

REPORT TO: CITY GOVERNANCE COMMITTEE – 1 SEPTEMBER 2025

REPORT ON: SOURCING STRATEGY AND AWARD OF CONTRACT FOR AN ONLINE SCHOOL PAYMENT SYSTEM

REPORT BY: EXECUTIVE DIRECTOR OF CHILDREN AND FAMILIES

REPORT NO: 242-2025

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present a summary of the sourcing strategy as outlined in Section 5 of this report and seek approval to secure supply of an online school payments system.

2.0 RECOMMENDATION

- 2.1 It is recommended that the Committee:
- a. Approves the Sourcing Strategy as detailed in Section 5 of this report.
 - b. Agree to the extension of contracts arranged by Tayside Procurement Consortium via mini competition under Scotland Excel's Online School Payments Framework 0520 (TPC Ref: TPC/CCS/22/02) with Parent Pay.
 - c. Approves the award of a 1-year contract extension, with the option to extend by 2 further years as outlined in paragraph 5.3.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The Dundee City Council contract will be for an initial period of 1 year with the option to extend for a further 2 years. The whole life costs for the 3-year contract would be £255,633. The contract will be fully funded from the Children and Families Revenue Budget. The pricing offered is an improvement on the previous contract (taking RPI into account) for each Council based on a longer-term agreement for 3 years. An annual inflation figure of 3% is built in for years 2 and 3, which creates budget certainty for Dundee City Council.

4.0 BACKGROUND

- 4.1 A significant investment in training for staff and users of the system has been made to ensure that the method of payment for services in schools runs effectively for pupils, parents and carers. Dundee City Council wishes to continue to contract with the incumbent provider (Parent Pay Ltd.) and the justification for the continuation of the contract based on the fact that transitioning to a new supplier would necessitate extensive retraining, system reconfiguration, and could disrupt operational continuity.

5.0 SOURCING STRATEGY SUMMARY

- 5.1 Dundee City Council has evaluated the success of the current contracts with Parent Pay Ltd and recommends the utilisation of the extension option. Dundee City Council has explored pricing advantages from a collaborative cluster approach being undertaken for the three Tayside Councils.
- 5.2 Each Council will be entering into their own contract with Parent Pay Ltd.
- 5.3 The recommendation is to enter into an initial 1-year contract with the option to extend by a further 2 years. Evaluation of the system requirements will be undertaken in the year.

- 5.4 This extension (continuation) will ensure contracts are in place to ensure service coverage for the Council(s). Please refer to the Risk Analysis detailed below.

6.0 RISK ANALYSIS

- 6.1 There are four standard risks in any procurement and for public sector regulated procurements, a fifth is added, that of the procurement exercise itself breaching the public contract regulations and leaving the Council open to a legal challenge.

Description of Risk	Actions to be taken to manage Risk
Commercial Risk – That either the price objectives are not achieved up front or there are other costs that arise during the contract and diminish the overall benefits.	As the call offs were made from the existing Scotland Excel Framework, and the awards allowed for extension, there is no risk with extending the contract(s). Pricing offered for the extension period represents best value. The one year extension period will be used to evaluate market conditions and future call off availability via Scotland Excel's Frameworks.
Technical Risk – This concerns the difficulty in being able to specify the desired outcome and on the market being unable to deliver to the specification	The supplier has demonstrated technical competence throughout the lifetime of the contract to date.
Performance Risk – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits	Each Council will have in place contract management arrangements to ensure delivery of the contract and contractor performance.
Contractual Risk – Being able to remedy the shortcomings in the contractor's performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	The original contract terms will continue throughout the extension period. The contractor shall be proactively managed during the extension period.
Procurement Risk – where a procurement is found unsound in law, through the public procurement rules	The use of the contract extension option is compliant.

7.0 POLICY IMPLICATIONS

- 7.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate Senior Manager has reviewed and agreed with this assessment.

8.0 CONSULTATIONS

- 8.1 The Council Leadership Team have been consulted in the preparation of this report and are in agreement with its content.

9.0 BACKGROUND PAPERS

- 9.1 None.

AUDREY MAY
Executive Director of Children and Families

AUGUST 2025