

London Borough of Enfield

Subject: Digital Services Social Care System Contract
Cabinet Member: Cllr Mary Maguire
Executive Director: Fay Hammond

Key Decision: 5356

Purpose of Report

1. This report seeks the approval of a call-off contract award from Crown Commercial Services (CCS) Data and Application Solutions RM3821 framework for the provision of OLM Social Care Eclipse System for 5 years to support the delivery of digital services.

Proposal(s)

2. This proposal is to:

Enter into a new 5 year contract period from 1st July 2021 to 30th June 2026 to use the existing Hosted Enterprise Version of the system to support the delivery of Social Care to OLM Limited via direct award through the Crown Commercial Services Data and Application Solutions RM3821 framework.

Please see commercially sensitive attachment for values of contract award and supplier.

Reason for Proposal(s)

3. The council implemented the Eclipse system in 2019 to support Social Care delivery, introducing digital access for customers alongside a modern joined up back office system for transactional processing and reporting. This included transformational changes to service delivery over a two year implementation period.
4. The organisation is now embedding and exploiting the use of the system and therefore seeks to renew the agreement. Based on the previous implementation, any change of system would take a minimum of two years, and therefore there is no possibility of replacing the supplier and system at this time. The services using the application have requested a 5 year term as they do not expect to replace the system within that time.
5. The original contract was signed in 2014 and extended, so there is no option to extend further. The original implementation enabled the procurement of the entire Enterprise Version of Eclipse, meaning that the new contract is based on Annual Licence costs for the modules already procured.
6. The Digital Services Strategy aims to rationalise its' applications, reducing costs and support required, as well building partnerships

with key suppliers to ensure that its applications are fully exploited and developed. This contract will provide scope to do this as the supplier has demonstrated a roadmap that aligns with our strategy as part of its offers.

7. A 5-year contract provides the council with assurance and time to ensure that the application still aligns with our strategy, with sufficient time to fully review and be able to replace the application at the end of the 5 years if required, or
8. Please see the Commercially sensitive attachment for details of financial pricing.
9. The timeframe period for the award is limited to the end of June 2021 in line with the end of the existing contract.

Relevance to the Council Plan

10. All aspects of the council's plan are supported by provision of secure, robust and flexible Digital Service provision. This enables all service provision.

Background

11. The Council's 2020-2023 Digital Services Strategy is for application rationalisation, smart devices that work anywhere and secure products that are supported 24/7 and will continue to be developed. New contracts for existing applications need to incorporate opportunities to rationalise applications, align to standards and service levels and developing partnerships that exploit the potential of the applications.
12. Digital Services began implementing its' strategy and structure from November 2020. One of the key challenges has been to look at the existing costs and work with our partners and suppliers to offer and demonstrate better value. This includes the expectation that suppliers will develop their strategy and roadmaps to align with the council by developing and demonstrating clear partnership working in the existing relationship.

Main Considerations for the Council

13. The council's Digital Strategy requires its enterprise solutions to be capable and agile to deliver its' services putting the customer at the heart of delivery and can continue to grow while controlling its costs. The existing system was implemented started in 2017 and going live in 2019, indicating a 2 to 3 year timescale for replacement and implementation of any major system. As a result, the council cannot change systems or providers now, but can review during the lifecycle of this contract.
14. Digital Services will ensure that its monitoring of use of products ensures that its spend remains within contract and by utilising its partnerships it will maximise the use of the products and use that contractual relationship to enable its Enterprise to be rationalised.

Safeguarding Implications

15. N/A

Public Health Implications

16. N/A

Equalities Impact of the Proposal

17. N/A

Environmental and Climate Change Considerations

18. N/A

Risks that may arise if the proposed decision and related work is not taken

19. Failure to award the contract will mean that the council will be at risk in delivery of its' core services, since there is no alternative available that can be procured and implemented before the existing contract ends.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

20. The key risk is that the contracted requirements change during the life of the contract. These risks are mitigated by alignment of contract to the deliverables in our digital strategy, and ability to use the supplier relationship to amend requirements during the lifecycle of the contract. .

Financial Implications

21. The 5-year contract will achieve Enterprise Support discount savings of 100% compared to a 50% saving offered under the 3 year alternative. This equates to an additional annual discount saving of £55,294 (£276,470 over 5 years).

| Summary (Year 1 annual cost) | 3 year contract | 5 year contract |
|-------------------------------|-----------------|-----------------|
| OLM Eclipse | £248,950 | £248,950 |
| Enterprise Support | £110,588 | £110,588 |
| Total | £359,538 | £359,538 |
| Less Enterprise Discount | £55,294 | £110,588 |
| Total Annual Cost | £304,244 | £248,950 |

The 5-year contract including RPI is £1,290,375, however this proposal also waives the RPI cost of £45,625 over the 5 year period to an overall contract cost of £1,244,750.

| 5 YEAR RENEWAL: | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Description: | Year 1: | Year 2: | Year 3: | Year 4: | Year 5: | Total: |
| Enfield - Business Objects Hosting Service | £9,500 | £9,671 | £9,845 | £10,022 | £10,203 | £49,241 |
| London Borough of Enfield - Hosting Contract | £137,000 | £139,466 | £141,976 | £144,532 | £147,134 | £710,108 |
| Enfield - Additional DR Cover for Guardian and Wisdom | £9,450 | £9,620 | £9,793 | £9,970 | £10,149 | £48,982 |
| London Borough of Enfield - CareFirst/Eclipse | £61,000 | £62,098 | £63,216 | £64,354 | £65,512 | £316,179 |
| London Borough of Enfield - Guardian Annual Support | £15,000 | £15,270 | £15,545 | £15,825 | £16,110 | £77,749 |
| London Borough of Enfield - MyLife Annual Support | £17,000 | £17,306 | £17,618 | £17,935 | £18,257 | £88,116 |
| Annual Total (including RPI): | £248,950 | £253,431 | £257,993 | £262,637 | £267,364 | £1,290,375 |
| OLM Proposed Annual Total Payable (waiving RPI): | £248,950 | £248,950 | £248,950 | £248,950 | £248,950 | £1,244,750 |

There is budget provision under the Digital Services contracts budget (FG0227) to fund this annual revenue cost. Although the above indicates that savings will be achieved this will not result in budgetary savings being realised as the annual cost of £248,950 remains at the same level as under the original contract which expires in June 2021.

Legal Implications

22. The Council, under s.111 Local Government Act 1972 has power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Council also has a general power of competence under s.1(1) Localism Act 2011 to do anything that individuals generally may do, provided it is not prohibited by legislation and subject to Public Law principles. This power includes the power to enter into contracts.

As the value of contract to be awarded is over £500,000 in value: the decision to award must be taken as a key decision and consequently all procedures for the taking of key decisions must be followed in accordance with the Council's constitution; and the contract must be executed as a deed by the use of the Council's common seal and the form of contract must be approved by legal services.

The proposed services are above the threshold where an EU procurement is required under the Public Contracts Regulations 2015 (the Regulations). Framework Agreements are an approved procedure under the

Regulations and the provisions governing their use are set out at Regulation 33. In order to utilise a Framework Agreement, a Contracting Authority needs to be identified in the initial procurement for establishing the Framework Agreement either individually or as a member of an eligible class.

The terms of the contract to be awarded must be as required by the Framework Agreement and the council shall be precluded from making any material changes. If any amendments are required legal advice must be sought first.

As the total value of the contract is over £1,000,000, under the Council's Contract Procedure Rules (CPR) the Supplier must be required to provide sufficient security. Evidence of the form of security or why no security was required must be stored on the E-Tendering Portal for audit purposes. The forms of security that are acceptable are set out in CPR 7.3 (for example a performance bond).

Where the Supplier cannot provide Security, but the Council has no acceptable alternative provider or has decided to accept the level of risk, then the Executive Director of Resources must approve the financial risk prior to any award. In these circumstances the relevant Authority Report (i.e. this report) must set out the reason why it is proposed that the contract should be awarded despite absence of security and what measures are to be taken to manage this risk.

The Council must ensure that Best Value principles are adhered to as set out under the Local Government Act 1999.

Provided by CP based on report circulated 23.6.21

Workforce Implications

23. N/A

Property Implications

24. N/A

Other Implications (this looks like a generic info; think we need specific confirmation that the approach is aligned to the CPRs).

Procurement Implications

25. Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).

The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.

All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.

Any framework used must be legally compliant and accessible to the Council. The terms and conditions of the framework must be used, and the framework accessed in accordance with the framework rules. Crown Commercial Framework RM3821 had due diligence carried out and is a compliant framework and accessible to the Council for this provision and is being accessed in accordance with the Framework regulations.

The use of Crown Commercial Framework RM3821 has been agreed as the route to market. This allows for a call off for the provision of Carefirst/Eclipse; this will avoid the potential costs of moving to a new provider/system and implementation costs if an open market route was chosen and the incumbent did not win.

It is expected that a contract of this size and risk, should have regular contract reviews, and that KPI's are monitored including the delivery of any social value, and carbon emissions elements.

The contract DN524249 in line with the CPR's should have a nominated contract managed named in the LTP, and evidence of regular reviews uploaded to the LTP

Options Considered

26. An alternative option of a 3 year contract was considered, alongside introducing additional modules within the contract. The 3 year option does align with the 3 year strategy, however, this does not offer the savings from a 5 year offer and there is insufficient time before the contract award to validate if the modules will be required. If so, these will be part of a separate procurement.

Conclusions

27. By aligning the requirements to the council's Digital Strategy and by using an organisation that the council is in partnership with, to ensure it gets the best deal, this enables the council to have the most appropriate and value for money contract available to it that meets its needs.

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Appendices

Background Papers

The following documents have been relied on in the preparation of this report:

Commercially Sensitive Attachment

RM3821 Schedule Framework

Commercially Sensitive Attachment Pricing Schedule