



Report of: Acting Head of Highways Infrastructure

Report to Chief Officer Highways and Transportation

Date: 30 June 2020

Subject: Approval to waive Contract Procedure Rules (CPR's) 8.1 and 8.2 and award a new contract for Support & Maintenance of Asset Management eXpert

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of Main Issues

1. The Council awarded a contract (DN343569) to AMX Solutions Ltd on 1st August 2017 for the Support & Maintenance of Asset Management eXpert. The contract expires on 31st July 2020 with no options to extend.
2. Asset Management eXpert comprises two modules – AMX Structures & AMX Flood. AMX Structures is used by the Council's Bridges Section to enable information to be collected, managed and made available to support a risk-based approach to bridges and structures maintenance, and AMX Flood is used by the Council's Flood Risk Management (FRM) team to manage assets such as rivers, streams and moveable weirs.
3. The Council is currently in the process of procuring one or more highways and civil engineering management systems as part of the Highways Enterprise Architecture (HEA) project. The new system should replace four existing main business systems (including Asset Management eXpert) and eleven databases. This project is planned to be delivered within the next three years.

If the HEA project were not to be implemented then the Council's Bridges Section would carry out a full formal procurement and tender for a replacement for Asset

Management eXpert. No further waivers for the current system would be applied for.

4. In the interim the Council is seeking to award a new contract for Support & Maintenance of Asset Management eXpert, for a period of 10 months, with options to extend for further periods up to a maximum of 24 months. This will align the contract end date with other Support & Maintenance contracts in place for software applications being used by the Highways and Transportation Service and in the scope of the HEA project.

Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

5. The award of this contract will support and contribute to the delivery of the following Council policies and priorities:
 - Improving the city's transport infrastructure and tackling climate change risks.
 - Keeping people safe from harm.

Resource Implications

6. There are no resource implications associated with the award of a contract to AMX Solutions Ltd for the Support & Maintenance of Asset Management eXpert.

Recommendations

The Chief Officer Highways and Transportation is requested to approve a waiver of CPR's 8.1 & 8.2 and award a contract to AMX Solutions Ltd for the Support & Maintenance of Asset Management eXpert for the period 1st August 2020 to 31st May 2021, with options to extend for further periods up to a maximum of 24 months.

1. Purpose of this report

- 1.1 The purpose of this report is to set out the reasons for seeking approval to award a new contract to AMX Solutions Ltd for Support & Maintenance of Asset Management eXpert for the period 1st August 2020 to 31st May 2021, with options to extend for further periods up to a maximum of 24 months.

2. Background information

- 2.1 The AMX Structures module of Asset Management eXpert has been used by the Council's Bridges Section for a number of years and the AMX Flood module has been used by the Council's FRM since 2017.
- 2.2 Asset Management eXpert provides both the Bridges Section and FRM team with the necessary tools to manage the Council's assets, producing information for forward planning to support a risk based asset management process. It provides the ability to schedule and record details of all inspections, capture condition scores, recording defects and prioritising works through functionality that includes Works Management, Prediction Models, Whole Life Costing, Asset Valuation and Decision Support for short and longer term Asset Management Planning.
- 2.3 The use of Asset Management eXpert provides consistency in the accessing and sharing of information and data across the Highways and Transportation Service.

3. Main issues

- 3.1 The Council awarded a contract (DN343569) to AMX Solutions Ltd on 1st August 2017 for the Support & Maintenance of Asset Management eXpert. The contract expires on 31st July 2020 with no options to extend.
- 3.2 Asset Management eXpert comprises two modules – AMX Structures & AMX Flood. AMX Structures is used by the Council's Bridges Section to enable information to be collected, managed and made available to support a risk-based approach to bridges and structures maintenance, and AMX Flood is used by the Council's Flood Risk Management (FRM) team to manage assets such as rivers, streams and moveable weirs.
- 3.3 To ensure service continuity, it is recommended that a support & maintenance contract is awarded to the current provider, AMX Solutions Ltd, for a period of 10 months from 1st August 2020 to 31st May 2021, with options to extend for further periods up to a maximum of 24 months on the grounds that Asset Management eXpert is proprietary to AMX Solutions Ltd, and as such only they are able to provide the necessary technical support, maintenance and updates to the system.
- 3.4 Award of the contract will align the contract end date with other systems currently in use within the Highways and Transportation service and in the scope of the HEA project.
- 3.5 The award of a new contract will allow time for the Council's Highways and Transportation Service to complete the full review of its system requirements as part of the HEA project before carrying out a procurement exercise for a replacement highways asset and information management system. The procurement of any new system will also include for the functionality currently provided by Asset Management eXpert.

4. Consequences if the proposed action is not approved

- 4.1 If a new contract for the Support & Maintenance of Asset Management eXpert is not awarded, the Council will no longer be able to use Asset Management eXpert to manage and maintain the Council's infrastructure assets. This would have immediate significant disruptive impacts on a number of key business processes within the Highways & Transportation service, with likely consequential economic impacts.
- 4.2 There would be a need to carry out a full procurement exercise which would take up considerable Council time and resources to implement a new solution.
- 4.3 Alternatively, the Council's Highways and Transportation Service would need to revert to using a more time-consuming, extensive manual paper-based system to manage its infrastructure assets, which would have serious operational and reputational consequences in relation to the provision of services across the city.
- 4.4 Neither of the options set out in 4.2 and 4.3 would represent best use of Council resources or money at this point in time.

5. Advertising

- 5.1 This requirement has not been advertised. Asset Management eXpert is a software solution that is proprietary to AMX Solutions Ltd and as such, only they are able to provide the necessary technical support, maintenance and updates to the system.
- 5.2 The Highways and Transportation Service is currently carrying out a full review of its highways asset and information system requirements with a view to conducting a full procurement exercise for a replacement system during the initial term of the contract. It is therefore not practical to advertise this as a tender opportunity at this time.

6. Corporate considerations

6.1 Consultation and engagement

- 6.1.1 Key Stakeholders in the Highways and Transportation service as well as members of the Council's Digital and Information Service have been consulted and support the decision to award a new contract.

6.2 Equality and diversity / cohesion and integration

- 6.2.1 There are no specific issues relating to equality and diversity or cohesion and integration identified through the award of this contract.

6.3 Council policies and the Best Council Plan

- 6.3.1 The award of this contract will support and contribute to the delivery of the following Council policies and priorities:
- Improving transport connections, safety, reliability and affordability' by supporting a risk based approach to highways asset management; and
 - Becoming an efficient and enterprising organisation' through effective data management in a centralised, accessible and re-usable way, and efficient document storage and retrieval.

Climate Emergency

This report relates to the procurement of on-going Support & Maintenance services for a software system, its impact on climate change initiatives is mainly through the support it gives those services using it. The use of Asset Management eXpert directly contributes by facilitating digital working, enabling the Council's Highways and Transportation Service to manage and maintain the Council's infrastructure assets using a digital platform, removing the need for extensive paper based systems.

6.4 Resources, procurement and value for money

- 6.4.1 Asset Management eXpert is currently in use within the Council's Highways and Transportation service, and is fully embedded in the Council's IT infrastructure and business processes. There are no resource implications related to the award of a new contract for on-going Support & Maintenance.
- 6.4.2 To carry out a full procurement at this point in time would not represent best use of Council funds or resources. A change of such a key system will require an

extensive procurement exercise as well as a significantly sized project team to resource and manage the implementation.

- 6.4.3 During the term of the contract, the Council will be reviewing its requirements in order to carry out a full procurement exercise for a replacement Highways & Transportation system.
- 6.4.4 The decision to award of a new contract to AMX Solutions Ltd for the Support & Maintenance of Asset Management eXpert for the period 1st August 2020 to 31st May 2021, with options to extend for further periods up to a maximum of 24 months represents both value for money and best use of Council funds and resources at this time.
- 6.4.5 The estimated cost for Support & Maintenance of Asset Management eXpert for the period 1st August 2020 to 31st May 2021 would be as follows (based on costs provided by AMX):

AMX Flood:	31 Jul 20 – 31 May 21:	£7777.41 + VAT
AMX Structures:	31 Aug 20 – 31 May 21:	£5131.36 + VAT
TOTAL:		£12,908.77 + VAT

The subsequent annual renewal costs (based on current 1% annual increase) would be as follows:

31 May 21 – 31 May 22 AMX Flood & Structures:	£16,336.45 +VAT
31 May 22 – 31 May 23 AMX Flood & Structures:	£16,499.81 +VAT

6.5 Legal implications, access to information, and call-in

- 6.5.1 The award of a new contract to AMX Solutions Ltd for the Support & Maintenance of Asset Management eXpert at this value is a Significant Operational Decision and is not subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 6.5.2 The value of the direct award detailed within this report is below the threshold for the application of the Public Contracts Regulations 2015 for the procurement of public services contracts and therefore it is not subject to the full EU procurement rules. However, the Council's Contracts Procedure Rules 8.1 and 8.2 require competition for procurements valued between £25K and £100K and the invitation of at least three written tenders. A waiver of these Contracts Procedure Rules is required to award a contract direct to AMX Solutions Ltd. Awarding a contract direct to AMX Solutions Ltd without competition could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that Council's Contracts Procedure Rules suggests that contracts of this value should be subject to a degree of advertising. It is up to the Council to decide what degree of advertising is appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices etc.) and the geographical location of the place of performance. The Chief Officer Highways and Transportation is requested to consider this and, due to the nature of the services being delivered, the system being proprietary to AMX Solutions Ltd, and the relatively low value and length of the contract, approve that the scope and nature of the services is such that it would not be of interest to contractors in other EU member states. In awarding the contract to AMX Solutions Ltd without competition,

there is a potential risk of challenge from other providers who have not been given the chance to tender for this opportunity, although this risk is considered low due the technical reasons set out in this report.

- 6.5.3 Whilst there is no legal obstacle preventing the waiver of Contract Procedure Rules 8.1 & 8.2, the above comments should be noted by the Chief Officer Highways and Transportation and in making the final decision should be satisfied that doing so represents best value for the Council.
- 6.5.4 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. The complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration; however such investigations are by their nature more subjective than legal proceedings.

6.6 Risk management

- 6.6.1 There are no risks associated with awarding a new contract to AMX Solutions Ltd for the Support & Maintenance of Asset Management eXpert. The decision will ensure that Highways and Transportation Service continue to receive Support & Maintenance of Asset Management eXpert from 1st August 2020.
- 6.6.2 Any risks which are highlighted during the term of the new contract will be managed and mitigated through regular account management/supplier review meetings.

7. Conclusions

- 7.1 The award of a new contract to AMX Solutions Ltd for the Support & Maintenance of Asset Management eXpert for the period 1st August 2020 to 31st May 2021 with options to extend for further periods up to a maximum of 24 months will ensure that the Council's Highways and Transportation Service can continue to manage and maintain the Council's infrastructure assets, and represents best use of Council funds and resources at this time.
- 7.2 The decision to seek approval to waive CPR's 8.1 & 8.2 and award a new contract to AMX Solutions Ltd for the Support & Maintenance of Asset Management eXpert for the period 1st August 2020 to 31st May 2021 with options to extend for further periods up to a maximum of 24 months is being taken on technical grounds as Asset Management eXpert is fully embedded into the Council's IT infrastructure and is proprietary to AMX Solutions Ltd, so only they can provide the necessary levels of on-going Support & Maintenance, upgrades and fixes.

8. Recommendations

- 8.1 The Chief Officer Highways and Transportation is requested to approve a waiver of CPR's 8.1 & 8.2 and award a contract to AMX Solutions Ltd for the Support & Maintenance of Asset Management eXpert for the period 1st August 2020 to 31st May 2021, with options to extend for further periods up to a maximum of 24 months.

9. Background documents

- 9.1 None.

Appendix 1

What is your reason for waiving CPRs?

There is a genuine, unforeseeable emergency meaning there is no time to go through a procurement process e.g. to deal with the consequences of extreme weather.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
To purchase supplies or services on particularly advantageous terms due to liquidation/administration.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Requirement to put a contract in place with a current provider whilst a review of the services is completed.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Ran out of time to undertake a new procurement exercise	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Other (please provide summary here)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No