**Appendix 3 - 3.10 Memo's (Exemption Urgency)**

| Function | Cluster | Description of Contract | Estimated Start date of Contract | Estimated End date of Contract | Total Estimated Contract Value £ | Summary of explanation of why the contract was urgently required and justification for suspension of procurement regulations, in whole or in part: |
|---|---|---|---|---|---|---|
| Corporate Services | Finance | Proceeding with optional 2 year extension upon completion of initial 5 year contract with Civica UK Ltd for the provision of licensing and support for Bank Reconciliation, ICON payment processing and cash receipting software: support and associated hardware maintenance for a period of two years from 30 September 2024 to 30 September 2026. | 30/09/2024 | 30/09/2026 | £510,010.00 | The Council's requirements are strategically aligned to the functionality of the current product and therefore the impact on service delivery and cost implications of changing to a new product at this time would inhibit the Council's ability to evidence best value being achieved. The software supports the council's bank reconciliation function that is critical to the effective control of council finances, and the current contract with Civica UK Ltd expires on 30 September 2024.  Approximately 400,000 transactions per year are recorded through this software: this includes individual cash receipts, internet and telephone payments and bulk cash transactions from a number of service points across the city e.g. schools and museums.  Since the council purchased and implemented the ICON product in 2009, considerable investment of over £1,500,000 has been made in the original software and consultancy associated with that implementation.  In addition, an estimated £500,000 of council staff resource has been invested in the development of the product for the council.  Since the system impacts such a large number of cash receipting sites, its implementation has involved multiple staff in all services and implementation team members from ICT and Finance.  If the council were to change to an alternative supplier then it would be necessary to invest staff resources of a similar scale in that new product in addition to the proposed cost of this contract. By its nature, the system connects with a large number of feeder systems and integrated processes, with competing priorities on ICT and Finance staff time.  In order to introduce a new system significant project management would be required that would impact upon current staff resource not only within ICT and Finance, but throughout the organisation.  The payment processing and cash receipting software is critical to the controls of the council.  In previous years there had been some challenges in reconciling aspects of the council's bank accounts that were reported to the Audit and Risk Committee, however, since 2013, these problems have been fully resolved after considerable effort of staff across the council as a result of the effective strength of this financial system that is aligned to our business processes.  In addition, the integrity of the cash income systems are key to achieving the council's income streams and managing our service delivery – with an impact for example on council tax and rent arrear management and planning application income. |