

Appendix 1 - Financials Then & Now

		Existing System		Proposed System
		(A) Estimates in 2018 (nearest £K) APPROVED	(B) Actuals/Estimates 2021 pre tender	(C) Actuals 2021 post tender
Revenue (pa)	IT system supplier costs	60,000.00 (1)	62,887.40 (1)	49,779.50 (4)
	5R IT Costs - Servers	20,000.00 (2)	45,595.44	45,000.00 (3), (5)
	5R IT Costs - Staff		40,000.00 (3)	18,000.00 (3)
	5R IT Costs - 3rd Party			5,000.00 (6)
	Total Revenue	80,000.00	148,482.84	117,779.50 (12)
Capital	3rd Party (Known)	500,000.00		126,810.00 (4)
	IT Implementation costs			43,600.00 (3)
	Possible addition - Implementation			40,000.00 (7)
	Possible addition - Integration			30,000.00 (8)
	Total Capital	500,000.00		240,410.00 (13)
	5 Year total	900,000.00	742,414.20	829,307.50 (9), (11)
	10 Year Total	1,300,000.00	1,484,828.40	1,418,205.00 (10), (11)

Notes
(1) This is for IDOX and Northgate
(2) At this stage corporate IT were, because of the absence of an "internal market" unable to provide an estimate for the costs recharged for these services via 5R. After discussion with IT we accepted that there was no way to identify the "server" costs but agreed, informally a "back of the envelope" estimate for the staff costs. At this stage IT were not interested in apportioning costs. At that time there was no suggestion that "server" costs would be directly rechargeable to project - this only became the case in 2021. None of these costs is capital and all are currently funded and will continue to be funded for the foreseeable future.
(3) Only an estimate by IT
(4) From Tender
(5) This is based on what is expected to be a significantly higher number of servers than will actually be required - but IT are unable to cost until the contract is signed and work begins
(6) This is a new cost introduced by IT in 2021 that has never been mentioned before
(7) This is in expectation that, as with ALL IT suppliers they will "discover" a need for additional "consultancy" (this is a classic way in which all suppliers make money, this will be the case whichever bid we go for). The amount is total guesswork.
(8) We identified that with both bids it may be necessary to procure an integration with an existing system (neither bidder is able to offer the required functionality; both bidders offered an integration; neither bidder was prepared to cost the integration pre-tender). The amount is an educated (upper end) guess based on experience.
(9) The contract is for 5 years with the option to extend for additional periods up to a total of 10 years.
(10) The bid to be accepted declined to provide costs for years 6-10 (as they were entitled to do) so this is an estimate of the total cost if there were no increase.
(11) The bid costs overall (A) based on both 5 and 10 years are significantly lower than the "do nothing" costs (B)
(12) The overall revenue costs in (C) are lower than current (B)
(13) The capital costs of the bid (C) are substantially lower than the approved amount (B)