

**Wards Affected:**

None

**CABINET PROCUREMENT COMMITTEE****7 FEBRUARY 2012****CASH RECEIPTING AND INCOME MANAGEMENT SYSTEM**

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**EXECUTIVE SUMMARY**

The Council currently uses the Civica ICON income management system to collect and allocate income received through our bank accounts, cash and debit / credit cards. Due to changing banking regulations and the nature of customer interactions the Council needs to change or upgrade its income management system.

The Council has undergone a tendering process using the Government Procurement Software Application Solutions Framework Agreement for the provision of a Cash Receipting and Income Management System. The contract is for the period 1 April 2012 to 31 March 2016.

This report has been prepared to agree the award of contract following a Most Economically Advantageous Tender (MEAT) evaluation.

**1. Recommendation(s)**

- 1.1 That the public and press be excluded from the meeting by virtue of Paragraph 3 (Information Relating to the Financial or Business Affairs of the Authority) of Part 1 of Schedule 12A of the Local Government Act 1972 during consideration of the **Annex** to the report.
- 1.2 That the contract for the hosted Cash Receipting and Income Management System for the Council be awarded to the tenderer with the highest MEAT evaluation.

**2. Issues**

- 2.1 The Council currently uses the Civica ICON income management system to collect and allocate income received directly to the Council's bank accounts, cash, cheques and debit / credit cards.
- 2.2 There have been a number of recent changes that require the replacement or upgrade of the Council's current cash receipting and income management system. These include:
  - changes to the card issuers' regulations around receiving income via credit and debit cards – the current system is not compliant with the revised regulations;

- Government policy to make sure as many public sector interactions as possible are done electronically; and
- The closure of the Council's cash desk and the changes to internal processes that resulted.

2.3. A tendering process using the Government Procurement Software Application Solutions framework agreement was undertaken and 4 bids were received. Two bids were not compliant with the mandatory requirements of the tender. The two compliant bids are summarised in the **Annex**.

### 3. **Alternative Options**

3.1 The recommendation above is the outcome of the Most Economically Advantageous Tender (MEAT) so is the only option.

### 4. **Implications**

#### 4.1 Policy

There are no relevant Council policies affected by this decision.

#### 4.2 Resources and Risk

The costs of the hosted software solution are approximately £45,000 for one-off implementation costs and £37,000 for annual maintenance. The cost over four years (the longest contract period under the framework as advised by the Procurement team) would be £192,260.

An upgrade to the existing software will be mandatory during 2012 to meet the card issuers' regulations and the costs quoted include both the upgrade to the latest version and the move to a hosted solution.

Annual running costs are in line with the projected costs of the current system. The annual costs are based on transactions volumes going through the system and are in line with expected volumes over the coming period.

The implementation costs are in line with the cost of upgrading the current system. Due to delays in the tendering process the implementation of the move to a hosted solution will now fall into 2012/13. The costs of implementation had been expected in the current year and the delay has resulted in unspent funds in 2011/12. A carry forward request has therefore been prepared and submitted for the scheme.

N	Capital	Y	Revenue	N	Accommodation
Y	IT	N	Medium Term Plan	N	Asset Management

#### 4.3 Carbon and Energy Management

No implications.

#### 4.4 Legal

The tender was undertaken and the contract is to be awarded through the Government Procurement Software Application Solutions framework agreement. These framework agreements are compliant with EU Procurement legislation.

#### 4.5 Other Implications

The system integrates closely with the Council's customer facing systems as it is the enabler of accepting payments for services in person, over the telephone, using Automated Telephone Payments or the internet

N	Equalities / Diversity	N	Sustainability	N	Human Rights
Y	E-Government	N	Stakeholders	N	Crime and Disorder

Background Papers: MEAT scoring of the bids for the contract.