

## Procurement Board (CCB)

### Contract Award Report

Date of meeting	7/10/21
By	Rowland Gordon Highway Asset Manager Public Realm
Title	Streets IT system contract award
Project Sponsor	Steve Iles, Director of Public Realm
Executive Director	Sarah Hayward <i>Director of Culture &amp; Community Safety</i>
Lead Member	Cllr Muhammad Ali Cabinet Member for Sustainable Croydon
Key Decision	n/a

#### 1. Recommendations

**The Cabinet Member for Sustainable Croydon in consultation with the Cabinet Member for Resources and Financial Governance is recommended to:**

1. approve the award of a contract to Confirm Solutions Limited for supply and support of the Streets single integrated IT solution for a period of four years at a total contract value of £ 549,457.92.

#### 2. Background & strategic context

On May 9 2018 CCB approved a contract award (CCB1353/18-19) to Pitney Bowes Software Europe Limited (Pitney Bowes) (now Confirm Solutions Ltd) (for a maximum term of 4 years (2+1+1) comprising two years initial period plus 2 x one year extensions with a total contract value of £477,736. This is a single system which supports statutory activities across Highways, Trees and Woodlands and the Playground Maintenance service.

The service was engaging with Procurement Board for the approval of a final one year extension of the existing contract and a variation to acquire additional licences required for 15 extra concurrent desktop and 5 Confirm Connect mobile user licences for additional staff members due to the expanded use of the software across a number of services. However following discussion at Procurement Board, the supplier was approached to seek potential contract savings.

A proposal has been received from the supplier offering a saving of 4% against what would be the annual value for 2021/22 in return for committing to a 4 year arrangement which will run from this years renewal date of 28/9/21. The contract will be a call off from the G Cloud 12 Crown Commercial Services framework which is compliant with Public Contract Regulations and the Council Tenders and Contracts Regulations. Note the contract start date will be deemed to have commenced on 28/9/21 and run to 27/9/25. The contract can be terminated at any time of 90 days notice.

The Highway, Trees and Woodlands and Playground Maintenance services require continued use of the system for service delivery and to build on the financial and operational benefits the single system has brought having previously receiving approval from the Digital Operations Board on 24 February 2020 and approval by the Contracts and Commissioning Board (CCB1581/20-21) in 2020 to proceed with the initial Year 1 contract extension last year.

#### 3. Contract Providing for a Statutory Requirement

The provision of the service supports the delivery of a number of statutory and non-statutory functions of the council including:

- Managing the highways contract for the maintenance, repair and planned improvements for the highway
- Managing the activity of utility companies on the highways and footways
- Inspections and contract monitoring of the utilities and highways contractor
- Engineering works on the highway and footway
- Licenced activity on the network, closure, events and changes to the highways and footways e.g. off street parking
- Managing our Trees and Woodlands service

#### 4. Financial implications

Details				External		Period of funding
				Capital	Revenue	
The proposed award the will be funded from the highways revenue budget <b>C14905</b> which has a budget of £141,000 annually to cover this cost.	n/a	£137,364 per year (£ 549457.92 total)	48 Months to Sept 2025 From 21/22 To financial year 25/26			

#### Finance Manager Comments

There is a budget available for £141k pa for the contract term of 4 years to cover the £137.3k pa implication from this report. Prior to the offer from the supplier, the department was facing a budget shortfall to cover the annual contract cost which required funding from underspends in other budgets. The revised offer means annual contract charges can now fully funded by the available budget.

#### Essential Spend Criteria

The expenditure is considered to meet essential spend criteria: The contract is for a solution supporting delivery of statutory services.

- expenditure required to deliver the council's provision of essential statutory services at a minimum possible level

#### 5. Supporting information

5.1	Procurement Process followed: Incl. details of the competition, advertisement, tenders received and any clarifications or issues.	This new arrangement has utilised the G Cloud 12 framework to re-procure the solution. A search and filter is run on the G Cloud portal to produce a long list, or a short list of suitable suppliers/solutions against high level criteria. That search and filter produced a single result for this supplier and solution and the framework then allows for an award based on that result. This is the only solution capable of meeting all the requirements for a single solution. While there were several Highways asset management solutions on offer, only this solution can provide the integrated functionality required for the Trees and Woodlands service.
5.2	Evaluation results: Incl. each providers scores in accordance with the published criteria. Winning providers VFM offer	High level requirements are compared to the published service description on the framework. Note the solution has been in use for 3 years within the council and the features and functions and ability to meet council requirements are fully documented.  The financial offer delivers a 4% saving against the annual charges the council would have incurred for the 2021 renewal. The charges are fixed for 4 years – avoiding indexation uplifts. The contract will reflect this this

5.3	Any compliance issues with PCR or TCR?	<p>This is PCR compliant framework call off.</p> <p>A waiver to TCR regulation 8.1 is requested in respect of the requirement for a Strategy report.</p> <p>As there is no social value offer, a waiver to Regulation 14 is requested</p>
5.4	Contract Management: Please detail how this will be delivered and by who?	<p>The management of the contract is led by the Highways Service. The overall level of service is reviewed at regular contract meetings with representatives from service managers and the supplier account management and service delivery team and the contract is working well. There is also an element of involvement from Croydon Digital Services.</p> <p>The solution is already in place working well and there are no supplier performance issues.</p> <p>The contract allows for termination after 12 months initial term.</p>
5.5	Risks: Incl. how they will be managed	<p>Key Risks</p> <p>Lack of solution will lead to:</p> <p>Service delivery risk in Trees</p> <p>Organisation liability – insurance risk</p> <p>Mitigation - extend existing contract but at higher annual cost than new arrangement.</p> <p>Highlighted by the Corporate Risk and Insurance team is an increasing risk to the public, and to the organisation, through claims related to tree damage or injury. Given increased adverse weather risk, there is a need to increase inspection rates and improve the information we hold on these assets, ensuring our record of inspection and maintenance is kept up to date in order to improve our response to claimants and reduce the number of incoming claims.</p> <p>Procurement challenge</p> <p>Any risk is considered low –a framework call off has been followed.</p>
5.6	Mobilisation plan How will it be managed?	The solution has been in place since September 2018 and there are no further mobilisation plans required
5.7	Decommissioning plans: How will they be managed between providers?	<p>There will be no need for decommissioning and mobilisation of a new service provider until September 2025. Exit obligations are provided for in the call off terms.</p> <p>The service will need to address future requirements and potential re-tendering when the new arrangement nears the maximum contract length allowed under the framework of 4 years.</p>
5.8	TUPE: If applicable, how will it be managed?	N/A
5.9	Interdependencies – If any: Incl. details of any arrangements i.e. Landlords, Consortiums, Assets connections and how they will be managed	There will be no need for any amendments to the existing interdependencies between sections within the council eg Trees and Woodlands, playground maintenance, highways, etc.
5.10	GDPR implications:	

	Has an assessment been completed, do legal know to include in t&cs?	IM were consulted when the solution was procured. The system does not hold or process personal data (as defined by the Data Protection Act 1998), only non-personal asset data.
5.11	Equalities: Please confirm how the proposed contract will support the EQIA?	An Equalities impact Assessment report was completed and signed-off which concluded no single group will be adversely affected by the current system.
5.12	Social Value: Please confirm how the provider will deliver the 10%?	There is no social value offer in the contract
5.13	London Living Wage (LLW): Please confirm the provider pays LLW?	The framework terms require the supplier to ensure that that all wages and benefits paid for a standard working week meet, at a minimum, national legal standards in the country of employment.
5.14	Premier Supplier Scheme (PSP): Please confirm this is included in the requirements	The supplier is not part of the scheme but can be invited to participate.

#### *Options considered*

##### *Do nothing.*

This would lead to existing contracts expiring and needing to be replaced by procurement exercises. The combination of all the services into one system has provided operational efficiencies as well as financial savings.

In addition the Confirm system is embedded within the Next Generation Highways Contract and the provider, FM Conway, is expected to interface with the system to allow for the transmission and receipt of Task Order and other related data. A failure to extend the contract with Confirm Solutions Limited could result in a claim against the Council due to the need for the Contractor to change their works management system with such short notice.

In addition the system is used to manage and record the highways inspections that are carried out by the authority as a part of its "special defence" under S58 of the Highways Act 1980. A failure to provide a defence will expose the Council to additional claims and will, more than likely, see increased levels of payout as a consequence.

##### *Extend the contract*

The extensions are built into the contract and were approved as part of the contract award. This is a low risk approach reducing resource demands and allowing the service to continue to derive the benefits from the single solution. The cost of exercising the option extension is within the original contract award budget

##### *Run a tender*

The option of running an OJEU tender was undertaken prior to the G Cloud procurement leading to the contract award and had failed to find a successful bidder. Resource constraints as a result of the financial impact on the department would impact the ability to fully resource a project team to run a procurement.

## **6. Conclusion and reasons for recommendations**

The recommendation is to award a contract for the supply and support of an Streets integrated IT solution 4 years from 29<sup>th</sup> September 2021 to 28<sup>th</sup> September 2022 at a total cost of £ 549457.92 for the reasons set out below.

Continued use of the Streets single system allows for the development of a master data set of all infrastructure assets accessible from a single data source which enables better planning and co-ordination of works which impact on the ability of citizens and visitors to travel through the borough.

The contract will fix the price for the next 4 years, saving 4% against current charges.

## 7. Outcome and approvals

Outcome	Date agreed	
<i>Insert outcome of Board discussion</i>	Service Director <i>(to confirm Executive Director has approved the report)</i>	21/9/21
	Cabinet Member for Resources & Financial Governance	25/11/21
	Legal Sonia Likhari CCBReportsforlegal@croydon.gov.uk	29.10.21
	Head of Finance	16 <sup>th</sup> September 2021
	Human Resources (if applicable) n/a	n/a
	C&P Head of Service Scott Funnell	13/9/21
	Lead Member Cllr Muhammad Ali <i>(for contract award over £500k)</i>	21/09/21
	Procurement Board	CCB1711/21-22 – 26/11/21

## 8. Comments of the Council Solicitor

There are no additional legal considerations directly arising from this report

Approved by Sonia Likhari on behalf of the Director of Law and Governance

## 9. Chief Finance Officer comments on the financial implications

Approved by *Michael R Jarrett* on behalf of the Chief Finance Officer