

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – TUESDAY, 16 JANUARY 2018**

Title of report	<b>AUTHORITY TO AWARD THE CONTRACT FOR REPLACEMENT OF HOUSING ICT SYSTEMS</b>
Key Decision	a) Financial Yes b) Community No
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Purpose of report	The report requests that Cabinet delegates authority to procure and award a contract for replacement ICT systems for Housing to the Director of Housing in consultation with the Portfolio Holder.
Reason for decision	The level of expenditure in this contract exceeds the authority threshold in the Scheme of Delegation.
Council priorities	Value for Money.
Implications:	
Financial/Staff	A robust evaluation of the bids will allow the most economically advantageous bid to be selected, achieving an efficient service for the Council over the life of the contract. Improved systems will facilitate both better use of staff time and service enhancements.
Link to relevant CAT	Not applicable
Risk Management	Not applicable
Equalities Impact Screening	Not applicable
Human Rights	None discernible
Transformational Government	This relates to the new ways in which Councils are being asked to deliver their services

Comments of Head of Paid Service	Report is satisfactory
Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	Corporate Leadership Team (CLT), 12 December 2017
Background papers	None
Recommendations	<b>IT IS RECOMMENDED THAT CABINET DELEGATES AUTHORITY TO PROCURE AND AWARD A CONTRACT FOR REPLACEMENT ICT SYSTEMS FOR HOUSING TO THE DIRECTOR OF HOUSING IN CONSULTATION WITH THE PORTFOLIO HOLDER.</b>

## 1.0 BACKGROUND

- 1.1 Currently, the Housing service utilises four main systems in conjunction with one another:
- Capita's 'OPENHousing' for managing information relating to 4,300 tenancies;
  - 'PIMSS' for managing and reporting on asset replacements and future investment planning;
  - 'Oneserve' for the scheduling and management of the repairs service;
  - 'Abritas' for managing choice based lettings (via a sub-regional scheme).
- 1.2 Contractual arrangements for Capita OPENHousing have now lapsed, with arrangements for the remaining three systems due to expire in 2018.
- 1.3 An appraisal of the systems was undertaken by external consultants in 2017. A key part of their work was the exploration of risks and operational disadvantages with holding data in multiple systems. Further to that, they were able to advise on the optimal system configuration that will meet all future ICT requirements, against what is available in the market currently. Ideally, a single system will be procured to replace the four that are currently used, but there is a potential scenario where a single system would be unable to meet all the requirements of the specification.
- 1.4 Key weaknesses with the existing systems are as follows:
- Lack of integration between systems meaning that data quality is compromised;
  - Information is not easily shared between systems resulting in staff having to access various systems to respond to customers;
  - Data duplication across multiple systems;
  - Data reconciliation is not easily possible within the existing environment;
  - Some processes are completed 'off-system' via spreadsheets introducing unnecessary burdens;

- The supplier relationship management for the 4 systems is unstructured;
- Annual support and maintenance costs are inevitably higher, compared to a single supplier scenario;
- System backups for the purposes of business continuity are more likely to be time intensive.

## 2.0 TIMESCALES AND EVALUATION

- 2.1 Procurement of the replacement system(s) will be by the Competitive Dialogue Route (CDR). The key advantage of this is that the process allows for the ongoing development of each bidder's solution which safeguards against missed opportunities with regards to functionality. This will ensure that the winning bidder's solution is tailored to the Council's specific needs. External consultants have been procured to support the preparation of the technical specification and evaluation of bidders' responses to ensure a rigorous process is carried out.
- 2.2 The CDR has two dialogue stages included in the timetable, but the flexibility in the dialogue process allows for the second stage to be removed if it is felt that it is not necessary.
- 2.3 Timescales are as follows –

STAGE	DATE
Invitation to Participate in Dialogue	8 March 2018
Invitation to Submit Outline Solution	14 March 2018
Initial Dialogue Sessions	28 March 2018
Evaluation of Submissions	30 April – 14 May 2018
Second Dialogue Sessions	28 May – 15 June 2018
Reference Site Visits	18 June – 29 June 2018
Invitation to Submit Final Tender	2 July 2018
Intention to Award	10 August 2018
Contract Awarded	24 August 2018

## 3.0 FINANCIAL IMPLICATIONS

- 3.1 Estimated capital costs of the software and support for the first year have been estimated in the range of £375k to £395k. From 2019/20 an annual saving in software support costs, estimated at £25k, is expected, along with non-cashable savings through more efficient working of £110k.
- 3.2 The current annual cost of licences and support for Housing IT systems is approximately £90k, hence this should be reduced to approximately £65k.
- 3.3 The contract period will be for 5 + 1 + 1 years, with the following estimated costs –

Year 1:

Software purchase	£330,000 (Capital)
Year 1 licence and support	<u>£65,000 (Capital)</u>

Years 2 – 7:

Licence and support	£65,000 (Revenue)
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3.4 Additional capital costs will be incurred in year 1 in respect of specialist consultancy support and project management (estimated at £97,000) for the implementation, together with backfill for key staff who will be seconded to the project team for some months (estimated £35,000).

3.5 Appropriate budgets for the project are included in the draft 2018/19 Housing Revenue Account budgets and capital programme. The amounts above are therefore subject to Council approval of the budgets at its meeting on 27 February 2018.