

Report for: Cabinet – 18th June 2019

Title: Request to award a contract for the supply and support of the New Housing Management system

Report authorised by: Richard Grice, Director of Customers, Transformation & Resources.

Lead Officer: Peter Capp, Procurement Strategic Partner, x 3979

Ward(s) affected: N/A

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

1. Describe the issue under consideration

- 1.1. This report seeks Cabinet approval under Contract Standing Order (CSO) 9.07.1(d) to award a contract for the provision of Housing software, and support and maintenance services.
- 1.2. This contract would be for a period of 5 years with an option to extend for a further 2 years for a total maximum contract value of £1,247,152.

2. Cabinet Member Introduction

- 2.1. The Housing Management IT System is a critical business system used in the effective management of the Council's Housing Services. At Haringey the areas that are currently used include: Homelessness (incl. HRA), allocations, lettings, rents and income collection, housing management, voids and repairs, management of temporary accommodation and non-residential units, estate services, reporting and performance monitoring. There are also online portals for customers and contractors. This contract for this system expires in October 2019. The new housing management system must encompass all the above services and more.
- 2.2. The New Housing Management system procured under the CCS Framework RM3821 will provide the platform for Haringey to manage a portfolio of approximately 25,000 properties across tenure types. The new system is expected to be modern and future proof with open APIs and an intuitive user interface that knows the user and prompts them to take the actions needed to deliver an excellent customer focused service. The new system will focus on usability and a proactive focus on reducing potential service failure, resulting in increased customer satisfaction and improvements in productivity. Navigation throughout all systems should be simple, seamless and intuitive with the capability for single log on and user authentication; there should be no duplication of information.
- 2.3. The solution procured will include an integrated Housing Management system running on the Council's infrastructure and capable of future hosting. This will incorporate the

services from the supplier to project-manage, assist in configuration, training, testing, data migration, integration and ongoing support.

3. Recommendations

- 3.1. That Cabinet approves, in accordance with Contract Standing Order 9.07.1(d), the award of a contract to the supplier named in paragraph 1 of Part B: Exempt report, for the provision of the Housing software and support and maintenance services for a period of 5 years at a contract value of £1,006,950 (Including implementation and support) with an option to extend for up to a further 2 years at a total maximum contract value of £1,247,152.
- 3.2. That Cabinet notes that this contract includes the provision of software licences, hardware, replacement and new modules, support and maintenance together with migration to the new system.

4. Reasons for decision

- 4.1. The Council's current expires in October 2019 and a procurement process has been undertaken to ensure a new contract can be placed that meets the Council's current requirements.
- 4.2. The new contract will feature migration to the more modern housing system and allow the service to realise savings of around £1,327K over the maximum 7-year contract period with scope for future savings.

5. Alternative Options Considered.

5.1 Do Nothing

This is not a viable option as the current contract for the existing housing management system expires on 31st October 2019.

5.2 Renew existing contract

The existing contract could not be further renewed without running an EU compliant procurement.

In addition, the existing software (OHMS) cannot support the new customer focus identified in the 2018-2023 Business Plan for Homes for Haringey and therefore the Priority 5 Housing objectives of the Council.

It is also unable to support the release of savings of £1.3 million identified in the outline business case.

5.3 Undertake a full OJEU procurement

The option to undertake a full EU tender had been considered. However, it was deemed that the level of Authority's resources and time required to complete an EU tender process was not justified when suitable EU compliant Framework Agreements were available.

In addition, the framework provides additional benefits as it enables us access to Government favourable terms and conditions using the new Public Sector Contract (PSC).

Further, the housing application market has shrunk considerably over recent years and there are only two or three potential alternate suppliers for a council with a housing stock of our size and aspirations to increase this.

6. Background information

- 6.1. The original business case to replace the current system was an output of the Housing Transformation Programme.
- 6.2. It recommended that in order to deliver the Medium-Term Financial Strategy (MTFS) and address the Council's housing priorities an investment was required to deliver a modern Housing system.
- 6.3. The council's Organisational Impact Assessment (OIA) board approved the business case in October 2016 and was in the process of referral to the Council's Resource Planning board for endorsement when Shared Digital launched to deliver IT services across Haringey, Islington and Camden Councils.
- 6.4. In January 2017, Shared Digital advised that it was not able to agree a 5-year contract extension on the terms proposed to, and agreed by, Homes for Haringey and Haringey council.
- 6.5. A contract extension, on improved terms, was agreed for 1 year 11 months to February 2019 to align with the Housing contract end dates in Camden and Islington pending a strategic decision on any future procurement.
- 6.6. After the change of remit for Shared Digital, the Council entered into a short-term contract starting 1st March 2019 to support and maintain the existing housing system until the current procurement exercise through a CCS framework concludes. This contract is due to expire on 31st October 2019.

6.7. Procurement Process

- 6.7.1. In order to ensure compliance with EU procurement rules and to ensure value for money, Strategic Procurement undertook a mini competition under Crown Commercial Services (CCS) Framework RM 3821 (Lot 2b) as allowed under CSO 7.01(b). The following evaluation weighting was applied to ensure the Council's requirement for high quality, sensitive, accurate and critical data was met by the winning supplier:

Criteria	Weights
Price	40 %
Quality Incl. site visits	35%
Technical Evaluation	25%
Total	100%

6.7.2. Responses

All 14 suppliers on the CCS Framework 3821 (Lot 2b) were invited to participate in the

mini competition. However only one bid was received, from the supplier identified in paragraph 1 of Part B: Exempt report, which was assessed against the Council's award criteria and found to represent good value for money. It is therefore proposed to award the contract to the only bidder.

The following is a summary of the outcome of the tender evaluation and clarification process.

Results

Supplier	Price	Quality Incl. site visit	Technical Evaluation	Total
Max points	40	35	25	100
Supplier score	40	28	24.07	92.07

Refer to the table below for the complete breakdown of the Scores.

Quality	Weighting	Result
Delivery Capacity/Project Management	5%	4.00%
Performance Management	5%	4.00%
Case Management and Housing Functionality	5%	4.00%
Live User System Demonstration	20%	16.00%
Quality Total	35%	28.00%
Commercial: Costs submission	40%	40.00%
Technical Evaluation	25%	24.07%
Total	100%	92.07%

The complete breakdown of the yearly cost and projected savings is available in **Part B: Exempt report, at paragraph 2, Table 1.**

7. Contribution to strategic outcomes

- 7.1. The migration to a modern system will support the 2018-2023 Homes for Haringey Business Plan and contribute to delivery of the council's Priority 5 to "Create homes and communities where people choose to live and are able to thrive".
- 7.2. The new system will support automation of processes involved in delivering the Homelessness Reduction Act (2017) and directly impact on our ability to improve customer satisfaction of residents across the borough.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1. Finance

The total maximum cost of this contract award is £1,247.2k. This includes implementation costs in Year 1 which will be met from funding set aside in the IT capital programme. The annual NPS support fee, detailed in **Part B: Exempt report (Section (ii))** , will be funded from existing IT revenue budgets and represents an annual saving of £128.4k compared to the current OHMS support fee. In addition there are further future cashable savings of £61.0k per annum from the termination of support systems whose functionality is in-built in the NPS software. In total the new contract provides for £877.8k of cashable savings over the 7 years compared to the cost of running the existing OHMS software. Further savings have also been identified through cost avoidance bringing the total benefit to £1,327k.

The complete version of the finance officer's comments is available in **Part B: Exempt from Publication** of this report (Section (ii)).

8.2. Strategic Procurement: PC

CSO 7.01 b) allows for the council to select contractors from a Framework. The Crown Commercial Services (CCS) Framework 3821 (Lot 2b) is a compliant framework and route to procure All potential providers of the solution under the framework where approached and asked to submit a bid for the provision of the solution. Procurement have no objection to the award of contract.

8.3. Legal

8.3.1 The report recommends the award of a contract called off from a framework agreement procured by the Crown Commercial Services (CCS) through a tender under EU procurement rules.

8.3.2 Contract Standing Orders (CSOs) apply to this procurement in as far as CSO 7.01(b) allows the Council to award a contract to a contractor selected from a framework duly established by another public sector body.

8.3.3 Paragraph 3.1 of the report proposes that the contract be awarded pursuant to a call off mini-competition under the CCS framework. The framework provides for public bodies, including local authorities like the Council, to call off contracts from the framework.

8.3.4 Given the value of the proposed contract, under CSO 9.07.01(d), the award must be approved at Cabinet level.

8.3.5 The Assistant Director of Corporate Governance confirms that there are no legal reasons preventing approval of the recommendations in paragraph 3 of this report.

8.4. Equality comments:

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need 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.

The decision is to award a contract for a new housing management IT system. The system is to be used in the effective management of the Council's housing services, and so those most likely to be impacted by the decision include Haringey residents living in temporary accommodation, Haringey residents living in Council housing, and Haringey residents who are at risk of homelessness.

Women, BAME communities, and individuals with disabilities and/or long-term health conditions are over-represented among Council housing tenants in Haringey. Data held by the Council suggests that women, young people, and BAME communities are over-represented among those living in temporary accommodation. Individuals with these protected characteristics as well as those who identify as LGBT+ and individuals with disabilities are also known to be vulnerable to homelessness, as detailed in the Equalities Impact Assessment of the Council's Draft Homelessness Strategy. As the decision to award the contract will help ensure effective housing management for these stakeholder groups, it is reasonable to anticipate a positive impact on residents with these protected characteristics.

9. Use of Appendices / background documents:

10. Local Government (Access to Information) Act 1985

This report contains exempt and non-exempt information. The exempt information is contained in the exempt report and is not for publication. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972 (3)):

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