

Report for: Cabinet Member Signing – Cllr Carlin 5/3/24

Item number: N/A

Title: Variation & Extension of Contract – Civica Icon & Mid Call Solution

Report authorised by : Jess Crowe – Director of Culture, Strategy & Engagement

Lead Officer: Carla Villa 0208 152 5553

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

This report requests the Councillor Carlin to approve the variation of contract for Icon Managed Service including the Mid Call solution as allowed under CSO 10.02.1a to Civica UK Ltd. The contract was procured through the Crown Commercial Data Applications (DAS) Framework and approved at Cabinet in October 2020 for the value of £1,501,036 for a term of 5+2 years. The variation will exceed the value approved at Cabinet and a request to approve the additional cost is being sought. The new cost of the contract over the full term of 7 years is expected to be £1,590,770.67.

2. Recommendations

That the Cabinet Member **for Finance and Local Investment** approves the variation of the Contract as set out in this section 2. The estimated spend by the end of the initial term 31/10/25 is £1,089,421.88 which is £5738.12 under the original value agreed and will fund all of the mid call additional costs up to that date.

To vary the contract at an additional cost of £89,735.00 inc 3% fixed rpi from the 30/10/24 to 29/10/27.

The additional cost is broken down by 3 elements:

Mid call additional license cost shortfall £21,810.00

Upgrade for agnostic browser and other functionality £30,425 and an annual uplift to the managed service of £7,500.00 to the end of the contracted term

An Additional £30,000 for any future upgrade that may or may not take place between 2025 and 2027. Making the total additional cost of £89,735.00.

To extend the contract to 29/10/2027 as we are currently implementing a new source to pay system (purchasing, invoice payment, and vendor management) which is not due to go fully live until the end of 2024 and are also looking at tendering for a new finance system all of which are managed by the same team and therefore unlikely to have the resource available to take on additional re-procurement of the cash receipting system which integrates with them all currently.

3. **Reasons for decision**

This contract included the Mid call solution used by Customer Services to take payments securely over the phone. This was implemented under a temporary solution as the project to implement SIP onto our telephone system was delayed by another supplier. We are now in a position to proceed with the full implementation, but the licensing model has to change and the cost will increase by a further £25,345p/a plus 3% fixed inflation. The overall cost of the contract has been reduced over the last 4 years in terms of costs, due to the removal of items that were not utilised sufficiently to make good sense in continually paying for them or because they were end of life and were replaced by newer technology but in lesser quantities. We also have the issue where the ISDN lines which are currently used by Customer Services are being phased out and the exchange in Enfield is due to close in March 2024. We have no choice but to move the lines over and adopt the newer technology.

An upgrade is also required in Icon to move us to an agnostic browser as we are currently using a backwards compatible version. This will make it easier in the future when browser versions change or go end of life. The upgrade also includes other functionality such as customer retry when the payment fails, an updated look and feel making it easier for customer's to negotiate. It will include self-serve password reset functionality, address lookup, Default email address for Receipts, Transaction Rebuilds, Smart Suspense Enhancements, Tracker Drill-down Return, Consistent Amount Field, New Prep Rec Function. I would also like to add an additional sum to allow for any future enhancements to the system which are currently unknown.

4. **Alternative options considered**

Do Nothing – not an option as the Customer Service numbers are the only part of our telephone system that need to move across to SIP. The Enfield exchange is closing and these numbers will be obsolete if we do not move them away.

Go out to tender – not required as we have already awarded the contract via compliant route and are not exceeding the limit allowed for variation under the framework.

5. **Background information**

To enable the Mid call solution to be fully implemented in 2024 as we implemented a temporary solution which did not offer quite what was required

but did offer a workaround until SIP was properly implemented which enabled the Council to take telephone payments without breaching Payment Card Industry (PCI) standards.

We are now in a position to implement a fully SIP platform for Customer Services and move it fully to a digital provision which is required as the exchange where the numbers are held is due for closure in 2024. As the service that was delivered in 2020 was a hybrid version of Sip new licenses are required.

When we awarded the contract back in 2020 we did allow some contingency within the contract to allow for upgrades we were aware would be coming down the track and included these in the award. These have now been completed but we have no provision for any that are due before the end of the initial term or hence. This variation would take this into account.

6. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes'?

Positive Resident Experience - All residents, businesses and other stakeholders can easily access services which are designed and operated in a resident-centric way. Co-production puts resident voice and experience at the heart of everything we do. Positive interactions with the council will support better relationships with the community, increasing mutual trust and confidence.

7. Carbon and Climate Change

All services will be delivered over the internet once the exchange is closed. One would suppose this would save on electricity heating/cooling

8. Statutory Officers comments (Director of Finance, Procurement, Assistant Head for Legal and Governance, Equalities)

10 Finance

This report is requesting a variation to the Icon Managed Service contract increasing the contract value by £89,735 to £1,590,770 over the seven-year term. The increase comprises a combination of one-off upgrade costs totalling £60,425, increased annual Mid-call licence costs as a result of moving to full SIP licences (£21,810) and higher support and maintenance charges for the additional functionality within the upgraded ICON module (£7,500).

The one-off upgrade costs will be funded from the Digital Services capital programme (Scheme 602: Corporate IT Board), the ongoing revenue costs will be funded from the Digital Services revenue contracts budget where an allowance has been made in the MTFs Digital Services growth bid for the increased Mid-call costs.

11 Procurement

Strategic Procurement were consulted in the preparation of this report.

CSO 10.02.1b and CSO 16.02 permit the Cabinet Member to vary or extend a contract where the value of the contract is £500,000 or more subject to the provisions of Public contract Regulations 2015. Regulation 72(1)(5)(i) provides that a contract may be modified for additional services where the modification complies with Regulation 72(1)(5)(i).

CSO 16.02 permits the Leader to allocate decisions to the Cabinet Member having the relevant portfolio responsibility.

Strategic Procurement support the recommendation in section 2 of this report

12. Assistant Director for Legal & Governance

12.1 The Assistant Director for Legal and Governance has been consulted in drafting the report.

12.2 Pursuant to Contract Standing Order 10.02.1b and Contract Standing Order 16.02 the Cabinet Member with the relevant portfolio responsibilities has authority to approve the recommendations in the report.

12.3 The Assistant Director for Legal and Governance sees no legal reasons preventing the Cabinet Member for Finance and Local Investment from approving the recommendations in the report.

Equality

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

This report seeks decision on the procurement of a mid-call delivery solution to support customer service and manage customer payments to the council which is compliant with Contract Standing order 9.07.1d.

The 'mid-call' system as opposed to the 'end-call' system will benefit customer experience, supporting enhanced access and process completion. This is because with a 'mid-call' solution an officer remains on the phone line to help the customer with any issues throughout the process, thus reducing potential frustration and then need to re-call to access help. This may provide positive benefits to those individuals with additional needs.

The recommendation put forward in this report is not anticipated to have a negative impact on any protected characteristic and can be seen as a positive move toward supporting a customer experience that is timely, safe and professional.

9. Use of Appendices N/A

10. Background papers

None

Section of the report template	Part A (Open)	Part B (Exempt)
1	Award of Contract details excluding value and bidder(s) name (unless direct award).	Award of contract to named bidder(s) and value,

		including details on any extensions. Reference to any contingency or letter of intent value.
3	Recommendation to state term, any extensions and aggregated value of award to unnamed bidder(s). Reference to relevant CSO's.	Recommendation to state term, any extensions and aggregated value of award to named bidder(s). Reference to relevant CSO's. Reference to any contingency values.
4	Reasons to include references to top ranked bidder, most economically advantageous tender, best value or alternative reasons as appropriate.	Additional considerations that fall within exempt criteria (e.g. where not appointing to 1st ranked bidder)
5	State alternatives including reference to do nothing, inhouse option etc..	N/A – unless falling within exempt criteria.
6	Describe the procurement process undertaken. Basis for award (quality/price split). Table of results using anonymised bidder info. High level reference to contract and performance management.	Table of results using full details of bidder(s) and pricing/scores etc..
8	Refer to procurement guidance set out in this section	Include any comments that fall within exempt criteria (e.g. non-compliance related issues/risks)