

## OFFICER DELEGATED DECISION 6 OCTOBER 2021

**Report title:** Variation to Software Managed Service Contract to Support Contract Management

**Wards:** All

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

**Report Authorised by:** Fiona McDermott: Strategic Director for Finance and Investment

**Contact for enquiries:** Hamant Bharadia, Assistant Director of Finance, [hbharadia@lambeth.gov.uk](mailto:hbharadia@lambeth.gov.uk) and Jason Martin, Transformation Consultant Finance, [jmartin@lambeth.gov.uk](mailto:jmartin@lambeth.gov.uk)

### REPORT SUMMARY

Procurement currently manages a software licence that supports the corporate electronic contract management system (eCMS) using the software platform with Axians Limited. The eCMS supports day to day management and corporate monitoring of the council's key contracts.

A variation to the existing contract with Axians Limited is required to enable the eCMS to integrate with the Council's Planning and Budgeting Oracle platform (ePBCS). This functionality ensures that the Council can effectively manage both Contract and Budget spend in a seamless integrated manner.

### FINANCE SUMMARY

The cost of the variation is £160,000. The works set out within this report are part of the Digital Lambeth Strategic Programme capital allocation approved by Cabinet in March 2021.

### RECOMMENDATIONS

1. To approve a variation to the contract with Axians Limited for the integration of the Electronic Contract Management System (eCMS) with the Council's Planning and Budgeting Oracle platform (ePBCS) at a cost of £160,000 over the period 1 October 2021 to 31 March 2022.

## **1. CONTEXT**

- 1.1 Following implementation of the Council's contract management model (CM Model), it was agreed to procure an electronic system to replace the current contract register, to help embed the CM Model and best practice behaviours in the management of Lambeth contracts.
- 1.2 The eCMS will be a key tool to support contract managers, and enable corporate visibility that contracts are being managed effectively and provide a means of identifying risk areas that may require attention, when contracts are not being managed. The eCMS tool is the master record for all of the Council's contract-related information
- 1.3 Oracle is the Council's Enterprise Resource Planning (ERP) tool used to manage business critical functions such as paying staff and suppliers. Lambeth implemented Oracle Cloud in April 2018 with all Finance, Payroll, Procurement and HR activity undertaken on the Cloud.
- 1.4 All Council budget managers utilise ePBCS (Enterprise Planning and Budgeting and Oracle Cloud) enabling them to perform forecasting from data held in Oracle. The ePBCS tool is the master record for all of the Council's budget-related information

## **2. PROPOSAL AND REASONS**

- 2.1 Work has been conducted which has identified the requirement to improve both Council's Contract Management and Budget management processes.
- 2.2 The proposed variation will enable the eCMS to integrate with the Council's Planning and Budgeting Oracle platform (ePBCS), to link the Council's contract-related information together with budget-related information.
- 2.3 The enhanced functionality will enable the Council to effectively manage both Contract and Budget spend in a seamless integrated manner - bringing improvements to associated purchasing and payments process, providing service areas with greater intelligence, and facilitating Category Management of spend for identification of value for money opportunities.
- 2.4 The development and software licences for the eCMS provided by Axians Limited were procured through the Crown Commercial Services GCloud framework.

### **Contract Management**

- 2.5 Responsibility for management and maintenance of the eCMS resides within the Contract Management Business Partner team within Procurement.

## **3. FINANCE**

- 3.1 The cost of the variation is £160,000. These works were included within the capital allocation approved by Cabinet in March 2021 for the Digital Lambeth Strategic Programme.
- 3.2 Approved spend to date with Axians Limited in relation to both the eCMS and development of the Dynamic Purchasing System (DPS) within Residents Services totals £882,950 (summarised below):

### eCMS

The initial costs to implement the eCMS totalled £105,000, with £75,000 funded from within the procurement budget and payment of the additional £30,000 met from revenue budgets within the Finance and Property division in 2020/21.

### DPS

The cost of upgrade of software licences to support the eCMS and DPS capability was £387,950 over 1 April 2021 to 31 March 2025. These costs will be borne from the existing procurement and Housing Revenue Account budgets.

One-off development costs of £184,500 were required for a five month period from April to August 2021, these costs will be reviewed to determine what element of the costs can be capitalised.

In addition, ongoing technical support for a four-year duration was approved for £205,500 over the period August 2021 to July 2025. These costs will be borne from headroom within the currently budgeted HRA Repairs contracts.

## **4. LEGAL AND DEMOCRACY**

- 4.1 The Council has delegated the authority to enact this report's recommendations to the Strategic Director, Finance and Investment. Before exercising that authority, this paper should be reviewed by the Category Board.
- 4.2 The Public Contracts Regulations 2015 allow for the modification of contracts (which would include contracts called off a framework) without a new procurement procedure where, due to circumstances which a diligent contracting authority could not have foreseen, additional services have become necessary and where a change of contractor cannot be made for technical reasons such as requirements of interchangeability or interoperability with existing equipment without causing significant inconvenience or substantial duplication of costs for the contracting authority. The modification must not alter the overall nature of the contract and any increase in price must not exceed 50% of the value of the original contract.
- 4.3 The Council's Constitution requires that all key decisions, decisions which involve resources between the sums of £100,000 and £500,000, and important or sensitive issues, must be published on the website for five clear days before the decision is approved by the Director or Cabinet Member concerned. Any representations received during this period must be considered by the decision-maker before the decision is taken.

## **5. CONSULTATION AND CO-PRODUCTION**

- 5.1 Relevant internal consultation has been conducted as part of the project, this has included officers from Finance, Procurement and Contract Management teams.

## **6. RISK MANAGEMENT**

- 6.1 Identify potential risks associated with the options and the proposed course of action.
- 6.2 The main risks that impede on the successful delivery of this procurement and contract are:

### **Table 1 – Risk Register**

Item	Risk	Likeli-hood	Impact	Score	Control Measures	Risk Owner
1	Covid-19: - Adverse impact on market - Delay in development timetable - Availability of internal specialists	1	4	4	The software is a Cloud based solution therefore minimal disruption is anticipated Timescales can be met using virtual technology External expertise is necessary to support internal teams Early engagement and communications plan to enable effective planning	LBL
2	Lack of engagement from service areas to design system requirements	2	1	2	To date the key stakeholders have assisted and provided necessary input	LBL

### Key

<b>Likelihood</b>	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
<b>Impact</b>	Major = 8	Serious = 4	Significant = 2	Minor = 1

## 7. EQUALITIES IMPACT ASSESSMENT

7.1 Equalities Impact Assessments (EIA) have been conducted and approved by relevant Heads of Service. The outcome of the EIA is 'no adverse impact, no change required'.

## 8. COMMUNITY SAFETY

8.1 Not applicable

## 9. ORGANISATIONAL IMPLICATIONS

### Environmental

9.1 Although the contract does not require specific environmental commitments to support the council's targets for reducing emissions and carbon neutrality, all development work Axians undertakes will focus the project business requirements analysis work on processes and design functionality that optimises resources and effectiveness of the system. This will also seek to, avoid printing and promote the use of digital signatures where required.

### Health

9.2 Not applicable.

### Corporate Parenting

9.3 Not applicable.

### **Staffing and accommodation**

9.4 Not applicable.

### **Responsible Procurement**

*Good Quality Jobs with Fair Pay and Decent Working Conditions*

9.5 The provider has confirmed their commitment to paying National Living Wage.

The council's Modern Slavery Act (2015) conditions will be incorporated into the conditions of contract, as will compliance with the Equality Act and an unfettered employee right to join a trade union and not be treated unfairly for belonging to one.

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

9.6 The provider has committed to implementing 2 Apprenticeship posts as part of the existing contract.

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

9.7 Vinci, the Group company that owns Axians has a target to achieve Carbon neutrality by 2050.

*Positive Health and Wellbeing*

9.8 Axians has an established wellbeing programme in place within their company however, they have committed to analyse the Time to Change Employers Pledge and Suicide Prevention Strategies against their company's existing, extensive wellbeing provision and adopt the Strategies if their corporate provision falls short. The supplier management provider has fewer than 250 employees and therefore unlikely to sign up at this stage.

## **10. TIMETABLE FOR IMPLEMENTATION**

10.1 The table below details the stages and deadlines for implementing the recommendations:

<b>Activity</b>	<b>Proposed Date</b>
Publication on Decisions online	28.09.21
Officer Decision	06.10.21
Execution of Variation	06.10.21

<b>Audit Trail</b>				
<b>Name and Position/Title</b>	<b>Lambeth Directorate</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in paragraph:</b>
Councillor Andrew Wilson	Cabinet Member for Finance and Performance	21.09.21	24.09.21	
Fiona McDermott, Strategic Director	Finance and Investment	12.09.21	19.09.21	
Nisar Visram, Finance	Finance and Property	11.08.21	24.08.21	3
Michael O'Hora, Legal Services	Legal and Governance	10.08.21	11.08.21	
Marianna Ritchie, Democratic Services	Legal and Governance	01.09.21	01.09.21	
Malcolm de Vela, Category Manager	Finance and Property	04.08.21	04.08.21	
Grace Ferris, Climate Change and Sustainability Officer	Sustainable Growth and Opportunity	07.09.21	08.09.21	

<b>Report History</b>	
<b>Original discussion with Cabinet Member</b>	21.09.21
<b>Report deadline</b>	Not applicable
<b>Date final report sent</b>	24.09.21
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	No
<b>Key decision report</b>	No
<b>Date first appeared on forward plan</b>	Not applicable
<b>Key decision reasons</b>	Not applicable.
<b>Background information</b>	<a href="#"><u>Software Managed Service to Support Contract Management and Dynamic Purchasing Systems</u></a>

**APPROVAL BY CABINET MEMBER OR OFFICER 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:** Hamant Bharadia  
Assistant Director of Finance

**I approve the above recommendations:**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Post:** Fiona McDermott  
Strategic Director for Finance and Investment

**Any declarations of interest (or exemptions granted):** Not applicable

**Any conflicts of interest:** Not applicable

**Any dispensations:** Not applicable