

Committee(s):	Date(s):
Planning & Transportation Committee.	26 07 2016
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Document Reference Number: <i>WLOF/0004</i>	
Subject: ESRI(UK) Contract Waiver	Public
Report of: Director of the Built Environment	For Decision and Information
<p>Summary</p> <p>The City of London uses ESRI as the supplier of its GIS (mapping) software. The number of licences currently available is insufficient for our business needs and rather than purchasing individual licences it is cheaper and more effective to enter into a three year Enterprise Licence Agreement which allows us to expand our licence pool as business needs develop.</p> <p>The annual value is within the amount that can be approved by a Chief Officer but because the total for the three years exceeds that threshold Committee approval is required,</p> <p>Recommendation(s)</p> <p>Members are asked to:</p> <ul style="list-style-type: none"> • Approve the waiver of regulation 9 of the Corporation's Procurement Regulations; and • Approve the award of the contract for the ESRI Enterprise Licence Agreement to ESRI(UK) for a value of £40,000pa for the period of 3 years (£120,000 in total). 	

Main Report

Background

1. In 2004 the City of London contracted with ESRI(UK) to provide, as prime contractor, an integrated solution that provides the back office functionality for processing planning applications & building control applications; an internal and public facing document management system for planning applications (to meet regulatory requirements) and a mapping system (GIS).
2. As a result of the increase in use of the GIS across the City of London since 2004, and government requirements to publish spatial data in map formats, there is now a need to increase both the number of desktop licences and the number of web publishing server licences.

3. The most cost effective way of acquiring the necessary licences is by an enterprise Licence Agreement (ELA). An ELA can only be granted by ESRI(UK) (on behalf of ESRI Inc.) and a waiver is therefore required to allow for a Sole Supplier. This approach was approved by the Category Board on 8 Jun 16.

Current Contract (if applicable)

4. In 2004 the City of London contracted with ESRI(UK) to provide, as prime contractor, an integrated solution that provides the back office functionality for processing planning applications & building control applications; an internal and public facing document management system for planning applications (to meet regulatory requirements) and a mapping system (GIS).
5. This contract is not time limited.
6. In addition to the planning, building control and Highways Management systems that use data stored in the GIS we are currently licenced for one spatial database server, 15 concurrent desktop users, 2 fixed desktop users and one web publishing server. For the GIS products we are currently paying annual maintenance of £19,063 pa.

Procurement Strategy

7. As a result of the increase in use of the GIS across the City of London since 2004, and government requirements to publish spatial data in map formats, there is now a need to increase both the number of desktop licences and the number of web publishing server licences.
8. There are two ways of acquiring additional licences (a) by purchasing individual licences (and then, after the first year, paying an annual maintenance charge); or (b) by purchasing an Enterprise Licence Agreement (ELA) that lasts for 3 years and will, for that period, allow the City of London the use as many desktop and server licences as needed with no additional maintenance charges.
9. For option (a) the minimum we would need to purchase is one new server licence; one “advanced” desktop licence and four “standard” desktop licences. The cost of purchase and 2 years maintenance of the server licence would be £42,326 and the cost of purchase and 2 years maintenance for the desktop licences would be £65,578.

We would also continue to incur the current £19,063 annual maintenance for our existing software.

Over the next 3 years without the Enterprise Licence Agreement the cost to the City would be £165,093 (£19,063pa for existing software plus £65,578 + £42,326).

10. For option (b) the cost would be £40,000 pa giving a “total cost of ownership” over 3 years of £120,000.
11. The ELA would therefore result in a saving to the City of at least £45,093 over three years.
12. At the end of the ELA we would have the option to (i) enter a new ELA; or (ii) continue to use all the licences products (including those acquired under the ELA) on payment of the standard annual maintenance.

Options

13. Since this is an Enterprise Licence Agreement (ELA) to use ESRI software the licence can only be granted by ESRI. A tender would therefore not be appropriate.
14. Extension of the existing contract would be possible by the purchase of the necessary licences – however the cost would be greater than under an ELA.

Proposal

15. To approve a Sole Supplier waiver to provide an ESRI ELA.

Summary of Recommended Proposal(s)

- 16.

Name of supplier/select list	<i>ESRI(UK)</i>
Length of contract:	<i>3 years</i>
Contract start date:	<i>As soon as practicable</i>
Contract end date:	<i>3 years from start date</i>
Total Contract Value:	£120,000
Annual Contract Value:	£40,000
Estimated Total Savings:	£45,093 (as cost avoidance)
Estimated Annual Savings:	£15,031 (as cost avoidance)

Reason for Waiver

	Reason for Waiver	Further information
1	Sole Supplier	Since this is an Enterprise Licence Agreement it can only be granted by ESRI Inc, in this instance, acting through ESRI(UK)

Subsequent Procurement following Expiry of Waiver

17. We will explore the market to determine if there is a realistic alternative supplier taking into account the degree of integration with third party systems.

Responsible Procurement Implications

18. Accurate and reliable mapping is central to the responsible management of our assets and in particular the management of our Open Spaces. Maps give

Open Spaces staff the ability to see their world spatial so they can clearly manage areas of degradation, making the best decisions for the environment based on all the available evidence - resulting in environmental improvement.

19. ESRI(UK) also has a significant Corporate Social Responsibility programme (www.esriuk.com/csr). They work with local & national charities including Walking with the Wounded; MapAction (the only NGO with a capacity to deploy a fully trained and equipped humanitarian mapping and information management team anywhere in the world); The Outward Bound Trust; the Canal and River Trust; & the Field Studies Council.

Comments

20. Legal Comments

Approval is sought subject to negotiation by the Comptroller & City Solicitor of acceptable licence terms.

21. Financial Comments

The proposed contract is the most economical means of meeting service requirements and the costs can be met from within existing local risk resources.

22. Category Board Chairman's Comments

The approach requesting a sole supplier waiver from Planning & Transportation Committee was considered at the IT Category Board on 8 Jun 16 and approved.

23. Chief Officer's Comments

The Director of the Built Environment supports this request.

Conclusion

24. The ESRI Enterprise Licence Agreement (ELA) offers better value for money and business flexibility than individual licence purchases. An ELA can only be obtained from ESRI and therefore a waiver for a Sole Supplier and award of the contract to ESRI is recommended.

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