

LONDON BOROUGH OF CROYDON

To: All Member of Council
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STATEMENT OF EXECUTIVE DECISIONS MADE BY CABINET MEMBER FOR FINANCE & RESOURCES ON 28 JANUARY 2020

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. Further to the associated public notice of Key Decisions no scrutiny call-in has been received, and therefore the following decisions can be implemented.

The following apply to the decisions listed below:

Reasons for these decisions: As contained in the Part A report.

Other options considered and rejected: As contained in the Part A report.

Details of Conflicts of Interest declared by the Decision Maker: 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 Key Decisions set out below:

Key Decision no.: 3619FR

Decision Title: HOUSING AND ASSET MANAGEMENT COMPUTER SYSTEM CONTRACT AWARD

Details of decision:

Having carefully read and considered the Part A report, the associated confidential part B report, and the requirements of the Council's public sector 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

Details of decision:

1. To approve the award of a contract for the delivery of an integrated IT solution for the Housing and Housing Assets Services for an initial term of three years, with options to extend for a further two three-year periods and a final additional period of one year, to the contractor named, and for the contract price specified in Part B

2. To note that the name of the successful contractor and price will be released once the contract award is agreed and implemented.

Signed: Council Solicitor and Monitoring Officer

Notice date: 05 February 2020

REPORT TO:	Cabinet Member For Finance and Resources
SUBJECT:	Housing/Housing Assets Management System Contract Award
LEAD OFFICER:	Strategic - Yvonne Murray – Director of Housing Assessment and Solutions Operational- Sian Foley- Head of Service (Housing) Strategic - Stephen Tate – Director of Council Homes, District and Regeneration Operational – Rob Hunt – Head of Service (Housing Assets)
CABINET MEMBER:	Councillor Simon Hall, Cabinet Member For Finance and Resources
WARDS:	‘ALL’
<p>CORPORATE PRIORITY/POLICY CONTEXT/ A DIGITAL COUNCIL</p> <p>The ambition is to optimise how the Council uses digital design, data and technology in order to work efficiently, to collaborate, to make informed decisions and to adapt and to innovate.</p> <p>The proposed contact award supports the Councils Corporate priorities to :-</p> <p>Ensure all council staff have fit for purpose corporate technology and line of business systems which facilitate rather than constrain their work, which work together, are resilient and can be changed rapidly to meet their users’ changing needs.</p> <ul style="list-style-type: none"> • All council staff make effective use of cloud collaboration and productivity software to communicate, safely share and store information, and work with increasing efficiency • All council staff can work effectively from anywhere, including fast and reliable network and telephony access in all council-owned buildings across the borough, and suitable assistive technology for staff who need it • All technology-related projects in the council provide value for money, have clearly defined outcomes, meet quality and cybersecurity standards, and are managed well • The council has a full understanding of its total expenditure on digital, data and technology and the return on this investment, and is reducing this total over time • All council staff are confident in their wider digital skills and understanding, including agile delivery methods, user-centric service design, data literacy and GDPR, cybersecurity, online engagement and working in the open • All council staff can and do access data intelligence and have the knowledge, support and skills to manage and use data legally and ethically, to measure service performance, predict and anticipate demand, and make well-informed decisions 	

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- The council's political and executive leadership exemplify and champion digital expertise and culture including user-centred design, agile methods and working in the open
- All council staff can find internal guidance and information quickly and easily on the council's intranet, and are digitally engaged in leadership decisions

The deliverables from the contract will better meet future Council business needs and facilitate efficiencies in People with the application of information technology as an enabler under the Corporate Plan supporting our vision to become a truly Digital Council.

The desired outcomes as a result of this procurement (as outlined in the strategy report) are:

- To procure and implement digital systems that support the various systems operating in the Peoples Department
- To commission cohesive, streamlined contracts whose scope facilitates efficient programme delivery
- Integrate data and information between diverse Croydon teams
- Enable the Council to consider the whole needs of a family through greater integration and availability of data
- Best value through long-term commitments generating market savings
- Maintain or improve user satisfaction

FINANCIAL IMPACT

The implementation of this strategy to award the contract will be funded from the existing revenue and capital budgets held within the Croydon Digital Services and Gateway Strategy and Engagement Departments.

Through commissioning a joint IT system for Housing Management and Housing Assets, over the maximum ten year period of the contract there will be an approximate 100% saving in comparison to purchasing two stand-alone Lot 1 Housing and Lot 2 Housing Assets Systems.

KEY DECISION REFERENCE NO.: 3619FR.

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors

The Leader of the Council has delegated to the nominated Cabinet Member the power to make the decisions set out in the recommendations below.

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Finance and Resources in consultation with the Leader of the Council is recommended to approve the award of a contract for the delivery of an integrated IT solution for the Housing and Housing Assets Services for an initial term of three years, with options to extend for a further two three-year periods and a final additional period of one year, to the contractor named, and for the contract price specified in Part B
- 1.2 The Cabinet Member for Finance and Treasury is asked to note that the name of the successful contractor and price will be released once the contract award is agreed and implemented.

2.1. EXECUTIVE SUMMARY

This report outlines the implementation of the procurement strategy in relation to the commissioning of an integrated IT solution for Housing Management and Housing Asset Services. The strategy was approved by the Contract and Commissioning Board on 25 April 2017 (ref CCB1219/17-18).

- 2.2. This report confirms the procurement process followed and recommends a contract award to the preferred supplier following an EU Open process.
- 2.3. The contract term will be for up to a total of ten years with a number of break points i.e. three years, plus three years, plus three years, plus one year. The proposed contract length covers the initial system implementation and mobilisation (in year one), plus ongoing operational support.
- 2.4. The contents of this report has been endorsed by the Contracts and Commissioning Board

CCB ref. number	CCB Approval Date
CCB1529/19-20	27/11/2019

3. DETAIL

- 3.1 In accordance with the agreed procurement strategy, an EU Open tender procedure was conducted. The tender was published using the Council electronic tenders portal.
- 3.2 The Tender was structured into three Lots to enable the combination services that provide the most economically advantageous, tender for the Council. The

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Lots were:

Lot 1 – A Housing Management System which integrates seamlessly to an Asset Management system

Lot 2 – An Asset Management System with contractor portal and integrates seamlessly to a Housing Management System.

Lot 3 – An Integrated Housing and Asset Management System (with contractor portal).

3.3 The following responses to the ITT for Lot 1, Lot 2 and Lot 3 were received

Lot 1 – Housing Management System

On Time:	Supplier 1
Late submissions:	(1) One
Opt Outs:	(13) Thirteen

Lot 2 – Asset Management System

On Time:	Supplier 2
Late submissions:	NONE
Opt Outs	(11) Eleven

Lot 3 - Integrated Housing & Asset Management System

On Time:	Supplier 1 Supplier 3
Late submissions:	None
Opt Outs:	(14) Fourteen

3.4 A panel of subject matter experts from Housing Services, Asset Management and Digital Services evaluated the tender against quality requirements, representatives from Procurement scored the pricing submissions. The ITT responses were scored between 08/03/2019 and 07/06/2019.

3.5 Subject matter experts initially scored the quality requirements and Procurement sense checked the pricing submissions. Suppliers were then invited in for two day presentations over the period 25/03/19 to 29/03/19, to be followed by one day site visits between 01/04/19 (London Borough of Southwark Housing and Assets) and 19/04/19 (CHS- Chelmsford Housing Services).

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- 3.6 Supplier 1 and 3 were invited to additional presentations to discuss optional document management provision for further clarifications. In addition supplier 1 was also asked to clarify their functionality for asset management. Following completion of clarifications final evaluation scores were collated.

Tender Evaluation Method

- 3.7 The following evaluation criteria, as agreed in the procurement strategy paper, was used to evaluate the tenders

Quality	60%
Cost	40%

Quality criteria was further broken down as follows

<i>Area</i>		<i>% Sub-Criteria Weighting</i>
1	Overarching Requirements	12%
2	Social Value	4%
3	Early Payment Scheme	2%
4	Common Requirements	25%
5	Service Requirements	21%
6	Financial Requirements	14%
7	Management Information Requirements	10%
8	Technical Requirements	12%

Price evaluation method

- 3.8 The tendered prices were evaluated based on Whole Life Costs (WLC). WLC assessment considers
- Full term of the contract
 - Bidder's price
 - Cost or estimated cost of provision of other services to deliver the scope
- 3.9 Scores were awarded on the basis of:
- Awarding the Supplier with the lowest WLC the maximum score of 40%
 - Awarding scores to the other Supplier on a pro/rata basis based on percentage variation.
- 3.10 Given the value of the contract Suppliers were asked to provide a bond (or other guarantee)

Results

Quality and pricing results table (weighted scores)

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3.11 Supplier 1 met or exceeded all the ITT requirements (see below for scores).

Lot 1/ Supplier 1/ HOUSING MANAGEMENT Solution

Description/ Title	Weighting (A)	Marks awarded (B)	Weighted Mark (A x B)
Overarching Requirement	12	3.00	36
Social Value	4	2.50	10
Early Payment Scheme	2	5.00	10
Common Requirements	25	3.67	91.75
Service Specific Requirements Housing 1 & Housing 2)	21	4.00	84
Financial Requirements	14	3.00	42
Management Information Requirements	10	2.50	25
Technical Requirements	12	3.00	36
Totals	100		334.75

QUALITY TOTAL	40.17	PRICE	£1,599,340
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Lot 2/Supplier 2 / Assets Management Solution

Description/ Title	Weighting (A)	Marks awarded (B)	Weighted Mark (A x B)
Overarching Requirement	11	3.00	33
Social Value	4	3.50	14
Early Payment Scheme	2	2.00	4
Common Requirements	23	3.00	69
Service Specific Requirements Assets	25	3.00	75
Financial Requirements	11	3.00	33
Management Information Requirements	12	3.00	36
Technical Requirements	12	2.33	27.96

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Totals	100		291.96
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QUALITY TOTAL	35.04	PRICE	£1,577,286
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Lot 3/ Supplier /3a Combined Housing and Assets Management Solution

Description/ Title	Weighting (A)	Marks awarded (B)	Weighted Mark (A x B)
Overarching Requirement	11	2.00	22
Social Value	4	3.00	12
Early Payment Scheme	2	5.00	10
Common Requirements	24	3.00	72
Service Specific Requirements - Assets + Housing 1 + Housing 2	22	3.28	72.16
Financial Requirements	14	3.00	42
Management Information Requirements	11	3.00	33
Technical Requirements	12	3.00	36
Totals	100		299.16

QUALITY TOTAL	35.90	PRICE	£2,430,554
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Lot 3/Supplier 3b / Combined Housing and Assets Solution

Description/ Title	Weighting (A)	Marks awarded (B)	Weighted Mark (A x B)
Overarching Requirement	11	2.50	27.50
Social Value	4	2.00	8.00
Early Payment Scheme	2	5.00	10.00
Common Requirements	24	4.00	96.00
Service Specific Requirements - Assets + Housing 1 + Housing 2	22	3.09	67.98

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Financial Requirements	14	3.00	42.00
Management Information Requirements	11	3.00	33.00
Technical Requirements	12	3.00	36
Totals	100		320.48

500

QUALITY TOTAL	38.46	PRICE	£1,599,340
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Overall Costs and Quality Scores

	Quality	Quality	Average Quality 1+2	Price Score 1+2	Total Score Price + Quality	Rank
Lot 1 + Lot 2 B1	40.17	35.04	37.60	20.14	57.74	3
Lot 3 Supplier 1	n/a	n/a	35.90	26.32	62.22	2
Lot 3 Supplier 2	n/a	n/a	38.46	40.00	78.46	1

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Recommendation

- 3.12 Having met the quality requirements and being within expected budget, that Supplier 3b be contracted to provide the ICT Procurement Programme (Lot 3 Combined Housing and Housing Assets Solution) for an initial term of three years, with an option to extend for a further two three-year periods, plus one year. A possible total of 10 years.

Social Value

- 3.13 In their ITT submission Supplier 3b scored a total of 2 out of 5 for their Social Value response
- 3.14 The Supplier offered; -
- x 1 Apprenticeship placement aligned to LBC priorities.
 - The supplier also offered x 2 work based learning placements per annum or the duration of the contract.
 - The supplier offered x5 opportunities for free IT consultancy for new start businesses within LBC.
 - The supplier offered x1 Business support to a local business within the LBC area.
 - The supplier offered free publicity on their website for any specified LBC campaign.
 - The supplier offered x3 rent free second use desk top printers for any nominated LBC charity.

4. CONSULTATION

- 4.1 Between 10/09/2018 and 01/10/2018 working groups were held with subject matter experts (Housing Officers, Asset Managers, Performance, Finance, and Croydon Digital Services) to develop the functional requirements of the required system. Staff were later consulted via the Housing Services Officers Group on 30/10/2018 to comment upon initial drafts of the requirements. The functional requirement document was finally issued with the ITT and providers were scored against the requirements.
- 4.2 The programme also consulted the following groups:
- People DLT
 - CDS (ICT) Governance Board
 - People ICT Board
 - CDS (ICT) Procurement Programme Board
 - CDS Technical Architect Group
- 4.3 Other local authorities were consulted in the development of the functional requirements, as well as the contract schedules and implementation plan (including resources required)

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 There are a number of procurement, implementation and ongoing annual operational costs associated with the ICT Procurement Programme Strategy agreed by the Contracts and Commissioning Board on 25 April 2017. The implementation costs (year 1) will be budgeted within the Capital programme while the ongoing operational costs (year 2 to 10) will be budgeted within the Revenue programme

5.2 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Capital Budget available				
Expenditure	9,033	2,014	1,521	0
Effect of decision from report				
Expenditure	9,033	2,014	1,521	0
Remaining budget	0	0	0	0

5.3 The effect of the decision.

The total approved Peoples ICT programme budget is £12,568m up to 2021/22, with current annual allocations as set out in the table above. Through commissioning a joint IT system for Housing Management and Housing Assets, over the maximum ten year period of the contract there will be an approximate 100% saving in comparison to purchasing two stand-alone Lot 1 Housing and Lot 2 Housing Assets Systems.

5.4 Risk

Of the risks outlined in the strategy plan, those below still remain.

No.	Risk	Potential impact	Controls / Commentary
1	Programme Team – resources – unable to recruit satisfactory resource with knowledge and skills to deliver the programme	Programme stalls – delivery of procurement programme fails	Identification of leads within services has been completed. Resource plan has been developed

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2.	Lack of Service buy in	<p>Post procurement – lack of engagement – business process revision</p> <p>Lack of willingness to release staff for early testing and training</p> <p>Service transformation not fed through to the team</p>	Programme has support of Executive Director, Directors in Gateway, Strategy, Engagement and Place.
3.	Managers buy in	<p>Post procurement – lack of engagement</p> <p>Willingness to release staff for testing/ training</p> <p>Lack of willingness to assist with business process change requirements</p>	Programme has support of Executive Director, Directors in Gateway, Strategy, Engagement and Place.
4.	Unknown data quality across services	Inaccurate/incomplete data will impact the time taken for implementation	The planned programme costs identify a significant level of expenditure on data cleaning which will prepare the foundations for a successful implementation
5.	Legislative changes	4 services – all affected by statute – could impact the need for new modules/solutions	Lead officers will act as horizon scanners for the programme team
6.	Engagement with suppliers we are withdrawing from during the transition	Poor support and maintenance	<p>Supplier relationship is maintained.</p> <p>Supplier delivers exit obligations on termination of contract.</p>
7.	Service system solutions need to link to Croydon Digital Services (CDS)	If not aligned a protracted implementation will ensue	Weekly programme/ICT Corp meetings set as well as fortnightly senior HOS meetings to mitigate any risks for lack of join up
8.	Unknown Little Fish Resource requirements	Implementation will be delayed and mobilisation may not be achieved.	<p>Data Migration Lead to lead. CDS sourcing lead attends programme board. Meetings to be scheduled with Little Fish, CDS and Business System Teams. Further develop implementation plan in line with the ICT Sourcing Strategy.</p> <p>https://democracy.croydon.gov.uk</p>

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			k/documents/s4099/ICT%20Sourcing%20Strategy.pdf
9.	Outcome based Commissioning – awareness of strategies /links	If links and alignment not satisfactory the service for all ages will not be seamless	Programme team and CDS are members of the OBC ICT group
10.	Data migration requires significant resource and expertise	Information does not migrate over properly. Costs escalate and timescales slip.	Ensure detailed mapping and migration plan. Ensure migration is fully resourced to avoid higher costs later on.

5.5 Options

Procurement options were set out in the associated strategy report with the recommended approach. The approved option was an EU Open tender and there has been no departure from this. (See Attached)

5.6 Future savings/efficiencies

A joint system will achieve savings compared to procuring individual systems. It is necessary that the systems achieve the needs of the business to achieve good financial and service management.

Approved by: Ian Geary, Head of Finance Resources and Accountancy

6. LEGAL CONSIDERATIONS

- 6.1 The Director of Law and Governance comments that the legal considerations are as set out in this report.

Approved by: Kiri Bailey on behalf of Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 No additional comments.

Approved by: Deborah Calliste on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 An Equality analysis was undertaken to ascertain the potential impact the proposed change would have on protected groups. This concluded that there will be no negative impact on any protected groups. This procurement replaces the current ICT system. The new system will continue to allow the council to collect equalities information. The system will enable the Council to consider the individual needs of the customer through greater integration and

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availability of data

Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 As we implement a cloud based solution we will be able to decommission the on-premises Housing/Housing Assets system from the LBC data centre, thereby reducing our environmental footprint.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 None Identified

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 Having met the quality requirements and being within expected budget, that Supplier1 be contracted to provide the ICT Procurement Programme (Lot 3 Combined Housing and Housing assets Solution) for an initial term of three years, with an option to extend for a further two three-year periods, plus one year. A possible total of 10 years.
- 11.2 The preferred bid is also identified as economically advantageous tender for the Council. The solution meets requirements and provides functionality for both housing and for property asset management and the bid price is considerably lower than acquiring 2 separate solutions.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The option to not award a contract is not viable as the current contract will expire without a replacement. No other options were identified for consideration.

13. DATA PROTECTION IMPLICATIONS

- 13.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

YES

- 13.2 **HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

YES – Currently in draft format

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The Director of Housing Assessment and Solutions and the Director of Council Homes, District and Regeneration comment that a number of issue were raised as a result of the DPIA which will need to be resolved during the contracting process.

Approved by: Stephen Tate the Director of Council Homes, Districts and Regeneration and Sian Foley on behalf of The Director of Housing Assessment and Solutions.

CONTACT OFFICER:	Mark McCormick – Project Manager Contact: mark.mccormick@croydon.gov.uk
APPENDICES TO THIS REPORT:	None
BACKGROUND PAPERS:	CCB Strategy Report – April 2017 CCB Variation of Strategy Report to include Asset Management – November 2017