


<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>9 JULY 2018</b></p>	
<p><b>PROCUREMENT OF SELF-SERVICE &amp; ASSOCIATED SOFTWARE</b></p>	
<p><b>Report of the Cabinet Member for Finance and Commercial Services: Councillor Max Schmid</b></p>	
<p>Open Report</p>	
<p><b>Classification - For Decision</b> <b>Key Decision: Yes</b></p>	
<p><b>Consultation</b> Integrated Management Systems Programme Board</p>	
<p><b>Wards Affected:</b> None</p>	
<p><b>Accountable Director:</b> Nicholas Austin, Director of Residents' Services</p>	
<p><b>Report Author:</b> Maria Ellis, Contact Channel Improvements Programme Manager, Customer Services</p>	<p><b>Contact Details:</b> Tel: 07971053865 E-mail: maria.ellis@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. The Council is aiming to improve the use of digital technology to make it easier and quicker for residents to get what they need from the Council, while maintaining traditional contact channels for those that prefer them.
- 1.2. The Cabinet on 15 January 2018 took the decision in relation to the "Integrated Management Systems Procurement Strategy and Business Case" report to carry out a regulated procurement exercise in relation to four (4) distinct but integrated lots covering software and systems for;
  - (Lot 1) a self-service portal;
  - (Lot 2) housing management;
  - (Lot 3) Revenues and Benefits;

(Lot 4) electronic document management (EDMS) in accordance with the Public Contracts Regulations 2015 (as amended) (the “Regulations”).

- 1.3. The original proposal was to advertise all four lots as a single procurement exercise using the Competitive Dialogue Procedure. For reasons outlined in the report, Lot 1, relating to the procurement of the Self Service solution was agreed to be undertaken ahead of the other three lots. Bringing forward the procurement was agreed by the Lead Member for Finance as a Cabinet Member Decision report in February 2018.
- 1.4. The total value of the contract over the seven year period is: £1,400,000.
- 1.5. Bringing forward the procurement will allow:
  - Replacement of the current solution and provision of an enhanced digital solution.
  - The contract for the current solution which runs out in October 2018 to be replaced without the need for extension of the existing contract.
  - Alignment with the Streetscene Self Service procurement enabling a more efficient approach and faster process by merging both procurements, saving resources and budget while introducing more efficiencies across both services.
  - A corporate approach to the need for an electronic form solution that will support the Contact Channel Improvements programme as well as enable channel shift to deliver savings.
- 1.6. The implementation of Lot 1, the Self Service solution has been defined in phases to ensure delivery:
  - 1.6.1. Phase One - Key Milestone One: Implementation of the system and replacement of the current solution high priority integrated processes by 31st October 2018.
  - 1.6.2. Phase Two - Key Milestone Two: Implementation of the system for the Streetscene service area and other current solution priority processes by 31st March 2019.
  - 1.6.3. Phase Three-Key Milestone Three: implementation of the system for any remaining processes in the current solution by 30<sup>th</sup> September 2019.
  - 1.6.4. In future the Self Service solution will act as the platform to enable channel shift in other service areas ('optional services') to be defined under the Contact Channel Improvements programme subject to full business cases and decision papers.
- 1.7. The bringing forward of the Self Service procurement will result in the award of contract in July/August. As no cabinet meeting will be in place then and the procurement will still be in progress for the July Cabinet, the contract award needs to be delegated to meet the implementation timetable. A high-level view of the implementation timetable for Lot 1 is in Appendix 1. Lot 2, 3 and 4 will implementation timelines will be available once the requirements are fully established.

## **2. RECOMMENDATIONS**

- 2.1. To approve the divergence from the Integrated Management Systems Procurement Strategy and Business Case approved by it in January 2018 to permit separate tendering of Lot 1, use of the restricted procedure and adoption of the award criteria referred to in paragraph 5.2 below.
- 2.2. To delegate authority to award the contract to the Director of Residents' Services, in consultation with the Cabinet Member for Finance and Commercial Services.
- 2.3. To approve the implementation of the Self Service solution in respect of the planned phases to replace the current solution and provide an enhanced digital platform.
- 2.4. Following completion of the implementation phases to enable rollout of the Self Service digital platform to other service areas at the discretion of the Council. These "optional services" will be defined under the Contact Channel Improvements programme and will be subject to full business cases and further decision papers.
- 2.5. Additional areas of Authority Services that may use the self service solution during the Contract term include without limitation:
  - Revenues and Benefits (where not covered by Phase one or Phase 2)
  - Environmental Services
  - Parking
  - Housing
  - Adult Social Care
  - Children's
  - Human Resources

## **3. REASONS FOR DECISION**

- 3.1. The Council is aiming to improve the use of digital technology to make it easier and quicker for residents to get what they need from the Council, while maintaining traditional contact channels for those that prefer them.
- 3.2. It has been agreed to bring forward the procurement of the self-service solution for an earlier implementation to deliver better services to residents and environmental improvements that are a priority for the Council.
- 3.3. The current solution is an enabling piece of software that sits on the Council's website providing an important way people can access the Council's services, for example: reporting issues such as graffiti, abandoned vehicles, dumped rubbish, dog fouling, noise pollution and trading standards issues. It also facilitates secure viewing of council tax and checking details of existing housing or council tax benefit/support claims.

- 3.4. The current solution needs to be replaced due to the end of contract by October 2018 and deliver additional benefits that were not identified in the original project, but which have now been recognised as a priority for the Council relating to Environmental Enforcement.
- 3.5. Street Scene officers currently use a system that does not provide detailed, real time, updates to residents who log incidents. This creates the impression that the issue is not being dealt with efficiently. It also has no geo-location settings which means that if an issue is reported with a poor description or unclear photo, officers can struggle to accurately identify the location of the reported problem.
- 3.6. The enforcement team have a number of challenges in the daily delivery of their service as a result of technological barriers. At present officers have no access to any real-time data or information from residents remotely. This limits time spent on the street as they must report back to office in order to collect new information.
- 3.7. Securing a platform that would push data back to residents and provide better quality updates would improve the experience for residents and reduce the number of repeated incident reports.
- 3.8. The current procurement timeline requires the contract award to occur during August when Cabinet will not be in session, hence a delegated authority is required to ensure the procurement meets the required time frame and will allow implementation to start in August. The total value of the contract over the seven year period is: £1,400,000.
- 3.9. The implementation of the Self Service solution has been defined in phases to ensure delivery:
  - 3.9.1. Phase One - Key Milestone One: Implementation of the system and replacement of the current solution high priority integrated processes by 31st October 2018.
  - 3.9.2. Phase Two - Key Milestone Two: Implementation of the system for the Streetscene service area and other current solution priority processes by 31st March 2019.
  - 3.9.3. Phase Three-Key Milestone Three: implementation of the system for any remaining processes in the current solution by 30<sup>th</sup> September 2019.
  - 3.9.4. The implementation timeline is in Appendix 1.
- 3.10. In future the Self Service solution will act as the platform to enable channel shift in other service areas ('optional services') to be defined under the Contact Channel Improvements programme subject to full business cases and decision papers at the absolute discretion of the Council during the contract term.

#### **4. PROPOSAL AND ISSUES**

- 4.1. This paper seeks approval for the contract award decision to the Director of Residents' Services in consultation with the Cabinet member for Finance and Commercial Services. This will allow timescales to be met.
- 4.2. This paper also seeks recognition for the divergence from the previous Integrated Management Systems Procurement Strategy and Business Case to permit Lot 1 Self Service to stand alone.

#### **5. OPTIONS AND ANALYSIS OF OPTIONS**

- 5.1. By procuring the Self Service solution ahead of the other 3 lots it is no longer appropriate to use the Competitive Dialogue Procedure for this procurement as outlined in the Procurement Strategy of 15<sup>th</sup> January 2018. The soft-market testing exercise undertaken in 2017 identified a number of providers that are capable supplying suitable solutions. On that basis the only options available to the Council are to either use the Open or Restricted procedures.
- 5.2. The Open Procedure should not be used where a significant number of suppliers are known to exist and the number of expressions of interest in a contract need to be reduced to a manageable level. Under these circumstances the Restricted Procedure should be followed.
- 5.3. The bringing forward of Self Service was agreed as set out in the Cabinet Member Decision report of 23 February 2018. Due to the new timescale the contract award needs to be delegated to ensure the October 2018 replacement date of the current solution can be met.

#### **6. CONSULTATION**

- 6.1. The work leading to the development of this paper has involved the Integrated Management Systems Programme Board which includes Growth and Place, Residents' Services, Procurement, and IT Services.

#### **7. EQUALITY IMPLICATIONS**

- 7.1. It is not anticipated that there will be any negative impact on groups with protected characteristics, under the terms of the Equalities Act 2010, from delegating authority for the letting of this contract.
- 7.2. As the programme progresses an Equality Impact Assessment will be completed if required.
- 7.3. *Implications verified/completed by Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.*

## **8. LEGAL IMPLICATIONS**

- 8.1. The total value of the contract to be let is above the service value threshold specified in the Public Contracts Act 2015 (as amended) (the “Regulations”). The Council will publish a Contract Notice in the Official Journal of the European Union (OJEU) stating the process it will follow for the tenders. The restrictive procedure will be followed.
- 8.2. The Council’s Contract Standing Orders are being followed. The intention is to invite 5 tenderers to bid for the contract following a pre-qualification stage, subject to there being sufficient qualifying tenderers.
- 8.3. Tenders will be evaluated on the basis of the most economically advantageous tenderer to the Council. Evaluation methodology has been agreed by the project team and will be applied to all tenders received. The evaluation considers:
  - 8.3.1. quality aspects of the solutions which include mandatory and desirable elements as well as overarching method statements. Tier 2 weighting has been attributed to the sub-criteria. The total weighting attributed to quality is 60%.
  - 8.3.2. Price which comprises the total cost of implementation, training and ancillary costs together with the ongoing maintenance and support costs for the 5 year contract period. The weighting attributed to Price is 40%.
- 8.4. Key risks associated with the procurement relate to:
  - 8.4.1. Bringing the solution into service on time. Delay payments have been attributed to any such delays;
  - 8.4.2. Downtime for the solution once up and running. Deductions/service credits will be applied in the event of downtime which is not preagreed.
  - 8.4.3. Security breaches and data loss – the Supplier will be a processor under the Data Protection Legislation.

*Implications verified/completed by: Sally Stock, partner with Sharpe Pritchard Solicitors on secondment to the Council [sstock@sharpepritchard.co.uk](mailto:sstock@sharpepritchard.co.uk)*

## **9. FINANCIAL IMPLICATIONS**

- 9.1. It is anticipated that the future offering will not only provide a more effective service but also deliver savings to the Council.
- 9.2. The award of contract and the associated financial implications will be subject to delegated approval arrangements.
- 9.3. *Implications verified/completed by: Danielle Wragg, Finance Business Partner, 0208 753 4287.*

## **10. COMMERCIAL IMPLICATIONS**

- 10.1. The Self Service procurement exercise is being undertaken as a restricted procedure. The estimated value of the project is over the statutory threshold for services, currently set at £181,302. A Contract Notice has been sent for publication in Tenders Electronics Daily (TED) on 4<sup>th</sup> of May 2018.
- 10.2. The procurement exercise will follow the Public Contracts Regulations (PCR) 2015 and the Contracts Standing Orders (CSOs).
- 10.3. *Implications verified/completed by: Andra Ulianov, Procurement Consultant, 0208 753 2284.*

## **11. IT IMPLICATIONS**

- 11.1. IT Services has been involved in confirming corporate requirements for the procurement to ensure the new solution can integrate into the council's IT strategy.
- 11.2. The procurement procedure will require that all solutions proposed conform to government and council regulations and requirements, such as the forthcoming General Data Protection Act (GDPR).
- 11.3. *Implications completed by: Veronica Barella Chief Information Officer, tel. 020 8753 2927.*

## **12. RISK MANAGEMENT**

- 12.1. The current solution is an enabling piece of software that sits on the Council's website providing access to services including but not limited to; Reporting and track issues such as graffiti, abandoned vehicles, dumped rubbish, dog fouling, noise pollution and trading standards issues. It also facilitates secure viewing of council tax details, and is used by our citizens to advise us if they are moving in/out /within the borough or wish to set up or amend a direct debit or apply for sole occupier discount. Other facilities are available including checking details of existing housing or council tax benefit/support claims, Parking and Highways permits. Access to the housing register can be also be done via the current solution, it is therefore an important way people can access the Council's Services.
- 12.2. There is a risk arising from the timescale by which the Council will need to replace the current solution, by October 2018. Should the Council undertake the procurement then this risk would be successfully mitigated and continuity of service risk would be avoided in line with the Council's approach to manage Corporate risk, number 5 on the Corporate Risk Register. Additionally, continuation of the existing contract comes at a cost to the Council, aligning the procurement for replacement of the current software with Streetscene would reduce procurement cost and may result in other benefits (efficiencies) arising from a single approach. A programme risk log is in place. The

procurement is being conducted through a restricted process and is judged low risk.

12.3. *Implications verified/completed by: Michael Sloniowski, Risk Manager, telephone 020 8753 2587.*

### **13. IMPLICATIONS FOR BUSINESS**

13.1. Procurement will be via an OJEU restricted tender process and open to any relevant local businesses. However, given the complexity, special nature and size of the service sought, the likely bidders are expected to be national and/or global companies.

13.2. The proposed platform will proactively encourage appropriate channel shift and local businesses could benefit from a more accessible and efficient service.

13.3. The proposal also incorporates a social inclusion strategy to ensure the service meets effectively the needs of various users.

13.4. *Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583*

### **14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

None.

### **LIST OF APPENDICES:**

Appendix 1 - Self Service Procurement Timetable



## Appendix 1

### Self Service Procurement Timetable (as issued at Supplier Questionnaire (SQ) stage on 4<sup>th</sup> May 2018)

<b>Stage</b>	
<b>OJEU (Official Journal of the European Union) Notice and issue of SQ and all tender documentation in draft format</b>	4 <sup>th</sup> May 2018
<b>SQ Return date</b>	4 <sup>th</sup> June 2018
<b>Evaluation and shortlist</b>	4 <sup>th</sup> to 8 <sup>th</sup> June 2018
<b>ITT (Invitation to Tender) issued</b>	11 <sup>th</sup> June 2018
<b>Tender return date</b>	9 <sup>th</sup> July 2018
<b>Evaluation</b>	9 <sup>th</sup> July to 13 <sup>th</sup> July
<b>Internal approval process</b>	16 <sup>th</sup> July to 20 <sup>th</sup> July
<b>Letters issued with results by no later than followed by a 10 day standstill period</b>	23 <sup>rd</sup> July 2018
<b>Award and enter into the contract not until the end of the 10 day standstill period. The contract must be entered into at the same time.</b>	Contacts to be signed w/c 13 <sup>th</sup> August 2018
<b>Implementation Start Date</b>	20 <sup>th</sup> August 2018
<b>Phase One - Key Milestone One: Implementation of the system and replacement of the current solution integrated processes</b>	Approximately 31 <sup>st</sup> October 2018-exact date subject to the solution
<b>Phase Two - Key Milestone Two: implementation of the system for the Streetscene service area and other current solution priority processes</b>	Approximately 31 <sup>st</sup> March 2019-exact date subject to the solution
<b>Phase Three-Key Milestone Three: implementation of the system for any remaining processes</b>	Approximately 30 <sup>th</sup> September 2019-exact date subject to the solution

Future 'Optional Services' include additional service areas that the Self Service solution could be rolled out to during the Contract term at the discretion of the Council. These have not been included in the planned implementation phases but suppliers have been asked to provide outline costs to enable future proofing of the enhanced digital solution.

Work to define the rollout and potential channel shift opportunities will be defined under the Contact Channel Improvements programme following initial rollout of the solution in the planned implementation phases above. Delivery of optional services will be subject to additional business cases and decision papers.

Additional services to be determined in order of priority (but not exhaustive)

#### Revenues and Benefits (not covered by planned Phases)

**Environmental Services**    **Adult Social Care**

**Parking**

**Children's Services**

**Human Resources**