

INDIVIDUAL CABINET MEMBER DECISION REPORT

Published on 7 February 2019

Report Title: Library Management System

Dates between which decision will be taken	Earliest date: 15 February 2019 Latest date : 22 February 2019
Public Protection, Parking and Libraries	Cllr Dave Norman
Key Decision	Yes
Background Papers	None
Location/Contact for inspection of Background Documents	N/A
Main Consultees	Relevant internal support services
Planned Dates	Seek to award the contract by the end of May 2019
Divisional Councillor	n/a
Officer	Any representations should be sent to: Katie Smith 01452 426494 Katie.a.smith@gloucestershire.gov.uk By 5pm on Thursday 14 February 2019
Purpose of Report	To seek authority from the Lead Cabinet Member, Public Protection, Parking and Libraries, to conduct a legally compliant public procurement process for the supply of a Library Management Software System to replace the current system when the contract in respect thereof ends in March 2020.
Recommendations	That the Lead Cabinet Member, Public Protection, Parking and Libraries authorises the Head of Libraries and Registration Service, to : a) conduct a legally compliant public procurement process for the purpose of awarding a contract for the provision of a Library Management Software System and maintenance services in respect thereof. The proposed

	<p>contract to be for an initial period of 6 years and include options to extend such period by up to 4 years.</p> <p>b) award such contract (following the conclusion of the said procurement process) to the preferred supplier evaluated as offering the Council the best value for money for delivering the required system and services or, in the event that the preferred supplier is either unable or unwilling to enter into that contract with the Council, to award such contract to the next willing highest scoring and suitably qualified provider.</p>
<p>Reasons for Recommendations</p>	<p>This above recommendation offers the council the most appropriate option both in terms of a transparent commercial process to maximise value for money for the council, and will ensure the system software solution is appropriate for the future, enabling the library service to maximise digital services and automation.</p> <p>The council's alternative options are considered in section 2 of this Report.</p>
<p>Resource Implications</p>	<p>The estimated value of the proposed contract is £440,000 if the term continues for the maximum 10 year period. The said value would be within available budget.</p> <p>The revenue costs made up of support and maintenance for the required system software is estimated to be no more than £420,000 which will be funded via existing ICT revenue budgets.</p> <p>Note, dependent on the model from the supplier, the ratio between revenue and Capital may vary, with some suppliers weighting costs towards revenue, with other requiring greater costs relating to Capital in the implementation period.</p> <p>The implementation of the contract and capital hardware costs in respect thereof in the first year are expected to be between £20,000 and £60,000. Such costs shall be funded via the libraries capital budget. This Capital fund was awarded as part of Customer Programme funding in February 2016 (Cabinet Report and Full County Council MTFs report).</p> <p>Soft market test research has indicated that such implementation costs might not be incurred during the first year of the contract, but rather they may apportioned throughout the term of the contract.</p>

MAIN REPORT CONTENTS

1 Background

The purpose of the above-mentioned decision is to enable the Library service to procure a modern Library Management System to replace the current system when that contract ends in March 2020. This end of contract has provided the opportunity to review the requirements for the system and ensure that the new procured system meets the projected needs of the council and offers best value. The commercial process will be transparent and managed to maximise the value of the future contract.

1.1 What the proposed system will do and why it is necessary:

The Library Management Solution is the system that stores, processes and manages all stock and customer data regarding transactions, membership and ordering. The system will integrate with multiple systems such as SAP, Capita 360, and library solutions such as the Virtual library (eStock and reference services), PC booking system and self service kiosks and unattended access. The solution also manages the Electronic Data Interchange (EDI) processes for stock from ordering to quotes and receipt confirmation. The solution manages over 2 million customer lending transactions and manages email notifications to customers. It is used in 39 libraries in the county, plus the public sector mobile, Registration offices, and Library teams in Shire Hall and Oakley, Cheltenham.

The market has been engaged with via Soft Market testing November 2018.

1.2 Contract Period:

The council's current contract for Library Management System supplied by Capita Libraries is scheduled to end 31st March 2020. The contract was awarded as software as a service (SASS) under which the services thereunder were provided as a managed solution.

The contract we are seeking will commence in 2019 with a period of overlap with the current Capita contract in order to undertake the implementation phase which includes data migration, and will enable the testing of the new solution prior to launch to ensure impact on customer service, stock ordering and staff and volunteer processes is minimised.

1.3 Key Points

- a. The current contract for Capita Libraries is scheduled to end on 31st March 2020
- b. Authorisation is sought hereunder to procure the new system for a contract period of 6 years plus up to 4 years extension option.
- c. Monthly reporting of SLA/Service Credits/Incident Reporting/ Managed Service

d. Quarterly Performance Monitoring Meetings, face to face

2 Options

Option 1:

To retain the status quo by awarding a new contract to the incumbent supplier without conducting a procurement process. This is not a viable option as it would not be an appropriate transparent commercial course of action and the council would not undertake a commercial process in order to maximise functionality, future proofing and value for money. Therefore this option was not judged suitable.

Option 2:

To no longer use a library management software system. This is not an appropriate option owing to the volume and complexity of the transactions, data and interactions the library service manages with customers, financial data and bibliographic data.

Option 3:

To undertake a legally compliant public procurement process for the purpose of awarding a contract for the provision of a Library Management Software System and maintenance services. The Crown Commercial Service have no available framework via which to tender therefore this is proposed to be an Open Tender.

This option is considered the most appropriate both in terms of a transparent commercial process to maximise value for money for the Council, and to ensure the software solution is appropriate for the future, enabling the library service to maximise digital services and automation.

3 Officer Advice:

Officer advice is to implement option 3, to proceed with the procurement and award of a contract for the provision of a Library Management Software System and maintenance services in respect thereof for a term of 6 years with options to extend by up to 4 further years.

4 Risk Assessment

In general the risks of the recommended procurement method are low.

Risk	Mitigation
Business failure of company awarded the contract	<ul style="list-style-type: none">• Financial checks will be carried out as part of the open tender• Termination on Financial Standing and Termination on Insolvency and Change of

	<p>Control will be specified within the Framework Agreement</p> <ul style="list-style-type: none"> • Pay Mechanism will be specified within the Framework Agreement.
Supplier fails to meet requirements for support and maintenance	<ul style="list-style-type: none"> • The contract will be supported by a range of performance indicators and service levels that have been set out in the Call Off Contract.

5 Equalities considerations

The Digital Innovation Due Regard Statement has been reviewed and updated. It considers impact on all groups with regard to digital innovation introduced into libraries and has shown no significant mitigations are required with regard to equalities. It will be a continual process to review this assessment.

The procurement process will assess the suitability of the potential solutions and software on offer for use by customers and staff with specific needs.

Libraries are well placed to offer support by staff and volunteers to individuals who are not confident in using digital services.

The library management system being contracted for will replace the existing service and is used for over 2 million service transactions per year.

6 Consultation feedback

N/A

Report Title	Libraries- Library Management Software System. Open Tender – Decision to proceed with the Tender
Statutory Authority	Public Libraries and Museums Act 1964
Relevant County Council policy	<p>Library Strategy 2012</p> <p>As part of the Strategy 8 community libraries have been established, each with Revenue Grant Agreements which set out the responsibilities for the management of the library service. It is the Council’s responsibility to provide the Library Management System to each Community Managed Library as part of the strategy and agreements.</p>
Resource Implications	<p>The estimated value of the proposed contract is £440,000 if the term continues for the maximum 10 year period. The said value would be within available budget.</p> <p>The revenue costs made up of support and maintenance for the required system software is estimated to be no more than £420,000 which will be funded via existing ICT revenue budgets.</p> <p>Note, dependent on the model from the supplier, the ratio between revenue and Capital may vary, with some suppliers weighting costs towards revenue, with other requiring greater costs relating to Capital in the implementation period.</p> <p>The implementation of the contract and capital hardware costs in respect thereof in the first year are expected to be between £20,000 and £60,000. Such costs shall be funded via the libraries capital budget. This Capital fund was awarded as part of Customer Programme funding in February 2016 (Cabinet Report and Full County Council MTFS report).</p> <p>Soft market test research has indicated that such implementation costs might not be incurred during the first year of the contract, but rather they may apportioned throughout the term of the contract.</p>
Sustainability checklist:	
Partnerships	We are procuring in partnership with Swindon Borough Council. GCC is the lead authority and this arrangement is supported by a non-legally binding MoU.
Decision Making and Involvement	N/A

Economy and Employment	N/A
Caring for people	N/A
Social Value	N/A
Built Environment	N/A
Natural Environment' including Ecology (Biodiversity)	N/A
Education and Information	The Library Management System is a key element enabling the efficient delivery of a library service in order to provide information, learning and digital services to the public of Gloucestershire, supporting their education and learning.
Tackling Climate Change	Carbon Emissions Implications? Neutral Vulnerable to climate change? No
Due Regard Statement	Has a Due Regard Statement been completed? No - considerations included in main body of report A copy of the full Due Regard Statement can be accessed on GLOSTEXT via http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1 Alternatively a hard copy is available for inspection from Jo Moore, Democratic Services Unit, e-mail: jo.moore@gloucestershire.gov.uk .
Human rights Implications	none
Consultation Arrangements	none