

CABINET MEMBER DELEGATED DECISION – 8 APRIL 2020

Report title: Decision to award contract for provision of Northgate Information@Work Application for Support and Maintenance.

Wards: All

Portfolio: Cabinet Member for Finance and Performance: Councillor Andrew Wilson

Report Authorised by: Bayo Dosunmu: Strategic Director for Resident Services

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Report summary

This report proposes that a contract for the provision of Information@Work Application for support and maintenance is awarded by London Borough of Lambeth to Northgate Public Services. The current Information@Work Application support and maintenance contract expires on 31 March 2020. The Framework compliant with EU procurement legislation **OJEU Ref No. 2017/S 072-138254**. The Crown Commercial Services (CCS) Data and Application Solutions (DAS) Framework was successfully awarded on 25 January 2019. Northgate Information@Work is the corporate solution for Electronic Document Management (EDMS) for the London Borough of Lambeth and hold the Licence in perpetuity.

Finance summary

The cost of this contract will not exceed £ 310,917 including the 20 days per annum consultancy days at £875 per day for the initial three-year contract with the annual cost being £103,639. The contract will run for the period 1 April 2020 until 31 March 2023 for the initial contract for support and maintenance. It is also recommended that Lambeth include an option to extend the contract for a further 24 months commencing on 1 April 2023. The total overall cost of the contract if the two-year extension option is taken up should not exceed £522,023 inclusive of consultancy days and will be funded from the existing ICT Budget. For Years 4 and 5 (extension period) however, the contract will run for the period of 1 April 2023 to 31 March 2025, at a combined cost of £211,106 for the Northgate Information@Work Application support and maintenance.

Recommendations

1. To award the Information@Work contract for the provision of support and maintenance to Northgate Public Services (NPS) for a period of **three** years from 1 April 2020 to 31 March 2023 with an option to extend for a further **two** years from 1 April 2023 to 31 March 2025 (3+2-years) with a total contract value of £522,023 (5-years).

Reasons for Exemption from disclosure

The accompanying part II report is exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

3. Information relating to the financial or business affairs of a particular person (including the authority holding that information).

1. CONTEXT

- 1.1. This report proposes that a contract for the provision of Information@Work Application for support and maintenance is awarded by London Borough of Lambeth to Northgate Public Services. The current Information@Work support and maintenance contract expires on 31 March 2020.
- 1.2. The Application is the corporate solution for Electronic Document Management for the London Borough of Lambeth which was designed and developed by Northgate Public Services. It enables the Council to capture, manage, store, deliver and share business process information, content, documents and records. Information@Work in a browser-based document management system that provides a single, flexible, reliable repository for all documents and files.
- 1.3. No benchmarking exercise was carried out since the Council holds the Licence in perpetuity and Northgate are the sole provider of the Northgate Information@Work Application for support and maintenance.
- 1.4. This is a Procurement Gateway 3 Report.

2. PROPOSAL AND REASONS

- 2.1 The proposal is to award a new contract to Northgate Public Services for a period of three years with the option to extend for an additional two years starting on 1 April 2020 and to expire on 31 March 2025 (3+2 years).
- 2.2 The Council holds the licence to use the application in perpetuity but in order to receive software updates and security patches a support and maintenance contract must be in place. Northgate Public Services are the sole supplier of support and maintenance for the Council's Information@Work software application (i.e. there are no other providers for this service).
- 2.3 It is proposed to make a direct award under the Workflow & Case Management Solutions, Lot 1b of the Crown Commercial Services Framework (RM3821). A five-year contract is recommended (3+2) on the basis that this achieves a greater level of savings, benefits and value for money than the other options outlined in the accompanying Part II report.
- 2.4 The Framework compliant with EU procurement legislation **OJEU Ref No. 2017/S 072-138254**. The CCS Data and Application Solutions (DAS) Framework was successfully awarded on 25 January 2019.
- 2.5 A formal tendering exercise was not undertaken because the cost of change to a different supplier would result in higher costs to Lambeth which would not be offset by any savings made in reduced costs for support and maintenance from other suppliers since the Council holds the licence for this software in perpetuity. The incumbent is the sole supplier of this application it is not possible to perform benchmarking as there are no other providers able to offer the Information@Work services.
- 2.6 The Business recommendation is to stay with the current system as this provides optimal use of resources. It is the Senior Management's view to remain with our current supplier, Northgate Public Services.
- 2.7 It is proposed to issue the incumbent Northgate Public Services with CCS Terms and Conditions contract documentation for completion. The Framework Agreement Contract pack will consist of the following documents appended;
 - Direct Award Form submitted to CCS for Northgate Public Services, as our single supplier for the support and maintenance of Information@Work;

- Specification;
- Pricing Document;
- Method Statement;
- CCS Terms and Conditions/Call-Off Order Form
- KPIs and SLAs;
- GDPR Compliant and the Data Processor Agreement;
- The Direct Award will be published via the CCS Government e-Marketplace Catalogue for 30 calendar days, and,
- Special Conditions (Responsible Procurement).

2.8 GDPR is also covered within the Crown Commercial Services, terms and conditions for this Direct Award. Northgate Public Services is GDPR compliant as confirmed by the Legal and the Compliant Governance Team.

2.9 Call-off Contracts under the Framework can extend beyond the Framework term, provided they are awarded before the Framework expires on 24/01/2021.

Social Value

2.10 Electronic mail continues to be the primary communication medium for interacting with Lambeth residents and the new technological enhancements within this contract will increase the council's responsiveness, provide greater transparency around workflow which will significantly overcome resident dissatisfaction and bring better value for money.

Contract Management

2.11 The Contract will be managed by the ICT Contract Team with support from colleagues in Corporate Procurement and the Head of ICT.

- The requirements for Contract Management is for the implementation, reports and review meetings which are already provided in the CCS RM3821 Framework Agreement. Additional proposals for managing and monitoring the contract will include a requirement for management information and governance arrangements: -
- The contracted supplier will provide reports for service review meetings, including regular reviews of achievements against the Service Level Agreements (SLAs): -
- The supplier will appoint a Service Delivery Manager post award of contract: -
- The CCS Framework allows for a structured approach to ensuring good performance management. This includes the application of Key Performance Indicators (KPIs) which will be reviewed regularly at contract review meetings to ensure a high standard of performance, at all times: -
- Monthly service review and Contract Performance Meetings will be held and attended by representatives from ICT, Housing, Procurement and the Supplier;
- There are improvements for Council residents to frontline services and/or the Borough, and,
- Special Conditions which will be used as an addendum to the call-off terms has been completed by Northgate Public Services.

3. FINANCE

3.1 The proposed contract is £522,023 over the contract duration of five years (including any 20 annual software upgrade costs at £875 per day), excluding expenses for provision of support and maintenance cost. There is, however, an option to break after Year 3, but this will attract a termination penalty of £20,377.

- 3.2 The annual cost of the contract for the first three years is £103,639 and thereafter £105,553 for the remaining two years. There is sufficient provision in the ICT Maintenance and Support and Consultancy Fees budgets to cover the cost of the proposed procurement. It is also recommended that the Council include the option to extend the contract for a further 24 months commencing 1 April 2023 to 31 March 2025. The total price of the extension should not exceed £211,106.
- 3.3 There are no cashable savings delivered under the new contract, but that is due to the fact that it is not based on a like-for-like replacement but includes new added functionality in January 2020 for support and maintenance for the Email Connect and GDPR. These additional items are however contained within the existing budget.

4. LEGAL AND DEMOCRACY

- 4.1 The Council has delegated the authority to enact this reports recommendation to the Director or Strategic Director before exercising that authority. This paper should be presented to the Procurement Board.
- 4.2 Procuring via a Direct Award from Crown Commercial Services Framework is compliant with the requirements of both the Council's Contract Standing Orders and the Public Contracts Regulations (2015). This decision will be added to the next forward plan to be published and the earliest decision date will therefore be 18 February 2020.
- 4.3 This proposed key decision was entered in the Forward Plan on 20 January 2020 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision maker before the decision is taken. A further period of five clear days – the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 Internal stakeholders were fully consulted throughout the procurement process.

6. RISK MANAGEMENT

- 6.1 The main risks that impede on the successful delivery of this procurement and contract are: - Northgate have agreed to insert a break clause into the contract at the end of Year 3. Should the break clause be activated at the end of Year three, any additional savings accrued on the basis of a five-year agreement (over and above a 3-year agreement) would be returned to Northgate and this equates to £20,377 with Break Penalty invoked at compound 2.70% RPI.

Table 1 – Risk Register

ID	Risk	Likelihood	Impact	Score	Control Measures	Risk Owner
1	Challenge from another supplier regarding direct award to incumbent	1	8	8	Conduct a transparent, open and fair procurement process. The incumbent is the sole provider of this Application.	ICT Contract
2	<i>Risk Exposure of Service Provider</i>	1	4	4	Certificate of public and products liability insurances will be obtained.	ICT Contract
3	Lambeth takes the option to terminate the agreement at the three-year break point, in which case the Indexation and Licence discounts for the first three years would be due. Additional expenditure would equate to £20,377	1	8	8	A full OJEU Tender process for a new Housing support and maintenance solution could potentially take 24-36 months to complete. Also, the data transition could take 2-3 years. These factors make a three-year termination unlikely.	MC
4	Financial robustness of service provider	1	2	2	D&B Check	ICT Contract

Key

Likelihood	Very Likely	4	Likely	3	Unlikely	2	Very Unlikely	1
Impact	Major	8	Serious	4	Significant	2	Minor	1

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 An Equalities Impact Assessment (EIA) has been completed and sign-off by the Head of ICT on 3 February 2020.
- 7.2 The analysis by the Senior Policy and Partnerships Officer email dated 6 February 2020 in response indicated, as part of this procurement, that the EIA be approved with no further comments or recommendations.
- 7.3 Supplier outlines on how they promote and maintain equality, diversity and inclusion at work across the following is available under Appendix A - Special Conditions:
- Women;
 - Disability;
 - Black, Asian and Minority Ethnic (BAME); and,
 - Lesbian, Gay, Bisexual, Transgender, Plus (LGBT+).

8. COMMUNITY SAFETY

- 8.1 There are no direct consequences to community safety with regards to Section 17 of the Crime and Disorder Act 1998.

9. ORGANISATIONAL IMPLICATIONS/SPECIAL CONDITIONS

Environmental

- 9.1 Northgate Public Services comply with BS EN ISO 14001 Environmental Management System standard (or equivalent). They also comply with Directive 2002/96/EC on Waste Electrical and Electronic Equipment (or equivalent) and Directive 2002/95/EC on the Restriction of the Use of certain Hazardous Substances in Electrical and Electronic Equipment (or equivalent).

Health

Positive Health & Wellbeing

- 9.2 Northgate Public Services have Working Well-Guide Association with Canada Life, so employees have access to cover:
- Housing Debt, Stress and Pressure, Health and Wellbeing, Bereavement, Relationships and have special access to Counselling and Doctors Programme of Wellbeing; and,
 - Occupational Health Reference Manual.

Corporate Parenting

- 9.3 None

Staffing and accommodation

- 9.4 There are no TUPE implications for this contract.

Responsible Procurement

- 9.5 This procurement exercise has been commenced for supplier to provide the Responsible Procurement requirements. Officers have nevertheless been mindful of these requirements and sought to get assurances in as many areas as possible.

Good Quality Jobs with Fair Pay and Decent Working Conditions

- 9.6 The London Living Wage – Northgate Public Services confirm that Northgate are signed up to provide the Real Living Wage (based outside of London) as recommended by the Living Wage Foundation. This is higher than the Government minimum London Living Wage.
- 9.7 NPS follows the 'Real Living Wage' as the minimum remuneration for their employees. This as a minimum match to the London Living Wage.

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

- 9.8 None

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

- 9.9 Not applicable as this is primarily a software service contract for support and maintenance.

Single Use Plastics

9.10 Not applicable as supplier is primarily a service contract for support and maintenance. The software is digital therefore no hardware packaging is involved.

Other Offers (Innovation)

9.11 Northgate have two chosen charities which they run fundraising events and collections in the street.

- The chosen charities Marie Curie; and,
- End Youth Homelessness.

10. TIMETABLE FOR IMPLEMENTATION

Activity	Proposed Date
Date published on Forward Plan	20 Jan 2020
Publication on Decision online	31 Mar 2020
Standstill Period Prior to Decision	7 Apr 2020
Officer or Cabinet Member Decision	8 Apr 2020
Execution of Contract	1 Apr 2020
Mobilisation Period for Contract	1 Apr 2020
Commencement of Contract	1 Apr 2020

AUDIT TRAIL				
Consultation				
Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Andrew Wilson	Cabinet Member for Finance and Performance	02.03.20	02.03.20	
Bayo Dosunmu	Strategic Director for Residential Services	27.02.20	27.02.20	
Andrew Ramsden, Finance	Finance and Investment	18.02.20	28.02.20	
Michael O’Hora, Legal Services	Legal and Governance	18.02.20	18.02.20	
David Rose Democratic Services	Legal and Governance	02.03.20	03.03.20	
Prakash Bijwe, Senior Procurement Officer	Finance and Investment	18.02.20	18.02.20	Entire Report

REPORT HISTORY	
Original discussion with Cabinet Member	28/01/2020
Report deadline	03/03/2020
Date final report sent	03/03/2020
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	20/01/2020
Key decision reasons	Expenditure, income or savings in excess of £500,000.
Background information	<p>Crown Commercial Services DAS Framework Agreement RM3821 https://www.crowncommercial.gov.uk/news/data-and-application-solutions-framework-launches</p> <p>Cabinet Member Delegated Decision 30 March 2020 Northgate Information@Work Application for Support and Maintenance services.</p> <p>Future Lambeth: Our Borough Plan https://www.lambeth.gov.uk/better-fairer-lambeth/lambeth-borough-plan</p>
Appendices	Appendix A – Special Conditions

APPROVAL BY CABINET MEMBER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Ms Sami Syed
ICT Senior Contract Officer, Residential Services

I approve the above recommendations:

Signature: _____ **Date:** _____

Post: Bayo Dosunmu
Strategic Director for Resident Services

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post: Councillor Andrew Wilson
Cabinet Member for Finance and Performance

Any declarations of interest (or exemptions granted): None

Any conflicts of interest: None

Any dispensations: None