

London Borough of Hammersmith & Fulham

LEADER'S URGENCY REPORT

NOVEMBER 2018



DIRECT AWARD TO AGILISYS TO CONTINUE THE MYACCOUNT SYSTEM FOR PROVISION OF SELF SERVICE

Report of the Leader – Councillor Stephen Cowan

Open Report

Classification - For Decision

Key Decision: Yes

Other services consulted:

Integrated Management Systems Programme Board

Wards Affected: None

Accountable Director: Karen Sullivan, Assistant director of Residents' Services

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Reasons for Urgency:

The current MyAccount contract with Agilisys ends on 31st Oct 2018. An urgent decision is required to award the contract from 1st Nov 18 – 30th Apr 19, to ensure continuity of online services for residents

Date by which decision is required:

31st October 2018

AUTHORISED BY:

The Leader has signed this report.

DATE: 29 November 2018.....

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 London Borough of Hammersmith and Fulham (LBHF) require the provision of a new Self Service solution to replace the current solution, MyAccount. Due to the value of the contract the Council was required to follow an OJEU process using a restricted procedure and inviting tenders for the service. This process was completed on the Capital E-sourcing portal.
- 1.3. 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)
- 1.4. The original proposal was to advertise all four lots as a single procurement exercise using the Competitive Dialogue Procedure. 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 and Commercial Services as a Cabinet Member Decision report in February 2018.
- 1.5. Providers were invited to tender for the Self-Service solution using the Capital E-sourcing Portal. Two tenders were received. A Tender Assessment Panel (TAP) assessed the bids applying the evaluation methodology which was published in the tender documentation. The evaluation resulted in the TAP identifying the Tenderer with the most economically advantageous tender.
- 1.6. The bringing forward of the Self-Service procurement meant the timeline resulted in the award of contract in July/August. The delegation of authority to award the contract to the Director of Residents’ Services, in consultation with the Cabinet Member for Finance and Commercial Services was agreed 21st September 2018.
- 1.7. A separate CMD paper has agreed the contract award to Firmstep and financial funding for the implementation costs.
- 1.8. The council must maintain business continuity whilst migrating to the new Self Service system and to minimise disruption to residents MyAccount must be operational from 1 November 2018 for a six-month period during

implementation of the new Self Service solution. To this end the council is seeking to maintain the existing service provision by continuing Agilisys Ltd.

- 1.9. The report asks that the Leader approves the direct award of contract to Agilisys for the reasons set out in Section 3 of this report.

2. RECOMMENDATIONS

- 2.1. The report asks that the Leader agrees to waive Contract Standing Order (CSO) 10.2 to advertise and CSO 11.2 to competitively tender the software. The waiver sought under CSO 3.1 because such an award is in the council's overall interests and is demonstrated to be such that a departure from the CSO's is justifiable for the reasons set out in Section 3 of this report.
- 2.2 That the Leader of the Council approves the award of contract to Agilisys to continue to deliver the MyAccount service from 1st November 2018 to 30th April 2019 at a total cost of £180,000. The expenditure will be funded from an s106 provision as detailed in section 4.2 & 9.

3. REASONS FOR DECISION

- 3.1. The waiver of Contract Standing Orders is requested due to the nature of the service being provided and the length of the contract (six months).
- 3.2. The service is a continuation of an element of a service that was already being provided by Agilisys and funded by the Council. A new provider would not have the expertise to take on running the service within a short timeframe.
- 3.3. Awarding contracts to Agilisys, without a competition, carries some risk of challenge. The council will mitigate this risk by limiting the length of the contract, ensuring there is provision to terminate the contract if challenge is made and immediately commencing the service transformation work required to deliver the council's residents' satisfaction strategy
- 3.4. The time taken to tender the service would lead to further delay in the implementation of the new system and possible disruption to residents. the earliest possible award of the contract would be in the best interests of the Council. There is considerable risk in under taking any significant changes to the existing services during the transition period at the end of the MyAccount contract on 31 October 2018 to the new Self Service provider.
- 3.5. Following the review with services it is recommended to the Leader that a contract is awarded to Agilisys Digital to maintain service continuity whilst the council develops its future solution to be delivered by Firmstep.
- 3.6. It is therefore considered that to award the contract to deliver the service is in the overall interest of the Council and its residents.
- 3.7. The contract shall be recorded on the Council's Contract Register.

- 3.8. A departmental record of the decision approving the waiver and the reasons for it, if approved, will be kept in accordance with CSO 18.3.

4. PROPOSAL AND ISSUES

- 4.1. The council must maintain business continuity whilst migrating to the new Self Service system and to minimise disruption to residents MyAccount must be operational from 1 November 2018 for a six-month period during implementation. To this end the council is seeking to maintain the existing service provision by continuing Agilisys Ltd.
- 4.2. The funding will be provided by S106 funds from the Kings Mall Car Park S106 (AKA 776) which has been agreed with St George (the developer) and verified by Matt Butler (Head of Policy and Spatial Planning) and David Gawthorpe (Team Leader, Policy and Spatial Planning)

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. Two alternative options were considered regarding the waiver:
- Do Nothing: were the service not to continue residents would be forced to use alternatives such as face to face or telephone channels to address their needs e.g. via the Contact Centre. While this is valid it will add additional pressure to the service and result in costs. There is an additional concern with regards to the decant of the Hammersmith town Hall Extension which would limit any addition to the Contact Centre.
 - Another provider: The Council have recently carried out an OJEU procurement to replace the current system. This will enable provision of a new self-service system to benefit residents. The current system requires a period to allow embedding and implementation of the new system. The current provider has extensive knowledge of the existing system and has a reliance on Agilisys to ensure smooth running of the system.

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 any groups with protected characteristics, under the terms of the Equality Act 2010, from the extension of this contract.
- 7.2. Implications completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. This report is seeking an exemption from the standard requirement set out in in Contract Standing Order (CSO)10.2 and 11.2 (tables 10.2a and Table 11.2) to run an open invitation through Contracts Finder portal using the Council's e-tendering system for contracts valued between £100,000 and £181,302. An exemption to these requirements can be granted under CSO 3.1 where one of five specified grounds for doing so is made out. Here the ground being relied on is that the waiver "it is in the Council's overall interest". The decision-maker needs to be satisfied on the basis of the information set out in the report that a direct award would be justified when compared with running an open tender process.
- 8.2. The decision-maker must also be satisfied that the award of contract to this particular provider would be in the Council's best interests.
- 8.3. In accordance with CSO 3.1, a record of the waiver needs to be kept within the relevant department.
- 8.4. The Contract is valued at just under the EU Threshold for services which is £181,302. There is a potential risk of challenge that the Contract should have been procured in line with the Public Contracts Regulations 2015. The Council has run a compliant procurement process and will shortly be awarding the Contract. This contract is required to ensure continuity of the service whilst the new contract is implemented.
- 8.5. *Implications verified/completed by: Sally Stock, Partner, Sharpe Pritchard LLP, external legal advisers seconded to the Council, 02074054600*

9. S106 IMPLICATIONS

- 9.1. The funding will be provided by S106 funds from the Kings Mall Car Park S106 (AKA 776) This has been agreed with St George in an email dated 11 October 2018 (the developer) and verified by Matt Butler (Head of Policy and Spatial Planning) and David Gawthorpe (Team Leader, Policy and Spatial Planning)
- 9.2. *Implications verified/completed by: David Gawthorpe, Team Leader, Policy and Spatial planning, 02077353384*

10. FINANCIAL IMPLICATIONS

- 10.1. Costs of £180,000 for the contract with Agilisys, relating to the period 1 November 2018 to 30 April 2019, will be funded from the Kings Mall Car Park S106 fund (AKA 776).
- 10.2. *Implications completed by: Danielle Wragg, Finance Business Partner, 0208 753 4287 and verified by Emily Hill, Assistant Director, Corporate Services, 020 8753 3145.*

11. IMPLICATIONS FOR BUSINESS

11.1. There are no direct implications for business in the award of this contract.

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

12. PROCUREMENT IMPLICATIONS

12.1. The report seeks approval to directly award the contract for the provision of the Self-Service software to Agilisys, the incumbent contractor, from 1st November 2018 to 30th April 2019 at a total cost of £180,000. The value is estimated just under the statutory threshold for services, £181,302.

12.2. The Council's Contracts Standing Orders (CSOs) require openly seeking competitive tenders for all contracts of this value. However, a prior written waiver to these requirements of the CSOs may be agreed by the Appropriate Persons (in this case the Leader of the Council) if they are satisfied that a waiver is justified.

12.3. The annual value of the current contract is £260,000. The value of the direct award is £180,000 over 6 months. Therefore, commercially, the direct award shows an estimate of £50,000 increase in the contract price. However, while not commercially viable, it is necessary to ensure no disruptions in the service provision while the new provider implements the new system.

12.4. The direct award must be entered in the Council's Contracts Register as a separate contract.

12.5. *Implications verified/completed by: Andra Ulianov, Procurement Consultant, 0208 753 2284.*

13. IT IMPLICATIONS

13.1. IT implications: given the current level of change within the council, it is important that the existing contract with Agilisys is extended to ensure service continuity and enable the Business to plan and resource the replacement Self Service solution. A comprehensive implementation plan still needs to be fully developed and agreed, and even a six-month extension will prove a challenging timeline for a fully integrated solution.

13.2. IM implications: The Privacy Impact Assessment (PIA) for MyAccount/Firmstep will need to be updated and maintained throughout the transition period to ensure all potential data protection risks around exiting MyAccount and implementing Firmstep are properly assessed, with mitigating actions agreed and implemented.

13.3. Any variation to the contract will need to include H&F's new data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018.

13.4. *Implications verified/completed by: Tina Akpogheneta, Interim Head of Strategy and Strategic Relationship Manager, tel. 020 8753 5748.*

14. RISK MANAGEMENT

14.1 The Council must give regard to Business Continuity risk such as the impact, if action is not taken, would be detrimental to our Residents experience of our services. The proposals seek to mitigate risk by entering into a reasonable period of service with the current provider to aid implementation of the new service. The proposal is therefore in accordance with management of corporate risk 5, Business resilience risks, systems, processes, resources, IT and accommodation moves.

Implications verified by Michael Sloniowski Risk Manager, 020 8753 2587, mobile 07768 252703.

15. BUSINESS CONTINUITY

The council must ensure that the new provider's ability to deliver all the necessary services are fully tested prior to changeover 1st May 2019. This must be fully documented capturing any risks and necessary controls to minimise any potential impact.

The level of support from IT needs to be established and agreed should support be required.

Should this be a critical system, this must be captured on the relevant Service Continuity Plan, with a tested Strategy in the event the supplier falters.

Implications verified by Ian Cairns, Business Continuity Manager 020 8753 2408.

16. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

16.1 None