

LONDON BOROUGH OF CROYDON

To: All Members of Council
Croydon Council website

STATEMENT OF EXECUTIVE DECISIONS MADE BY Cabinet Member for Finance & Resources ON 22 JUNE 2020

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. Please note, that as the decisions below are not Key Decisions, they are not subject to call-in.

The following apply to the decision below:

Reasons for these decisions: As set out in the report.

Other options considered and rejected: As set out in the report.

Details of conflicts of interest declared by any Cabinet Member: None.

Note of dispensation granted by the Head of Paid Service in relation to a declared conflict of interest by that decision maker: None.

The Leader of the Council has delegated to the Cabinet Member for Finance & Resources the power to make the executive decisions noted out below:

Decision No.:

Details of Decision: ADULTS SOCIAL CARE IT SYSTEM (AIS/SWIFT) EXTENSION

Details of decision:

Having carefully read and considered the Part A report, and associated confidential Part B report, and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the reports, the Cabinet Member for Finance & Resources in consultation with the Leader of the Council

RESOLVED:

Approved to vary to extend the contract under regulation 30 of the tenders and contract regulations for the Adults Social Care (AIS/SWIFT) IT systems contract with OLM Systems Limited for a contract term of six months from October 2020 at a cost of £71,040 for a maximum contract value of £513k for the reasons set out in the report.

Signed: Council Solicitor and Monitoring Officer

Notice date: 23 June 2020

COVID-19 Cabinet Member Delegated Decision

Summary Report & Recommendations

1. Details

Project title:	Adults Social Care IT System (AIS/SWIFT) Extension
Name and role of report author:	Fahid Ahmad, Business Data Analyst, 020 8604 7267
Directorate and Service Area:	People, Adults
Executive Director: Director/Head of Service:	Guy Van Dichele
Statutory Service (Yes or No):	Yes
Procurement Stage (RP2 or RP3):	RP3
Key Decision (Yes or No - if Yes, include ref and if using General Exemption):	No

2. Summary

Summary of project, issue, cost and status, reason for urgency (see Appendix 1A/B), and recommendation.

A new Adults Social Care IT system (Liquid Logic) has been procured following an Open tender, with a target date to become operational by the end of September 2020 with a contingency allowing it to be moved to the end of December 2020 at the latest. In the meantime, the existing legacy adult social care system AIS/SWIFT, supported by OLM will continue to be required by the service as the main back office system to manage cases.

The original contract with OLM was due to expire on 30 April 2020. This original contract was let in 2017 at a value of £242k. CCB have previously approved an extension until 31 October 2020 with OLM, ref CCB1472/18-19 on 12/04/2019. This added an additional £200,302 to the contract value.

The migration to the new system was due to be completed however an extension beyond October 2020 is needed because of resource impact caused by COVID-19 placing a restriction on available resources for the project team and from adult social care and CDS diverted to focus on and support the response to the crisis. The project team are endeavouring to complete the migration by September 2020 but the project deliverables have been impacted by staff absences and the concentration on providing support for the response to COVID-19. (note that the provider of the replacement system, Liquid Logic, are being paid implementation milestones as elements of the solution are implemented and migrated)

Under PCR Reg 72.1.c the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen, therefore the risk of procurement challenge is low.

The extension value of £71,040 is 29% of the original contract value of £242,000.

3. Recommended Procurement Strategy during COVID-19

Recommendation:

Pursuant to Part 5 A Article 1.7 (Urgency Decisions) of the Council's Constitution the Nominated Cabinet Member for Finance and Resources in consultation with Leader is recommended as the relevant body to:

1. Approve to vary to extend the contract under regulation 30 of the tenders and contract regulations for the Adults Social Care (AIS/SWIFT) IT systems contract with OLM Systems Limited for a contract term of six months from October 2020 at a cost of £71,040 for a maximum contract value of £513k for the reasons set out in this report:

A Cabinet member decision is needed as the total contract value will exceed £500k as a result of the extension.

Impact on Service?

The current system remains in use while the migration takes place, loss of use of the current system before the migration to the Liquid Logic system is completed would bring risk to adult social care services and the vulnerable persons in receipt of the social care service.

Options considered and rejected

There are only 2 options do nothing and let the contact expire or extend the contract.

Do nothing.

This would lead to existing contracts expiring before the migration to the new system is completed leaving the council with no right to use the adults social care system.

Reason for Recommendations and Urgency

The migration to the new system was due to be completed however an extension beyond October 2020 is needed because of resource impact caused by COVID-19 placing a restriction on available resources for the project team and from adult social care and CDS diverted to focus on and support the response to the crisis. The project team are endeavouring to complete the migration by September 2020 but the project deliverables have been impacted by staff absences and the concentration on providing support for the response to COVID-19.

Impact on Market

The supplier is fully aware of the council migration to the Liquid Logic system as they were a bidder when the tender was conducted. There were only two bids for the adult social care system when the tender was conducted for a 10 year term. The extension is a short term solution and unlikely to attract interest or challenge.

4. Financial Implications

Details	Internal Capital	Revenue	Period of funding	External		Period of funding
				Capital	Revenue	
The proposed extension to the Adults Social Care (AIS/SWIFT) IT systems will be for six months from 1st November 2020 until 30th April 2021. This	£71,040		6 Months			

extension to the current contract will be funded from CFA227 – the programme budget. The total anticipated cost over a six month extension will be £71,040.						
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5. Actions		
Action	Action owner	Date

6. Outcome and approval		
Outcome	Date agreed	
Approved - CCB1571/20-21	CCB	24/04/2020
	Leader/Lead Member	22/06/2020

Appendix 1:

A. Summary of regulations (PCR 2015)

- Various options already exist:
 - direct award due to extreme urgency (Reg. 32(2)(c))
 - direct award due to absence of competition or protection of exclusive rights (Reg.32(2))
 - call off from an existing framework agreement or DPS
 - call for competition using a standard procedure with accelerated timescales – *further info below*
 - extending or modifying a contract during its term (72(1)(c)) – *further info below*
- Depending on specific nature of requirement there may also be the following options:
 - additional delivery of supplies from an existing supplier (Reg. 32(5))
 - additional similar works or services from an existing supplier (Reg. 32(9))
 - using the services of a subsidiary of another contracting authority (Reg. 12)
- **Using a standard procedure with accelerated timescales due to urgency**
 - can reduce minimum timescales if a state of urgency renders the standard timescales impracticable
 - for open procedure, timescales can be reduced to 15 days for receipt of tender plus min. 10 days for standstill
 - no express requirement for situation to be unforeseeable or not attributable, but should set out in OJEU notice a clear justification; e.g.:

“The COVID-19 outbreak has given rise to an urgent need for the supply of [description of what is being procured] because [explanation of urgency]. This does not give [name of contracting authority] sufficient time to comply with the standard [open procedure / restricted procedure / competitive procedure with negotiation] timescales for this procurement. [Contracting authority] considers this to be a state of urgency which it has duly substantiated. Accordingly, [contracting authority] is using the accelerated time limits permitted under the Public Contract Regulations 2015 (regulation [27(5) for the open procedure / 28(10) for the restricted procedure / 29(10) for the competitive procedure with negotiation]) in respect of this procurement”.
- **Extending or modifying a contract during its term (Reg. 72(1)(c)):**
 - contracts can be modified without a new procurement procedure in any of the following cases, and where the conditions are met:
 - (c)(i) *the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen*
 - (c)(ii) *the modification does not alter the overall nature of the contract*
 - (c)(iii) *any increase in price does not exceed 50% of the value of the original contract or framework agreement*
 - Need to demonstrate specific reason relating to COVID-19 outbreak that decision was taken, e.g. staff are diverted by procuring urgent requirements to deal with COVID-19 consequences, or staff are off sick so cannot complete a new procurement exercise.
 - should publish the modification by way of an OJEU notice to say you have relied on regulation 72(1)(c)
 - multiple modifications are permissible but each one should not exceed 50% of the original contract value
- Other grounds under Reg 72 may also exist

B. Justification for Urgency (Part 5A article 1.7 of the Constitution)

- Where the Executive Director or other Director preparing a report ... is of the opinion that a relevant decision should be made urgently in order to prevent or reduce the risk of damage to persons or property or to the interests of the Authority, and that the urgency of the matter is such that it is not practicable to complete the decision making process set out above
- Applying the above to the COVID-19 situation, the urgency route should only be used for:
 - Services, supplies etc. relating to COVID-19 (e.g. PPE)
 - Contracts impacted by COVID-19 (e.g. supplier relief)
 - In the context of the current situation where there is unexpected and immense pressure on capacity and resources while the Council responds to the COVID-19 situation, to enable interim measures to be implemented e.g. roll on of required services which would otherwise have been re-procured.