off licensing costs of £115k (capital) and an annual maintenance/service charge of around £80k per annum for revenue (an increase in annual costs of around £23k per annum).

The contract is required to allow the Council to continue using Civica ICON Products and meet strict legal requirements for securely managing customer payment card information (known as Payment Card Industry Data Security Standards (PCI-DSS)).

# Delegated Power Record

## Decision Considerations:

Contract Procedure Rules.

Approved at Digital Delivery Board on 12 April 2023.

The Council must continue with the licensing of Civica products to deliver the Council's payment services and continue to look at opportunities to further digitise and make use of products to drive efficiency savings in processes of income collection and income management. The system interfaces with the Council's Customer Relationship Management System and is used to collect all customer payments not made by cash or separate bank transfer.

## Full details of decision:

Approval is requested to award a contract to Civica UK Ltd for the provision of an ICON e-payments Managed Service. The new contract will be in place for a three year period from 1 June 2023 and will expire on 31 May 2026.

## Financial detail:

Capital costs to purchase license = £115,000

Annual maintenance charge, payable each year = £80,000 per annum

Total Cost 23/24 to 26/27 = £355,000.

## Delivering Social Value:

Civica have offices throughout the UK and have offices in the Tees Valley. The solution allows the Council to promote a wide range of payment opportunities for customers as part of promoting wider channels of customer access.

## Reasons for Decision:

The system interfaces with other core systems operated by the Council. A wholesale replacement of the existing system would require significant rescoping, procurement and implementation which requires an estimated 2-year lead in time. Whilst the Council will be required to renew its enterprise license for this product at a cost of £115,000, this option has been considered against the more substantial costs of an implementation of a new product. After a review of the contract spend and potential additional functionality set out in the agreement, it is considered that under the circumstances the contract does represent value for money. However, officers will commit to a further review of this functionality in 23/24 to assess whether more efficiencies can be driven from this product or whether an alternative solution can be found.

# Delegated Power Record

<p><b>Details of alternative options considered (if any) and reasons for rejection:</b>          Do nothing – rejected as the Council has a requirement and the system is a key and core element of payment acceptance.</p> <p>Procure alternative system – rejected due to scale and anticipated cost of supply from alternative suppliers.</p>	
<p><b>Details of any conflict of interest declared by any Elected Member consulted in relation to the decision:</b></p>	
<p><b>Details of any dispensation granted in respect of any conflict of interest:</b>          This must be left blank. Business Support will seek this information from the Cabinet Member.</p>	
<p><b>Background Papers:</b>          State where any additional papers may be held, any background information (if applicable)</p>	
<b>Officer Name (Print)</b>	<b>ROB DAVISWORTH</b>
<b>Officer Signature</b>	
<b>Submission date</b>	<b>14 APRIL 2023</b>
<b>Procurement Approval</b>	This decision complies with the current Contract Procedure Rules.

<b>Reference</b>	RES-23-030
<b>Delegated Power Forward Plan Reference</b>	

# Delegated Power Record

<b>Corporate Plan Priority</b>	Meeting Residents' Needs
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<b>Date of Exercise</b>	18/04/2023
<b>Cabinet Member</b>	Cllr Glyn Nightingale
<b>Assistant Director</b>	John Bulman

## Signatures

<b>CABINET MEMBER FOR RESOURCES</b>	<b>Date 18/04/2023</b>
<b>CHIEF FINANCE OFFICER</b>	<b>Date 17/04/2023</b>
<b>CHIEF LEGAL OFFICER</b>	<b>Date 14/04/2023</b>
<b>MANAGING DIRECTOR</b>	<b>Date 17/04/2023</b>

## **Call-In (Key Decisions Only)**

Call-In Applies

Reasons for dis-applying Call-In due to urgency to be added here if relevant. This will need to be reported to the next meeting of the Borough Council and the reasons must demonstrate that any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests.

<b>Date Decision will become effective</b>	27/04/2023 To be completed by Democratic Services – date will be not less than expiry of 5 working days from publication unless urgency applies.
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