

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Councillor Rowan Ree, Cabinet Member for Finance and Reform

Date: 28/11/2023

Subject: Procurement strategy of a Portal, E forms & CRMM system

Report author: Darren Persaud, Assistant Director Resident Experience Transformation

Responsible Director: Nicola Ellis, Strategic Director Chief Operating Officer

SUMMARY

This report sets out the procurement strategy for a competitive tender for a customer portal, E form, Customer Relationship Management platform. The current contract is with Granicus-Firmstep Limited and has been in place since 2019, which is due to expire in October 2024.

There have been a number of advancements in the industry since the procurement of the current platform, as well as a number of new providers coming to market. In order for the council to achieve our digital ambitions and ensure we remain ruthlessly financially efficient, a competitive tender is required.

RECOMMENDATIONS

1. To carry out a competitive tender exercise for a new customer portal, E form, CRM platform to award a new contract for 3 years with an optional 1-year extension.
 2. To note that the annual contract cost has been estimated at £180k, making a total value of £720k. This is based on the current costs of Granicus, and these figures are only used as an indicative cost. Price will have a heavy weighting when evaluating any bidders.
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Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Creating a compassionate council	Ensuring our services and our staff are customer focussed and appreciate our residents' needs.

Doing things with local residents, not to them	Ensuring this is at the forefront of our staff's attitude and behaviours and services are developed accordingly.
Being ruthlessly financially efficient	Poor customer service comes at a high cost. Ensuring our services are customer focused delivers efficiencies. The coordination of resident experience programmes will maximise use of assets procured for the REAP programme and optimise return on investment for the Council.
Taking pride in H&F	Providing accessible services to our residents and businesses makes Hammersmith and Fulham an attractive place to live work and do business in.
Rising to the challenge of the climate and ecological emergency	Efficient services focused on customer/resident needs will support our response to climate change through reducing the use of resources such as paper etc.

Financial Impact

The current cost of the Granicus-Firmstep IT system is £170k per annum, which over the 5-year contract equates to £850k in total. This is currently contract monitored by Resident Services with budget held in Resident Services and the Economy department.

Whilst the annual cost of a new contract has been estimated at £180k, through soft market testing and analysis of the g-cloud framework, prices of Granicus and other suppliers vary greatly and have increased considerably. A similar specification on a new 5-year contract will cost in excess of £1m over the term.

The departments responsible for funding the different elements of the contract will need to ensure that any increase in the annual cost, plus any one-off costs incurred if a new supplier is chosen, can be appropriately mitigated through its existing revenue budgets or secure appropriate additional approvals in line with the Council's Financial Regulations.

Alex Pygram, Head of Finance, Corporate Services, 2nd October 2023

Legal Implications

The Council requires these services to carry out a range of statutory functions.

The value of the contract means that it is a public services contract for the purposes of the Public Contracts Regulations 2015 (PCR). The advertising and competition requirements set out in the PCR need to be complied with. The use of an open

procedure, as recommended in this report satisfies the requirements of the PCR as well as the Council's Contract Standing Orders.

The appropriate decision maker is the Cabinet Member for Resident Services.

The decision is a Key Decision (see Article 12 of the Constitution) and the report must be submitted to Committee Services for publication on the Council's website.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 2nd October 2023

BACKGROUND DOCUMENTS

None

DETAILED ANALYSIS

Background

1. Resident Services currently provide the design, development and majority of support for the customer portal, E form and CRM lite functionality. The platform is provided by Granicus-Firmstep Limited.
2. The platform is key to the delivery of REAP and the digital transformation agenda. It is used widely across the majority of council services, predominantly being used for the E form capabilities and the automation potential this provides. As REAP knowledge of the technology has expanded, so too has the 'end-to-end' implementation of the product, utilising the customer portal and CRM modules.
3. There are over 120 online forms currently live, several of which have numerous integrations to line of business system, ensuring data is captured at the first point of contact and automatically (through API's) pushed to the services IT system. There are also a high number of forms with payment integrations, allowing payment to be made before a service is provided. To put this into context from 01/04/23 – 31/08/23 over 83,000 forms have been submitted.
4. There are currently three customer portals ('My Accounts'), which allow residents a basic view of their Council Tax, Benefits and Housing (Rent) accounts. For example, their council balance, band, benefit entitlement, rent balance, etc. In total, almost 64,000 residents have signed up to these services since 2019 (when the customer portal went live), although it should be noted around 40% of these accounts are dormant, as residents have moved out of the borough, no longer receive benefits, etc.
5. Our ambition is to increase our provision of access for residents to self-serve, as the industry continues to develop. As technology has advanced since the

start of the contract, the tact has changed from implementing basic 'My accounts' to Single Sign On (SSO) into line of businesses native portals, as these bring vast advantages over basic 'My account' access. The current implementation cost of each of these SSO's is considerable, as is to a degree the technical work and support required.

Reasons for Decision

6. A competitive tender exercise will enable the council to ensure procurement of the best IT platform, taking advantage of advances in the industry and ensuring we remain ruthlessly financial efficient.

Contract Specifications Summary

7. The contract will be for the provision of a customer portal, E form and CRM platform. The contract term will be 4 years with an optional 1-year extension.
8. A specification document has been prepared detailing the Council's requirements, with notable enhancements on customer satisfaction capture. The aim of which is to procure a platform that has the capability and functionality to potentially be used to consolidate and or replace sole existing systems, thus bringing savings through contract and maintenance cost reductions.

Procurement Route Analysis of Options

9. Consideration has been given to implement the 2 year contract extension within the current Granicus-Firmstep. However, as previously stated it is felt more prudent to hold a competitive tender process to ensure we get the best platform and best value for money.

Market Analysis, Local Economy and Social Value

10. Prior to the Granicus-Firmstep platform, the Councils Portal and E form platform (CRM functionality was very limited) was provided by Agilisys. In 2018 a competitive tender was held and Granicus-Firmstep were awarded the new contract. At that time, the market only had a handful of suppliers, many in local government had also procured Granicus. Granicus had been seen as a market leader but has been acquired a number of times since and have grown into an international organisation, with a real focus on the North American market. A number of local authorities have moved away from Granicus to other suppliers, as the overriding national feeling is of their complacency to the UK market.
11. Some soft market testing has been undertaken with the key suppliers in the industry, which is summarised below.

12. Granicus re-iterated their current offer, but noted their growth into the resident engagement market, for which we have procured this separately ('Bang the Table'), as this product was acquired by Granicus after the procurement exercise. Granicus also referred to their growing relationship with a specific Revenue and Benefit portal platform provider. However, the Council have already committed to the Capita One (Academy Revenue and Benefits portal).
13. Microsoft Dynamic - Microsoft Dynamic Power Platform connect to all Microsoft 365, Dynamics 365, Azure and end-to-end business solutions. LBHF are a Microsoft *partner* and as have a variety of Microsoft platforms. During Covid, Microsoft Dynamic was used to quickly implemented (through Hitachi) to a number of local authorities, as some aspects of this are still used.
14. Goss interactive uses a digital platform is to build, deliver, and manage online services and websites.
15. Netcall provide a low code platform, which is an AI-powered Automation & Customer Engagement platform that they claim improves and speeds up transformational capability. It should be noted the council already have a contract with Netcall for the telephony platform.
16. IEG4's OneVu digital platform across other council services including Revenues & Benefits, Waste, Licensing, Environmental, Housing and all key service areas.
17. Jadu's platform is divided into two components, Jadu central provide support for citizen engagement such as online forms and payment Jadu connect covers CRM, workflows, low code, and automation.
18. It is very evident that technology and investment in this space has significantly moved forward. The advancements in 'low code' development, automation, artificial intelligence, etc. as a means of delivering efficiencies and better user journey's have grown exponentially and continue to evolve.

Risk Assessment and Proposed Mitigations

19. The risk of continuing with the current system is that it is not equipped to deal with any changes to the current landscape or develop to improve operations.
20. There is a risk of the length of time required to move from the existing supplier to a new supplier, given the amount of data, live forms and customer accounts. The mitigation for this is to go to market as soon as possible and award a new contract 9-12 months before the expiry of the existing supplier (end of October 2024). This will allow enough time with proper planning to transition across. It should be noted, some of these suppliers have 'off the shelf' replacement processes and E Forms that will reduce the amount of development required.

Timetable

21. Please include an estimated timetable of the competition process through to contract commencing.

Key Decision Entry (Strategy)	13/10/23
Contracts Assurance Board (Strategy)	18/10/23
SLT/Cabinet Member/Cabinet Sign off (Strategy)	23/10/23
Find a Tender Service Notice	13/11/23
Closing date for clarifications	20/11/23
Closing date for submissions	13/12/23
Evaluation of Tenders	04/12/23 – 31/12/23
Key Decision Entry (Award)	03/12/23
CAB (Award)	03/01/24
SLT/Cabinet Member (Award)	03/01/24
Find a Tender Service Contract Award Notice	01/02/24
Contract engrossment	01/03/24
Contract mobilisation and implementation	01/04/24
Contract Commencement date	01/10/24

Selection and Award Criteria

It is proposed the suppliers will be evaluated on a 60% weighting for quality and 40% weighting for price.

22. The 40% weighting for price will be calculated based on submissions from the suppliers given our specific specifications, following the competitive tender process.
23. The 60% Quality weighting for quality will be determined by demo's given by the suppliers to demonstrate ability to fulfil the councils' specifications.
24. The 60% Quality weighting will be based on the below criteria.

Quality Tier 2 Criteria/Method Statement	Weighting % (Tier 2)
User Interface Quality	40%
Back Office Interface Quality	17.5%
Ability for Development	17.5%
Reporting	5%

Social Value will be part of the awarding criteria. This will be assessed at 20% out of the total score.

Contract Management

25. The contract will be managed by Resident Services.

Equality Implications

26. There are no equalities implications as any new system will not change any current policies. Any future developments will include equality implications.

Risk Management Implications

27. The risk of continuing with the current system is that it is not equipped to deal with any changes to the current landscape or develop to improve operations.

28. There is a risk of the length of time required to move from the existing supplier to a new supplier, given the amount of data, live forms and customer accounts. The mitigation for this is to go to market as soon as possible and award a new contract 9-12 months before the expiry of the existing supplier (end of October 2024). This will allow enough time with proper planning to transition across. It should be noted, some of these suppliers have 'off the shelf' replacement processes and E Forms that will reduce the amount of development required.

Risk management implications completed by Jules Binney, Risk & Assurance Manager, 10h October 2023

Climate and Ecological Emergency Implications

29. We will ensure the supplier signs up to and adopts our low carbon procurement charter. Bidders will be evaluated on their plans and actions to achieve net zero emissions, including their plans to decarbonise their use of data centres.

Verified by: Jim Cunningham, Climate Policy & Strategy Lead, 4th October 2023

Local Economy and Social Value Implications

30. It is a requirement that all contracts let by the council with a value above £100,000 propose and commit to social value contributions that are additional to the core services required under the contract. These contributions must amount to at least 10% in value of the price of the contract proposed.

31. Paragraph 7 specifies that this will be a competitive tender. The social value proposal should account for 20% of the overall score for each bidder. Paragraph 24 confirms that it will have a 20% weighting.

32. It is recommended that the commissioner works closely with Legal Services to ensure appropriate social value clauses are included in the contract, so that the council can enforce its right to remedies if social value commitments are not delivered.

Social Value Implications completed by Paul Clarke, Social Value Officer, 4th October 2023

Digital Services and Information Management Implications

33. The customer portal to which this procurement proposal and strategy relates is a critical part of the council's services to residents. A competitive procurement process will ensure that the most advantageous solution is secured, one which meets the needs of residents and the council. Colleagues are asked to continue working with digital services to ensure that relevant dependencies are considered and work programmes are aligned.
34. IM implications: All suppliers are expected to have a Data Protection policy in place and staff will be expected to have received Data Protection training. The service will need to complete a Data Privacy Impact Assessment and a (Cloud) Supplier Security Questionnaire.
35. Any new contract will need to include H&F's data protection and processing schedule. This is compliant with the UK Data Protection law.

Implications completed by: Cinar Altun, Digital Strategy Lead, 2nd October 2023