LONDON BOROUGH OF CROYDON

To: all Members of the Council (via e-mail)
Access Croydon, Town Hall Reception

PUBLIC NOTICE OF KEY DECISIONS MADE BY THE CABINET MEMBER FOR FINANCE AND TREASURY ON 27 APRIL 2018

In accordance with the Scrutiny and Overview Procedure Rules, the following decisions may be implemented from **1300 hours on 8 May 2018** unless referred to the Scrutiny and Overview Committee:

The following apply to each decision listed below

Reasons for these decisions: are contained in the Part A report as attached

Other options considered and rejected: are contained in the Part A report as attached

Details of conflicts of Interest declared by the Cabinet Member: none

The Leader of the Council has delegated to the Cabinet Member the power to make the decisions set out below:

CABINET MEMBER'S KEY EXECUTIVE DECISION REFERENCE NO.: 1018FT

Decision Title: People Dept. ICT Systems Lot B Education Management System Contract Award

Having carefully read and considered the Part A report, the 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 and Treasury in consultation with the Leader of the Council

RESOLVED: That

1. The Cabinet Member for Finance and Treasury in consultation with the Leader of the Council approve the award of a contract for the delivery of an ICT solution for an Education Management system 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 the associated Part B report.

2. The Cabinet Member for Finance and Treasury note that the name of the successful contractor and price will be released once the contract award is agreed and implemented.

Scrutiny Referral/Call-in Procedure

1.   The decisions may be implemented **1300 hours on 8 May 2018**
        (5 working days after the decisions were made) unless referred to the Scrutiny
        and Overview Committee.

2.   The Council Solicitor shall refer the matter to the Scrutiny and Overview
        Committee if so requested by:-

        i)   the Chair or Deputy Chair of the Scrutiny and Overview Committee and
                4 members of that Committee; or

        ii)   20% of Council Members (14)

3.   The referral shall be made on the approved pro-forma *(attached)* which should
        be submitted electronically or on paper to Jim Simpson by the deadline stated
        in this notice. Verification of signatures may be by individual e-mail, fax or by
        post. A decision may only be subject to the referral process once.

4.   The Call-In referral shall be completed giving:
        i)   The grounds for the referral
        ii)   The outcome desired
        iii)   Information required to assist the Scrutiny and Overview Committee to
                consider the referral
        iv)   The date and the signatures of the Councillors requesting the Call-In

5.   The decision taker and the relevant Chief Officer(s) shall be notified of the
        referral who shall suspend implementation of the decision.

6.   The referral shall be considered at the next scheduled meeting of the Scrutiny
        & Overview Committee unless, in view of the Council Solicitor , this would
        cause undue delay. In such cases the Council Solicitor will consult with the
        decision taker and the Chair of Scrutiny and Overview to agree a date for an
        additional meeting. The Scrutiny & Overview Committee may only decide to
        consider a maximum of 3 referrals at any one meeting.

7.   At the Scrutiny & Overview Committee meeting the referral will be considered
        by the Committee which shall determine how much time the Committee will
        give to the call in and how the item will be dealt with including whether or not it
        wishes to review the decision. If having considered the decision there are still
        concerns about the decision then the Committee may refer it back to the
        decision taker for reconsideration, setting out in writing the nature of the
        concerns.

8.   The Scrutiny and Overview Committee may refer the decision to Full Council if
        it considers that the decision is outside of the budget and policy framework of
        the Council.

9.   If the Scrutiny and Overview Committee decides that no further action is
        necessary then the decision may be implemented.

10. The Full Council may decide to take no further action in which case the decision may be implemented.

11. If the Council objects to the decision it can nullify the decision if it is outside of the policy framework and/or inconsistent with the budget.

12. If the decision is within the policy framework and consistent with the budget, the Council will refer any decision to which it objects together with its views on the decision. The decision taker shall choose whether to either amend / withdraw or implement the original decision within 10 working days or at the next meeting of the Cabinet of the referral from the Council.

13. The response shall be notified to all Members of the Scrutiny and Overview Committee

14. If either the Council or the Scrutiny and Overview Committee fails to meet in accordance with the Council calendar or in accordance with paragraph 6 above, then the decision may be implemented on the next working day after the meeting was scheduled or arranged to take place.

15. URGENCY: The referral procedure shall not apply in respect of urgent decisions. A decision will be urgent if any delay likely to be caused by the referral process would seriously prejudice the Council's or the public's interests. The record of the decision and the notice by which it is made public shall state if the decision is urgent and therefore not subject to the referral process.

Signed: Director of Law and Monitoring Officer.

Date: 27 April 2018

Contact Officers: victoria.lower@croydon.gov.uk

PROFORMA

**REFERRAL OF A KEY DECISION TO THE
SCRUTINY AND OVERVIEW COMMITTEE**

For the attention of: Victoria Lower, Democratic Services & Scrutiny
e-mail to
Victoria.lower@croydon.gov.uk

Meeting:
Meeting Date:
Agenda Item No:

Reasons for referral:

i)   The decision is outside of the Policy Framework
ii)   The decision is inconsistent with the budget
iii)   The decision is inconsistent with another Council Policy
iv)   Other: Please specify:

_____
_____
_____

The outcome desired:

**Information required to assist the Scrutiny and Overview Committee to consider
the referral:**

Signed:

                                        Date:

Member of _____ Committee

For General Release

REPORT TO:	Cabinet Member for Finance and Treasury
SUBJECT:	People Dept. ICT Systems Lot B Education Management System Contract Award
LEAD OFFICER:	Julia Pitt, Director of Gateway & Welfare Services
CABINET MEMBER:	In consultation with the Leader: Councillor Simon Hall, Cabinet Member for Finance and Treasury
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:

Fit for purpose ICT services, which are aligned to the organisation and Borough needs, are critical to support and enable key services. Technology continues to develop at pace and provides significant opportunities to assist the council, its partners and the community.

The ICT strategy looks to ensure that the right technology is provided to all Council services. It looks to ensure we have flexible and efficient services which can evolve to meet local challenges and maximise the opportunity for innovation, utilising the right mixture of local skills and major providers.

The proposed contact award supports the Councils Corporate priorities to :

- Provide value for money to its residents, through the redesign and recommissioning of ICT services.

- Provide high quality information, advice and guidance to support people living healthier lives and improve overall wellbeing.

- Work with partners to provide more integrated healthcare and support in local communities

- Work with our partners to ensure children and vulnerable adults are protected from harm, abuse and exploitation through effective and efficient safeguarding processes and procedures.

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 Ambitious for Croydon.

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

- To procure and implement ICT systems that supports the various systems operating in the Peoples Department
- To commission cohesive, streamlined contracts whose scope facilitates efficient programme delivery
- Integrate ICT 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

• Data is shared across services and systems and interfaces are defined

FINANCIAL IMPACT:

The implementation of this contract will be funded from the existing revenue and capital budgets held within the ICT and People Departments. The total anticipated contract value is detailed in Part B.

Through commissioning an ICT system for Education Management, over the maximum ten year period of the contract there will be an 18% reduction in cost on current contract spend.

KEY DECISION REFERENCE NO.:1018FT

THIS IS A KEY DECSION*.* 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 & Strategic 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 Treasury in consultation with the Leader of the Council is recommended to approve the award of a contract for the delivery of an ICT solution for an Education Management system 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 the associated Part B report.

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.   EXECUTIVE SUMMARY

2.1.   This report outlines the implementation of the procurement strategy in relation to the commissioning of an ICT solution for the Education Management system. 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 Restricted 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 Approval Date	CCB ref. number
25/04/2018	CCB1346/18-19

3. DETAIL

3.1. In accordance with the agreed procurement strategy an EU Restricted process was conducted.

Standard Selection Questionnaire

3.2. The OJEU notice was published on 11 October 2017 along with the Standard Selection Questionnaire (SQ). The SQ being made available via the London Tenders Portal.

3.3. Four SQ responses were received from suppliers by the 14 November 2017 closing date.

3.4. A panel of subject matter experts from Education and Youth Engagement, ICT and Procurement evaluated the SQ responses.

3.5. Suppliers were scored against information provided in Stage 1, Stage 2 and Stage 3 (see below), with Stage 1 and 2 being comprised wholly of pass/fail requirements and stage 3 requirements being both pass/fail (Section G to I) and those graded 0-5 (Section F).

STAGE 1
Part 1:
• Section 1   Potential Supplier Information
Bidding Model

                      Contact Details and Declaration
Part 2:
• Section 2   Grounds for Mandatory Rejection
• Section 3   Grounds for Discretionary Exclusion

STAGE 2
Part 3:
• Section 4   Economic and Financial Standing
• Section 5   Not used
• Section 6   Not used
• Section 7   Modern Slavery Act
• Section 8   Additional Self-Certification Questions

STAGE 3
Part 4:   Selection Questions
Sections A-E Not used

• Section F   Technical Capability
• Section G   Equality
• Section H   Health & Safety

- Section I   Business Continuity

3.6.   The 0-5 scoring method is outlined below.

Score	Rating	Criteria for awarding score
5	Excellent	The supplier has provided a response that is robust and supported by suitable and relevant evidence of experience and Technical and Professional ability which significantly exceeds the Councils expectations
4	Good	The supplier has provided a response that is robust and supported by suitable and relevant evidence of experience and Technical and Professional ability which exceeds the Councils requirements.
3	Satisfactory	The response is compliant and the supplier has provided responses that demonstrate through suitable and relevant evidence that they have experience and have Technical and Professional ability which meet the Councils requirements.
2	Fair	The response is superficial and generic. The supplier has provided insufficient response or the response given demonstrates limited experience and limited Technical and Professional ability to meet the Council's requirements
1	Poor	The supplier has provided wholly insufficient responses or the responses given demonstrates very limited experience and insufficient Technical and Professional ability to meet the Council's requirements. In accordance with the qualitative cap set for the SQ stage, should any potential supplier be allocated with this score, its SQ submission may be rejected.
0	Unacceptable	The supplier has not answered the question, has omitted information or has provided information that is not relevant and the Council is unable to determine whether the supplier possess sufficient Technical and Professional ability. In accordance with the qualitative cap set for the SQ stage, should any potential supplier be allocated with this score, its SQ submission will be rejected.

3.7.   Three suppliers were evaluated to have passed the SQ requirements and were shortlisted for the Invitation to Tender (ITT) stage. Supplier 4 did not provide the required information and therefore did not pass the SQ.

Invitation to Tender

3.8.   On 11 October 2017 the three shortlisted providers were issued an ITT via the London Tenders Portal.

3.9.   Two suppliers (Suppliers 1 and 2) submitted ITT responses by the 10 January 2018 closing date. Supplier 3 failed to submit an ITT response by the closing date. See part B for further details.

3.10. A panel of subject matter experts from Education and Youth Engagement, ICT, Performance and Finance evaluated the ITT quality requirements, while Procurement scored the pricing submissions.

3.11. Subject matter experts initially scored the quality requirements and Procurement sense checked the pricing submissions. Suppliers were then invited in for two day presentations, to be followed by one day site visits.

3.12. The site visit for Supplier 1 took place on 6 February 2018, while the site visit for Supplier 2 took place on 7 February 2018. Following which final scores (including pricing information) were collated.

Tender Evaluation Method

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

Cost 40%
Quality 60%

3.14. Quality criteria was further broken down as follows

	Area	% Sub-Criteria Weighting
1	Overarching Requirements	10%
2	Innovation	3%
3	Social Value	2%
4	Early Payment Scheme	2%
5	Technical Requirements	10%
6	Common Requirements	7%
7	Education Requirements	14%
8	Financial Requirements	7%
9	Management Information Requirements	5%

Price evaluation method

3.15. 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

3.16. Scores were awarded on the basis of:
- Awarding the bidder with the lowest WLC the maximum score of 40%

- Awarding scores to the other bidder on a pro/rata basis based on percentage variation.

3.17. Given the value of the contract bidders were asked to provide a performance bond or other form of guarantee.

Results

Quality and pricing results table (weighted scores)

3.18. Supplier 3 did not provide an ITT submission. Supplier 1 met or exceeded all the ITT requirements (see below for scores). Supplier 2 failed on a number of PASS/FAIL requirements and in addition failed to meet the pass mark in the areas outlined below.

Key	Pass mark
	Met or exceeded
	Scored within 5%
	Scored 6% below or more

Category	Weighting	Supplier 1	Supplier 2	Pass Mark
Overarching Requirements	10%	7.00%	5.50%	6.00%
Innovation	3%	2.10%	2.10%	1.80%
Social Value	2%	1.47%	0.93%	1.20%
Early Payment Scheme	2%	2.00%	2.00%	2.00%
Technical Requirements	10%	7.58%	7.50%	6.00%
Common Requirements	7%	4.52%	4.60%	4.20%
Education Management Requirements	14%	9.24%	6.37%	8.40%
Financial Requirements	7%	3.50%	2.98%	4.20%
Management Information Requirements	5%	3.40%	3.54%	3.00%
Quality Sub-total	**60.00%**	**40.81%**	**35.51%**	**36.80%**
Cost	40%	36.10%	Not evaluated	No minimum pass mark
Totals	**100%**	**76.91%**	**75.51%**	

Recommendation

3.19. Having met the quality requirements and being within expected budget, it is recommended that Supplier 1 be contracted to provide the ICT Procurement Programme (Lot B: Education Management) solution for an initial term of three years, with an option to extend for a further two three-year periods, plus one year for a maximum total term of 10 years.

Social value

3.20. In their ITT submission Supplier 1 scored a total of 3.7 out of 5 for their Social Value response.

3.21. They offered carer mentoring, mock interview practice, CV advice and career guidance and support to job seekers in the Borough via charitable organisations and job centres. They offered to support ICT work placement opportunities at the council, support children focussed charities and the Croydon Business Excellence Awards.

3.22. After a further clarification question, Supplier 1 committed to specific measurable values for the above commitments to an agreed percentage level of the annual contract value. In addition they have committed to work placement shadowing and a level of in borough spend. On award, this will be included in the contract terms and monitored across the life of the contract.

4. Consultation

4.1 Between June and August 2017 working groups were held with subject matter experts (adult social care and all-age disability, children's social care, Performance, Finance, ICT, Education and Youth Engagement) to develop the functional requirements of the required system. Staff were later consulted in September and October to comment upon iterative 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
- ICT Governance Board
- People ICT Board
- ICT Procurement Programme Board
- Technical Architect Group
- Education and Youth Engagement senior management team.

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**
As detailed in Part B.

5.3. **The effect of the decision**

The contract award commits the Council to contract expenditure as detailed in Part B.

5.4. **Risks**

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
2.	Lack of Service buy in	Post procurement – lack of engagement – business process revision Lack of willingness to release staff for early testing and training Service transformation not fed through to the team	Programme has support of Executive Director, Directors in People and Resources
3.	Managers buy in	Post procurement – lack of engagement Willingness to release staff for testing/ training Lack of willingness to assist with business process change requirements	Programme has support of Executive Director, Directors in People and Resources
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	Existing contracts – if breach legal action can be taken if required
7.	Service system solutions need to link to corporate ICT infrastructure	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 Capita Resource requirements	Implementation will be delayed and mobilisation may not be achieved.	Data Migration Lead to lead. ICT sourcing lead attends programme board. Meetings to be scheduled with Capita, ICT and Business System Teams. Further develop implementation plan in line with the ICT Sourcing Strategy. https://democracy.croydo n.gov.uk/documents/s40 99/ICT%20Sourcing%20 Strategy.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 corporate ICT 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 Restricted tender and there has been no departure from this.

5.6. **Future savings/efficiencies**

Through commissioning an Education management ICT system, over the ten year period of the contract there will be an 18% reduction in cost on current contract spend. See Part B for detail.

Approved by Felicia Wright, Head of Finance – Place

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1. The recommendations set out in this report seek to support the Council's duty to achieve best value pursuant to the Local Government Act 1999.

Approved by Sean Murphy, Head of Commercial and Property Law
& Deputy Monitoring Officer, on behalf of the Director of Law and Monitoring Officer

7. HUMAN RESOURCES IMPACT

7.1. There are no direct Human Resources implications arising from this report for Council employees. However, the content of this report would have an impact on the development of the service, which would have workforce implications. In conjunction with this procurement process the relevant services have reviewed and realigned roles and responsibilities in readiness for the new contract. In this case, and should any further matters arise, the Council's existing policies and procedures will be observed and HR advice sought at an early stage

Approved by: Debbie Calliste, Head of HR (People Department lead) on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

8.1. None identified.

9. ENVIRONMENTAL IMPACT

9.1. As we implement a cloud based solution we will be able to decommission the on-premises adult social care 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, it is recommended that Supplier 1 be contracted to provide the ICT Procurement Programme (Lot B: Education Management) solution for an initial term of

three years, with an option to extend for a further two three-year periods, plus one year for a maximum total term of 10 years.

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.

CONTACT OFFICER:

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Post title:	Programme Manager – ICT Procurement Programme
Telephone number:	63964