

Report for **Cabinet – 8 October 2019**

Title: **Request to award a contract for the supply and support of a Customer Platform**

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

Lead Officer: Elaine Prado, Head of Customer Experience and Operations, Corporate and Customer Services

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1. This report seeks Cabinet approval to award the contract for Front Office Back Office (FOBO) customer platform software in accordance with CSO 7.01(b) by selecting one or more contractors from a framework and CSO 9.07.1(d) to replace the current Agilisys Digital system (My Account).

- 1.2. This contract would be for a period of 2 years with options to extend for up to 2 further 1-year periods at a total cost for the 4 years not exceeding £877,438.

2. Cabinet Member Introduction

- 2.1 Haringey Council has initiated the Front Office, Back Office (FOBO) Transformation Programme in order improve the end to end contact experience for residents, businesses and visitors while supporting Haringey staff to help customers when it is needed. To enable delivery of FOBO transformation, the Council is looking to enhance the digital offer to customers and the way contact is managed through provision of a new Customer Platform.
- 2.2 The Council currently uses the Agilisys Digital system (My Account) to manage its main online (resident) accounts, dealing with over 110,000 registered users transacting on several services including revenues, benefits, libraries, environmental reporting and payments. The contract for provision of the Agilisys Digital system ends in March 2020.
- 2.3 The new Customer Platform procured under Crown Commercial Service's (CCS) G-Cloud 11 Framework will provide Residents, Businesses, Landlords and other groups' access to a range of Council services. It will deepen and broaden the digital services available, managing and tracking customer enquiries, service requests and 'one and done' transactions. This includes the services already provided through My Account and additional service areas including Parking and Housing.
- 2.4 The Platform will deliver significant financial and non-financial benefits to the Council and customer groups including:
- Supporting identified annual savings in the FOBO Programme of circa £300,000 and a saving in the current annual platform license fee cost of £53,750
 - Potential for further savings in Corporate & Customer Services and other Council services
 - Improving the digital offer for customers, making more Council services accessible online, providing customers better access to services and updates at their convenience
 - Providing a simple, intuitive and personalised system to use which becomes the desired channel for accessing Council services. Improving the overall experience of using digital services
 - Managing and tracking customer enquiries, service requests and end to end transactions, regardless of if the customer is transacting through a customer account
 - Generating easy to understand management information to support service development.

3. Recommendations

- 3.1 That Cabinet **approves**, in accordance with Contract Standing Order (CSO) 9.07.1(d), the award of a contract for the supply and support of Customer Platform software to supplier A for a 2 year period at a maximum cost of £518,938 with options to extend for up to 2 further 1-year periods at an annual

maximum cost of £179,250 per additional year for a total cost not exceeding £877,438.

4. Reasons for decision

- 4.1 The current contract for My Account was awarded in March 2015 for 3 years with an option for a further 2 years to March 2020. The optional additional years were agreed and therefore, a new contract is required.
- 4.2 The new contract will significantly enhance the digital service offer to customers making it easier to access and receive updates on Council services. The platform directly supports identified annual savings in FOBO of £300,000 with the potential for future savings and provides a saving in the current annual platform licence fee of £53,750.

5. Alternative options considered

5.1 Do Nothing

This is not a viable option as the current contract for the existing customer platform expires on 27th March 2020. There are approximately 16,000 customer transactions through the platform with the Council per month, therefore customers would be disadvantaged, and in direct contrast to public expectations, if we were to withdraw this service.

5.2 Renew existing contract

The existing contract has already been extended to the maximum amount of time allowed within OJEU regulations, therefore this option is not viable.

6. Background information

- 6.1 The contract for the current Digital Platform (My Account) will fully expire on 27th March 2020 and, as a result, Haringey Council needs to put in place arrangements to ensure continuity of service.
- 6.2 The project team completed a 3-day agile design sprint in March 2019 to establish a digital vision for Haringey and the high-level requirements for a new Customer Platform. The requirements recognised that services such as Parking, Housing, Revenues and Benefits have, or are likely to have, IT systems with their own customer 'front end' capabilities. For example, the Council has already purchased the Northgate Citizen Access Portal (CAP) and plans to transition online Revenues and Benefits services to this software later in 2019. As such Haringey Council is looking to explore solutions that could overarch, rather than duplicate, these capabilities and bring them together into what should feel like one single customer account to the end user.
- 6.3 Following the sprint, a Pre-Market Engagement (PME) exercise was undertaken to understand the market, the products currently available, and to share

Haringey's digital ambitions. Nine suppliers, including the incumbent supplier Agilisys, responded to our invitation.

6.4 From the PME it was clear that the market had generally moved away from the types of platforms previously being procured by local authorities for their digital contacts. This was as a result of increased customer (resident) expectations, coupled with Line of Business (LoB) suppliers developing their own customer self-service options and a willingness in the market to assist with systems integration work. During this exercise, it became clear that the products seen could be broadly categorised into three distinct groups we classified as:

- Enterprise-type platform - Large scale platforms. High levels of functionality but typically less flexibility. Generic roadmaps for all users adding new functionality that may/may not be relevant for Haringey Council.
- Modular options - Vendors with proven, service specific modules and integrations. Allow modular creation of required functionality and high flexibility at lower cost. Service specific roadmap/upgrades.
- Bespoke options - Solutions where all required functionality must be built. Relatively rapid development (compared to traditional software development) and highly flexible, but with higher maintenance and limited upgrade options.

6.5 Modular products were the most appropriate for further consideration because they combined speed of delivery with flexibility and would provide the Council with a more manageable platform to adapt to changing customer needs. It also enables the Council to leverage existing/planned investments in systems that have or will have front end capabilities.

7. Procurement Process

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

7.2 The programme identified the G-cloud 11 framework as the most expedient method for procuring a new Customer Platform. G-Cloud provides access to a wide range of suppliers and reduces the risk we would need to extend the Agilisys My Account contract. The proposed G-Cloud contract length is for a 2-year period with options to extend for up to 2 further 1-year periods.

7.3 Four suppliers were initially identified in a shortlist on G-Cloud using a keyword search based on a requirements specification produced by the project team. Each of the suppliers attended a clarification meeting, provided written responses to Council clarification questions including completing a pricing schedule. Pricing included costs for the core functionality required and optional functionality / services provided by the suppliers.

- 7.4 Scoring was based on a 50% price criteria weighting (for the core functionality only), and 50% quality criteria weighting. A consensus meeting was held by the project team / evaluation panel and a representative from Strategic Procurement on the 5th September to agree the final scores.
- 7.5 The project team concluded that Supplier C did not respond fully, as requested, to the pricing clarifications which did not enable the Council to evaluate whether the solution could meet its budgetary requirements or provide an equal footing to compare pricing on a like for like basis with the other suppliers. The project team agreed that Supplier C's offering could not be evaluated fairly alongside other suppliers and as such should be discounted with three suppliers progressing to final scoring. The final scores are as follows:

Company	Total Price for core functionality only	Price (Score)	Quality (Score)	Overall
Supplier A	£456,263	50%	44.6%	94.6%
Supplier B	£460,231	49.57%	31.4%	81%
Supplier D	£780,000	29.25%	38.8%	68%

8. Contribution to strategic outcomes

The procurement of a new Customer Platform contributes to the Borough Plan 2019-23 priority Your Council in the following ways:

Outcome	Supports following objectives
17 - A Council that engages effectively with its residents and businesses	<ul style="list-style-type: none"> Residents and businesses feel engaged with and show high levels of trust in the Council We make available to our residents and businesses the information and connections they need to make their own decisions and to thrive individually and collectively
18 - Residents get the right information and advice first time and find it easy to interact digitally.	<ul style="list-style-type: none"> Self service will be customer's first choice, because we will make it easy to use Those customers that need a more personalised service will receive it A customer of any Council service will receive a consistently good, fair, timely and professional experience
20 - We will be a Council that uses its resources in a sustainable way to prioritise the needs of the most vulnerable residents	<ul style="list-style-type: none"> We will deliver value for money by acting creatively and innovatively to design and deliver services that are good value for residents and taxpayers

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

9.1 Finance

The maximum cost of this four-year contract award being an initial two years plus the option to extend for two further one-year periods is £877,438. This is split between the core solution costing £456,263 and the optional functionality and services costing £421,175.

The total core solution (£456,263) costs are made up of the implementation costs and the year one licences totalling £197,513 which will be funded from the existing FOBO capital budget. The remaining £258,750 represents the on-going licence costs for years 2 – 4 which will be funded from the existing software revenue budget within Customer Services. This represents a saving of £53,750 on the current licence fee.

Should the Council choose to take up any or all of the optional functionality the expectation is that the implementation and year one licence costs will be funded from the existing Capital Programme and the ongoing licence costs will be offset by the associated efficiency savings in the services affected.

9.2 Strategic Procurement

Procurement fully support the award of this contract as the procurement is allowed under CSO 7.01(b) by selecting contractor from G-Cloud 11 and also approve award by Cabinet as allowed under CSO 9.07.1(d to the preferred supplier). This procurement process is fully compliant under EU procurement directive and Public Contract Regulations 2015.

9.3 Assistant Director of Corporate Governance comments

9.3.1 This report is proposing the award of a contract by way of a direct award call-off from the Crown Commercial Service's G-Cloud 11 framework agreement.

9.3.2 Pursuant to Contract Standing Order (CSO) 7.01(b) and Regulation 33 of the Public Contract Regulations 2015 the Council may award contracts called off under a framework established by another public sector body.

9.3.3 External lawyers have provided guidance in this procurement on the compliant use of the G-Cloud 11 framework to do a direct award of a contract without doing a mini-competition.

9.3.4 Pursuant to CSO 9.07.1(d) contracts valued at £500,000 or more must normally be awarded by Cabinet.

9.3.5 The Assistant Director of Corporate Governance is not aware of any legal reason preventing Cabinet approving the recommendations in this report.

9.4 Digital Services and SIRO

Digital Services has been a core part of the project team throughout this process and can confirm their support of this decision. G-Cloud ensures a level of pre-evaluated standards such that suppliers' credibility is sound.

Progression of a 'modular' style of platform is in line with our strategy to provide collaborative in-house development in the interest of achieving the best possible customer experience.

9.5 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.

Ensuring the platform is fully accessible to support all customers was an important part of the procurement process. Requirements included ensuring the Platform:

- Is compliant (to WCAG 2.1 AA standards) so that users with visual impairments and other accessibility issues can navigate and interact
- Includes features that enable users for whom English is a second language to navigate and interact with it in order to complete desired transactions

Overall implementation of a new Customer Platform will enhance the digital services available making it easier for all services users to contact and transact with the Council.

However, as some customers will be unable to or have more difficulty accessing digital channels or would prefer to use traditional channels such as telephone and face to face, the Council will continue to ensure that customers are fully able to access Council services while encouraging and supporting customers to use the new digital offering.

10. Use of Appendices

N/a

11. Local Government (Access to Information) Act 1985

This report contains exempt and non-exempt information. The exempt information is contained in the Part B Exempt Report and is not for publication. The information is exempt under amended schedule 12A of the Local Government Act 1972, category 3:

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