

London Borough of Enfield
[Committee Name]

Meeting Date

Subject: Award of Children services system (Hosted) Contract

Cabinet Member: []

Executive Director: **Fay Hammond**

Key Decision: [5418]

Purpose of Report

This report seeks the approval to award the contract and is for the existing children's systems that are being provided by LiquidLogic Limited.

Proposal(s)

1. To award a contract to LiquidLogic Limited for an annual contract value as set out in the restricted appendix via a direct call off from the Crown Commercial Service (CCS) framework RM6821 Lot 3c: Community Health and Social Care for the existing Children services system to be hosted.
2. To enter a contract with LiquidLogic Limited for an initial term of three (3) years with the option to extend for two further terms of one year each.

Reason for Proposal(s)

3. The LiquidLogic system is used to support delivery of Children's Services in the council. While the application is robust, there have been issues with slow response times and on occasion the need for the service to use the system out of hours (classed as between 6pm and 8am Monday to Friday and all-day Saturday and Sunday).
4. Enfield's own hosted environment is in Cloud (Azure) and supported by the internal team. The existing application while stable, has both issues with response speeds and no dedicated out of hours support.
5. By moving the application into LiquidLogic's own hosting environment, this will enable both the improved response speeds and dedicated out of hours support. The increased costs will be offset by removing the application from the Azure environment, which will reduce the storage required which will enable a reduction in spending on storage.
6. The cost of the application remains the same, and there is a very small saving on storage costs compared to hosting in Azure which will help fund the relatively low out of hours support cost. This is also likely to be offset by reduced requirement to pay one off support costs via overtime.

7. In addition, we will take the opportunity to add in annual support packs to the contract, rather than the current process for purchasing individually. This will provide a reduced cost compared to one off purchases and predicted use is based on previous purchases.
8. Overall, the increase in costs per annum will be around £10,000 for a quicker service with out of hours support and inclusion of a 15-day service pack support annually.

Relevance to the Council Plan

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

9. The main reason for changing the Hosting is to prevent unnecessary system downtime due to instability of the application running on our Azure environment.
10. This is a critical system as it is used for children services and needs to be stable and available in line with service requirements. There is a risk if we don't move to the hosting that the system will continue perform less well than it could.
11. To replace an existing application and implement it, migrate to it, and decommission, will take 2 to 3 years. This award is to allow enough time to look at the market and replace it in 3 years if applicable. The key deliverable for this contract is to improve the response time and reliability of the current system.
12. The main reasons for recommending the award of this contract are:
 - Improved resilience, support and response times
 - Introduction of out of hours support as required by the service users
 - Small cost reduction in storage costs
 - Opportunity to align contract terms and conditions to DS Strategy
 - Time Frame to look at all Children's and Adult Service Applications against the application rationalisation plan

Main Considerations for the Council

13. The Council's Digital Strategy is to ensure applications are available to support service delivery at any time and on any device. By moving this

application into the supplier's hosting environment this will ensure that the system is available longer and works better.

14. The proposal in this report is to award a call off contract via a direct award to LiquidLogic Limited via Lot 3c of the Crown Commercial Services' Framework: RM3821 Data and Application Solutions (DAS)

15. The Framework permits contracting authorities to call off via direct award to one of the suppliers on the framework.
The Framework allows direct award call offs where:

- The requirement is intrinsically linked to a system already within the customers organisation.
- The product is on the Government eMarketplace.
- Framework Schedule 6 Order Form will need to be signed by both parties.

Safeguarding Implications

16. N/A

Public Health Implications

17. N/A

Equalities Impact of the Proposal

18. Equalities impact assessment is not required as we are not changing the current system.

Environmental and Climate Change Considerations

19. The key change is that the application will now be hosted in the suppliers' own data centre. The supplier is compliant with UK sustainability and ethical standards, which is supported as a requirement of the Crown Commercial Services Frameworks.

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

20. The application will continue to work as now which means less stable system and no dedicated out of hours critical cover.

21. The council may not achieve the Azure storage saving based on our estimated use.

Risks that may arise if the proposed decision and related work is taken

22. The application hosting does not provide the benefits as expected. This will be mitigated by robust contract and supplier monitoring.

23. The framework does not require a security guarantee, however the council's contract procedure rule requires one. This will be mitigated by the provision of the supplier's financial report to demonstrate their ability to deliver the contract.

Legal Implications

24. The Council has a general power of competence in section 1(1) of the Localism Act 2011. This states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to public law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power as recommended in this report. Section 111 of the Local Government Act 1972 further gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The matters outlined in this report are incidental to the functions of the Council's departments.

Use of a legally compliant framework agreement where the Council is identified as a Contracting Authority able to use the framework is permitted under Reg 33 of Public Contracts Regulations 2015 (PCR 2015). Additionally, the Council's Constitution, in particular the Contract Procedure Rules ("CPRs") state that Frameworks, where they exist, should be used provided Best Value can be demonstrated and managers are required to retain sufficient evidence to demonstrate compliance.

Regulation 33(6) PCR 2015 provides that contracts based on frameworks may under no circumstances entail substantial modifications to the terms laid down in that Framework. Consequently, the terms of the call off contract must be consistent with the framework terms. The call off contract must further be signed under seal and be in a form approved by the Director of Law and Governance.

The contract award must be in accordance with the process for direct award set out in the Framework agreement and the terms of the call off contract must be consistent with the framework terms.

Consequently, a direct award can only be made if (i) Best Value can be demonstrated; (ii) it is permitted by the rules of that Framework; and (iii) the rules of the Framework on direct award are complied with.

This decision is a Key Decision and the Key Decision process in the Constitution must be complied with prior to award of the award.

The Service Department must ensure that sufficient security is obtained for any contract with a value above £1,000,000 in accordance with CPR 7.2. CPR 7.4 provides that 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 with the relevant Authority Report setting 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.

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. The management of this call off must be done via the London Tenders Portal in order to create a contract record.

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

It is expected that this contract be properly managed, and that the LTP used to upload contract information, and that it comes to the board in a timely manner when renewal is needed, to allow time for a proper market consultation and procurement exercise if needed for re-provision.

The use of the Crown Commercial Services' Data and Application Solutions (DAS) Framework is compliant with using RM3821 (the Framework) Lot 3.

The Framework allows direct award call offs where:

- The requirement is intrinsically linked to a system already within the customers organisation
- The product is on the Government eMarketplace
- Framework Schedule 6 Order Form will need to be signed by both parties

5-year maximum call-off contract duration is also allowed.

In this instance we meet the framework requirements in that the system is intrinsically linked to a system already within the customer organisation.

Procurement notes that the service is looking for a 3 +1+1 term contract. This is permissible under the terms of the framework. The framework allows for up to a 5-year term. Therefore, at the end of this contract, the service will need to carry out another procurement if it wishes to continue to use this application. Procurement Services also recommend a review of the service at 2 years to see if the extension is likely to be taken, as they will need to start a new procurement at this point if not.

In line with the council's Ethical and Sustainable Procurement Policy, the framework meets sustainability requirements in that it is a government provided framework and is compliant to Government Buying standards. The equipment

used will be ethically sourced and will be responsibly disposed of at end of life. As this is a framework the council is governed by the framework terms and conditions, and therefore the ability to negotiate additional social value is limited.

Given the value and the risk associated with this application should it be unavailable. Digital Services need to have a monitoring and contract management schedule in place. Evidence of contract management must be stored in the LTP for audit purposes.

Options Considered

26. Do nothing. This would not achieve the outcomes required.

27. To look at alternative applications. There would be insufficient time to identify alternatives and implement them before the current contract ends. The new contract timeline allows time to look at alternatives before the next contract is awarded.

Conclusions

28. The digital services strategy is to ensure services are available anywhere and anytime.

In addition, services will be delivered through the Cloud as default. By moving the current application into the cloud this will improve performance, availability and out of hours support.

This also provides digital services with the option to review the market during the contract lifetime.

Report Author:

Martin Sanders
Head of Service Management and Governance – Digital Services
[martin.sanders@enfield.gov.uk]
[0208 132 0061]

Date of report:

Appendices **Restricted Annex (Confidential Appendix)**

Background Papers

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

None