

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Corporate Services

Tendering Committee: 17th December 2008

Subject: HR/Payroll System

1. Purpose

- 1.1** This report is to recommend to Committee the award of contract to a preferred supplier as a result of the HR/Payroll tender. The report on the Evaluation Process, which determined the successful bidder on the basis of the most economically advantageous tender, is attached as Appendix 1.

2. Background

- 2.1** A report was submitted to the Tendering Committee in December 2007 which advised that a joint project with Inverclyde and Perth & Kinross was in progress and that agreement had been reached to issue a tender through the OJEU restricted route.
- 2.2** West Dunbartonshire, Inverclyde and Perth & Kinross were unable to reach agreement on the requirements that should be contained in the Invitation to Tender and subsequently West Dunbartonshire decided to withdraw from the joint project and to proceed to tender with their own requirements. Laterally Inverclyde and Perth & Kinross were unable to decide on a joint supplier following the tender process and elected to appoint different suppliers. Inverclyde appointed Frontier and Perth & Kinross appointed Northgate.
- 2.3** The Invitation to Tender (ITT) was issued through the European Journal on 6th February 2008 with a closing date of 31st March 2008.
- 2.2** A total of 8 responses were received, one of which was a decline to tender, and another was a submission from South Lanarkshire Council under the Yellow Page offering a variation to contract which fell out with the scope of the project as advertised, and accordingly could not be considered as part of the tender process. One further submission was declared as non-compliant after the company failed to respond to a request for clarification on aspects of their bid and as a result have been excluded from the tender evaluation process.
- 2.3** A formal evaluation process has been undertaken which comprised of a review of Financial Governance, the functionality of the system as compared to the requirements of the council, the costing of the solutions, presentations given by the suppliers which detailed how each solution would perform with pre-determined scenarios. There were also a number of reference site visits undertaken to evaluate first hand the solution in situ and also to gain more information on the day to day use of the system within the organisation.

Once the evaluation process was completed a recommendation was submitted to the HR System Project Board.

3. Main Issues

- 3.1** The submissions received varied extensively in terms of cost and value for money and it has been necessary to review these in order to ensure a fair and transparent analysis in respect of cost/quality and value for money. Other reviews were around the terms and conditions.

4. Personnel Issues

- 4.1** There are currently 3 members of staff assigned to the HR / Payroll System project. Project Manager, Project Assistant and a Clerical Assistant. It is envisaged that these resources will continue to be required for the duration of the contract which is scheduled to be complete in April 2010.

5. Financial Implications

- 5.1** The funding agreed by Corporate & Efficient Governance Committee is sufficient to contract with the preferred bidders. The total budget assigned for this project is £953,572 which comprises spend from 07/08 through to 2010/11 in respect of Software, Hardware, Salaries and Maintenance. A full breakdown of the spend is attached as appendix 2.

6. Risk Analysis

- 6.1** Failure to award a contract would require a return to tender process, which would require a reworking of the requirements and is unlikely to yield any additional interest, but would have a serious detrimental impact on the Council in its ability to meet its statutory obligations. Without the capabilities of an HR System the objectives around workforce planning and resource management are likely to be severely impacted.

7. Conclusions

- 7.1** The tendering exercise has been undertaken in line with the Council's tendering procedures and European Procurement rules, and has identified Frontier Software as the preferred bidder. They are currently providing services to 5 local authorities in Scotland (West Lothian, North Ayrshire, East Lothian, Shetland, Inverclyde) and a further 60 in England and Wales. Frontier has been voted the Number 1 HR Technology and Software Provider in Australia for the second year running.

8. Recommendations

- 8.1 It is recommended that the Tendering Committee supports the proposal to award the contract to Frontier Software.

Joyce White
Executive Director of Corporate Services

Person to Contact: Sam Dove, HR / Payroll System Project Manager; Tel: 01389 737445;
Email: Samantha.Dove@west-dunbarton.gov.uk

Appendices: Appendix 1, Appendix 2

Background Papers: Report to Tendering Committee, December 2007

Wards Affected: None.