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Award

## **Enterprise Resource Planning (ERP) Solution**

Stockton-on-Tees Borough Council

F15: Voluntary ex ante transparency notice

Notice identifier: 2024/S 000-040209

Procurement identifier (OCID): ocds-h6vhtk-04c7ca

Published 13 December 2024, 10:28am

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

Stockton-on-Tees Borough Council

Dunedin House, Columbia Drive,

STOCKTON-ON-TEES

TS17 6BJ

#### **Email**

[corporateprocurement@stockton.gov.uk](mailto:corporateprocurement@stockton.gov.uk)

#### **Country**

United Kingdom

#### **Region code**

UKC11 - Hartlepool and Stockton-on-Tees

### **Justification for not providing organisation identifier**

Not on any register

### **Internet address(es)**

Main address

[www.stockton.gov.uk](http://www.stockton.gov.uk)

Buyer's address

<https://www.stockton.gov.uk>

### **I.4) Type of the contracting authority**

Regional or local authority

### **I.5) Main activity**

General public services

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Enterprise Resource Planning (ERP) Solution

#### **II.1.2) Main CPV code**

- 48000000 - Software package and information systems

#### **II.1.3) Type of contract**

Supplies

#### **II.1.4) Short description**

This notice sets out Stockton On Tees Borough Council's intention to award a contract to Unit4 Business Software Ltd for the provision of a cloud-based Enterprise Resource Planning Solution (ERP Solution). The ERP Solution will include SaaS hosting, core accounting and Field Service solutions use by Stockton On Tees Borough Council.

The proposed contract is for a period of 5 years. The total value of the proposed contract is £1,107,000.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

#### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £1,107,000

### **II.2) Description**

#### **II.2.3) Place of performance**

NUTS codes

- UKC11 - Hartlepool and Stockton-on-Tees

#### **II.2.4) Description of the procurement**

This notice sets out Stockton on Tees Borough Council's intention to award a contract to Unit4 Business Software Limited for the provision of a cloud-based Enterprise Resource Planning Solution. The ERP Solution will include SaaS hosting, core accounting and Field Service solutions for use by Stockton On Tees Borough Council.

The proposed contract is for a period of 5 years. The total value of the proposed contract is £1,107,000.

The Council considers that the award of the contract is permitted under Regulation 32(2)(c) of the Public Contract Regulations 2015 (the PCR 2015). Regulation 32 of the PCR 2015 allows contracting authorities to award a public contract by a negotiated procedure without prior publication. Regulation 32(2)(c) permits the award of a public contract for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with.

The Council considers that due to Unit4's unforeseeable decision on 17 October 2023 to remove support for the Council's on-premises solution from 31 December 2024, the Council does not have sufficient time to conduct market tests, complete a full procurement exercise and implement a new solution before 31 December 2024. The award of a contract pursuant to Regulation 32(2)(c) is therefore strictly necessary, for reasons of extreme urgency, to ensure business continuity for the Council. Further details are set out in Section IV below.

### **II.2.11) Information about options**

Options: No

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Negotiated without a prior call for competition

- Extreme urgency brought about by events unforeseeable for the contracting authority

Explanation:

The Council considers that the award of the contract is permitted under Regulation 32(2)(c) of the PCR 2015. Regulation 32 of the PCR 2015 allows contracting authorities to award a public contract by a negotiated procedure without prior publication. Regulation 32(2)(c)

permits the award of a public contract for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with. The Council considers that its reliance on Regulation 32(2)(c) is justified for the following reasons:

The Council has a perpetual site licence for the Unit4 Agresso Enterprise Resource and Planning Solution and receives annual maintenance and support from Unit4 Business Software Limited (Unit4). The data is stored on the Council's virtual server infrastructure, which is an on premises model.

On 17 October 2023 Unit4 announced that it would no longer provide maintenance and support services for perpetual licences or any on premises solutions post 31 December 2024, meaning that the Council would have to migrate the existing solution to Unit4's own cloud services and adopt a subscription-based licence model.

The ERP solution is an essential and integral part of the Council's financial systems. Unit4's announcement that it would cease to provide maintenance and support services or any on premises solutions post 31 December 2024 was not foreseeable by the Council and has given rise to a situation of extreme urgency in which the Council must ensure that its ERP systems do not become unsupported post 31 December 2024.

It is the Council's position that the time period provided by Unit4 before the ERP system becomes unsupported is insufficient to permit the Council to undertake the intricate process of compiling detailed business requirements for a new solution, perform an exhaustive market analysis, execute a comprehensive open procurement exercise, and deploy a new ERP system prior to 31 December 2024. The decision to award a contract pursuant to Unit4 Page 6 to 7 pursuant to Regulation 32(2)(c) is therefore considered to be strictly necessary in a situation of extreme urgency, to ensure business continuity for the Council. This approach will also provide the Council with the necessary time to evaluate all potential options and ensure that any future procurement decisions align with the Council's best interests and value for money obligations.

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: Yes

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## **Section V. Award of contract/concession**

A contract/lot is awarded: Yes

### **V.2) Award of contract/concession**

### **V.2.1) Date of conclusion of the contract**

13 December 2024

### **V.2.2) Information about tenders**

The contract has been awarded to a group of economic operators: No

### **V.2.3) Name and address of the contractor/concessionaire**

Unit 4 Business Software Ltd

c/o DAC Beachcroft LLP, Portwall Place

Bristol

BS1 9HS

Country

United Kingdom

NUTS code

- UKC11 - Hartlepool and Stockton-on-Tees

Companies House

01737985

The contractor/concessionaire is an SME

No

### **V.2.4) Information on value of contract/lot/concession (excluding VAT)**

Total value of the contract/lot/concession: £1,107,000

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

Royal Courts of Justice

The Strand

London

WC2A 2LL

Country

United Kingdom