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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

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

<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

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

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

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

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