

PT3/PT8 - Procurement Options and Award Report: Services and Goods

This document is used to identify the Procurement Strategy and Purchasing Routes associated with a project and only considers the option recommended on the associated Gateway report.

City Procurement Project Reference:	CM to add once the way forward is confirmed		
Project / Contract Title:	Social Care Case Management System		
Category Board:	IT Category Board		
Category Board date:	6 th October 2021		
Project Lead & Contract Manager:	Sarah Greenwood	Lead Department:	Community and Children’s Services
Category Manager:	Chris Mulhall	Other Contact:	Matt Cox (IT Business Partner), David Clelland (IT – Lead Architect)
Total Contract Value (excluding VAT and inc. extension options):	24 months , with the option to extend for 2 x 12 month terms based on GCloud 12 terms. Total of £217,264.79	Contract Duration (inc. extension options):	48 months
Revenue Budget Value:	current revenue budget allocation is £70,000	Approved:	Existing local risk budget
Capital Budget Value:	n/a	Approved:	
Capital Project/project vision reference (if applicable):	n/a – no yet applicable – gateway proceeding under delegation		
Agreed Savings Baseline (£):	current annual contract costs for the case management system are : £27,500 maintenance and support costs, £15,000 hosting £ 9,180 MIV licence Total of £206,720 over 4 years		
Gateway Approval Process - Is this project subject to the Gateway process? Yes (although currently proceeding under delegation until/unless capital funding required) - If so, what was the last Gateway report, and date of approval, and what is the next Gateway report and scheduled date for recommendation for approval? Gateway 2 approved by Corporate Projects Board 31 March 2021 Gateway 3/4 report will drafted for Director Approval			
Opportunity for Inter-City Collaboration (is there another site/department that could benefit from this project)?			
This is a project within DCCS only with associated external partners (e.g. NHS) who are already linked through the Conexus API.			

Procurement Strategy Recommendation

City Procurement team recommended option
Option 1: Outsource to an external provider

Route to Market Recommendation

City Procurement team recommended option
Option 2: Direct award via G-Cloud 12 Framework

Specification and Evaluation Overview

Summary of the main requirements: The specification will aim to achieve the following: <ul style="list-style-type: none"> • provide for an off the shelf electronic case management and recording system (but customisable according to City's workflows) • meet current and future legislative and local requirements
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<ul style="list-style-type: none"> • be secure and hold data in compliance with all best practice and legislation • allow for co-ordination between teams • be available 24/7 with ability for flexible working and mobile working • provide adequate training and support and maintenance • be a fully hosted system • provide flexible reporting including all required statutory reports • be able to meet the requirements of the health and social care integration agenda • meet all IS requirements 	
Technical and Pricing evaluation ratio 0% (Quality) / 100% (Price)	
Overview of the key Evaluation areas (if known at this stage): N/A – this would be revised should a tender be agreed as the way forward	
Does contract delivery involve a higher than usual level of Health & Safety, Insurance, or Business risk to be allowed in the procurement strategy? Risks identified as part of the Gateway 2 are: Safeguarding: the system not meeting statutory or good practice requirements Contractual: the market is too small, or there are no bids for the contract Technological: the system is not sufficiently flexible to meet future statutory or City of London requirements, the system is not mobilised adequately in time for the contract to be required Financial: insufficient capital funding to enable the contract to proceed (capital funding is only required if the current provider is not the provider of the new contract).	
Is there a requirement for a Performance Bond on this Project and if so, on what grounds? No	
Is the contract likely to require financial uplifts? (Please describe what method will be used to calculate the uplift and whether this will be capped) No	
Will the procurement process require a financial assessment? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> award from G Cloud covers this requirement If yes, please indicate recommended assessment: Finance Check <input type="checkbox"/> Financial Appraisal <input type="checkbox"/> Please indicate reasons for this recommendation (please include in this section information on project being rated low/not low): Servelec are a current supplier to the City of London Corporation and a number of other local authorities. Award from G Cloud covers this financial requirement	
Are there any accompanying documents with this report? e.g. PTO/outlined project plan identifying roles and responsibilities as appropriate If yes, please include information in the appendices section below.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Will this project require the winning supplier(s) to process personal data on our behalf?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
If yes, please make sure you've defined roles and responsibilities within your project specification. For more information visit Designing Specifications under GDPR. You may include your Privacy Impact Assessment or other relevant report as an appendix to this PT form when submitting to category board (for information).	
Evaluation Panel – Please enter Names of evaluators and Departments below (if known)	
Not required as direct award. However Sarah Greenwood and the Mosaic Advisory Board have been reviewing the requirements of the system to ascertain this is the best way forward.	Commissioning Manager, Community and Children's Services

Procurement Timeframes

Target tender live date (to market)	01/12/2021	Notification of outcome / intention to award date	01/04/2022
Target contract start date	31/10/2022		
Are there any time, quality, or cost constraints which need to be taken into consideration? New service must be operational and all data migration completed by 31 st October 2022 in order for the City to comply with its statutory duties. The provider must have an off the shelf solution which is used by other LAs and the ability for workflows to be customised to negate the need for writing a new programme			

Policy and Compliance Considerations

How will the Procurement meet the City's:
Responsible Procurement Strategy: N/A as a direct award, however any evaluation for a tender would be in line with City Proc requirements (7% social value)
TUPE/Pension liabilities that need to be considered (including future exit provisions where applicable)? TUPE liabilities not applicable given Servelec's other contracts
Will this procurement be split into Lots? No
Other: N/A

Baseline Savings Calculation: *This section should include how the baseline figure for savings has been calculated against the [Efficiency and Savings Process Manual](#) in accordance with paragraph 3.1, including any suggested savings or efficiencies e.g. reduced service.*

Agreed Baseline (£):	£237,500 (current revenue over 5 years)
Summary of Baseline Calculations / Savings Proposal	
Note: Typically, the baseline is an existing price but may also be a budget value, estimate, forecast, standard cost or planned expense.	
Please confirm the Baseline Calculation that has been applied below to establish the Agreed Baseline :	
<ul style="list-style-type: none"> • Previously Contracted Costs (where there is an existing contract): <input checked="" type="checkbox"/> • Previously Contracted Costs (where there are multiple contracts): <input type="checkbox"/> • Attributed Costs: <input type="checkbox"/> • Target Cost: <input type="checkbox"/> • Other methodology** (agreed with Finance Representative) and explained below: Yes <input type="checkbox"/> 	

Procurement Strategy Options: *This could include inter-departmental usage, external collaborative opportunities, existing contracts integrated once expired or adding it to an existing contract. Options for Make (In-house delivery) versus Buy (Outsource) decision to be considered; also indicate any discarded or radical options.*

Option 1: Outsource to a third party
Advantages to this Option:
<ul style="list-style-type: none"> • Provider expertise across the market • Competitively source and leverage appropriate expertise from the market • Potential for product and service development to meet good practice
Disadvantages to this Option:
<ul style="list-style-type: none"> • Potential time and cost implications for a competitive procurement
Please highlight and possible risks associated with this option:
<ul style="list-style-type: none"> • Time and capital cost implications to change providers
Option 2: Insource via in-house delivery
Advantages to this Option:
<ul style="list-style-type: none"> • No contract required
Disadvantages to this Option:
<ul style="list-style-type: none"> • The Corporation does not have the required expertise to deliver the service and would need to recruit • Increase in staff costs (for example, via recruitment; salaries; on-costs; pension liabilities; & training etc.) • Does not comply with the City's policy of buy not build
Please highlight and possible risks associated with this option:
<ul style="list-style-type: none"> • Departmental budgets do not account for the cost of an internal service • City of London is not a specialist case management provide – potential risks to quality outcomes for service users and clients
Option 3: join with another Local Authority (e.g. Hackney)
Advantages to this Option:
<ul style="list-style-type: none"> • City shares many services with other neighbouring Local Authorities. • Reduced procurement costs • Potential reduced costs of service
Disadvantages to this Option:
<ul style="list-style-type: none"> • Hackney would be the preferable service given the shared services • Preferred Local Authorities would be those with whom we share service users

<ul style="list-style-type: none"> Hackney are not currently in a position to consider a shared service following the 2020 cyber attack
Please highlight and possible risks associated with this option: <ul style="list-style-type: none"> Timescales might not be aligned

Procurement Strategy Recommendation

City Procurement team recommended option
Option 1: Outsource to a third party

N.B. Additional advantages/disadvantages may apply if a waiver is the recommended route. If recommending an extension, please make sure that CCM has been consulted (where appropriate) and that we include information on contract terms.

Route to Market Options: *Route to market is the way in which the City will invite suppliers to bid for the procurement.*

Option 1: Open Tender
Advantages to this Option: <ul style="list-style-type: none"> An increase in competition due to more suppliers having the opportunity to bid opposed to a closed supplier list under a Framework Agreement Organisations of all sizes have the opportunity to submit a tender, increasing the opportunity for a number of innovative proposals/solutions Advantageous for simple and straight forward requirements Providing full tender documentation (at the outset) enables candidates to make an informed decision as to whether they can satisfy the requirements or choose to discount themselves from the competition The City uses its own Terms which are more favourable than a Framework agreement
Disadvantages to this Option: <ul style="list-style-type: none"> All tenders must be evaluated; therefore, there can be resource implications of a potentially lengthy tender evaluation (due to a high volume of responses) Increases the risk of challenge - more responses and time invested/transaction costs in preparing a tender as opposed to a Selection Questionnaire Poor quality bids, typically due to the fact there is an increased chance of being unsuccessful and a limited timescale No opportunity to discuss / refine bids No guarantee wider market engagement will deliver better options than G-Cloud 12 framework
Please highlight and possible risks associated with this option: <ul style="list-style-type: none"> Large number of tenders submitted all requiring evaluation. Proportionate minimum requirements, thresholds and weightings being applied to the pre-determined evaluation criteria can help mitigate the risk of an excessive response rate. Furthermore, such risk can be further minimised where there are a small number of specialist suppliers who can meet the specific requirements of the Corporation.
Option 2: Direct Award to Servelec using an established multi-Supplier Framework Agreement (GCloud)
Advantages to this Option: <ul style="list-style-type: none"> Direct Award procedure on the basis of being able to identify the most economically advantageous provider without conducting a further competition. Continuity of supplier (no need for a mobilisation period) Supplier current system knowledge and set up Cost avoidance – potential saving of £151k of capital costs (capital costs of product, data migration, training, external project management and report configuration) Best value for money of recent interface implementation to meet legal requirements (Conexus to share health information with professionals at a cost of £14k (implemented in Summer 2021) Allows time for discussion with Hackney regarding longer term joint tender A search under GCloud (cloud hosting, software and support, cloud software, electronic document and records management EDRM)) using the keywords adults and children social care case management and the filters shown in the appendix) led to 2 potential suppliers: <ol style="list-style-type: none"> Mosaic Social Care Case Management (current system provided by Servelec) £450 per user pa (min 100) = £45,000 pa but excludes hosting – clarification has been received that the total costs are a total of £217,265 across 4 years. MAB asked for a bench marking exercise to be undertaken with other Mosaic using LAs. All other boroughs were not willing to share exacts costs due to the commercially sensitive nature of the information without a FOI request. However, they were willing to confirm that annual costs were significantly higher than the city's due to the additional licenses held.

2. **AzeusCare Case Management System:** £251,000 pa for a minimum of 300 users This is inclusive of hosting but exclusive of training. This potentially also includes API cost of health data as there is existing integration with NHS spine but exact costs would be determined once further information is shared with the provider. Assessment of AzeusCare has been undertaken to determine whether it is suitable for the City's needs and whilst it appears so, the reviewer is only aware of them being used in one other London LA (Newham).

Disadvantages to this Option:

- No known disadvantages. Mosaic is a known product that meets the needs of the City of London
- May be more difficult to demonstrate best value without a competitive tender.

Please highlight and possible risks associated with this option:

- Potential for challenge by other competitors (in particular Azeus) , although this is felt to be minimal given the City can justify direct award via GCloud using the aforementioned search terms.
- A financial appraisal was carried out by the Chamberlains in September 2021. This identified a recent Dun and Bradstreet report outlining significant financial risk. Following the acquisition of Servelec by the Access Group, a second financial assessment was completed demonstrating a significant reduction in risk as a result. This report is attached for information. As a provider of a number of departmental systems, Servelec has been included within the DCCS business continuity plan as a strategic provider and regular business continuity testing has been included within account meetings with the provider. The Commercial Contract Management team of City procurement have confirmed that the actions taken are sufficient to enable Servelec to continue as a supplier to the City



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Option 3: Mini Competition within an established multi-Supplier Framework Agreement (e.g. CCS)

Advantages to this Option:

- Instant route to bidding phase
- 2 identified suppliers (see option 2 above) but competition could be between more
- Checked on framework and suppliers are available
- Compliant with Procurement Contract Regulations 2015
- Reduced administrative burden in terms of the time and transaction costs (both supplier and Corporation) compared to running a full procurement process
- Suppliers have been identified, vetted, and quality checked via a competitive procurement process

Disadvantages to this Option:

- Closed competition thus limited to the appointed suppliers under the Framework Agreement
- The bespoke needs of the Corporation might not be reflected, and the Framework Agreement will be limited in variation to any resultant call-off contract
- Significant capital costs and minimal realisation of capital cost of Conexus API implementation if winning bidder is a different provider
- Officer time in undertaking due diligence where required (Comptrollers, Procurement, Finance, Insurance and Stakeholder)

Please highlight and possible risks associated with this option:

- Risk of significant capital resources and Mosaic Advisory Board time required to configure, test and implement new system including workflows and reporting, migration of data and training

Route to Market Recommendation

Option 2: Direct Award to Servelec using an established multi-Supplier Framework Agreement (GCloud)

Outline of appendices

Digital Market Place search terms used

Report Sign-offs (prior to Category Board approval)

Senior Category Manager	Oli Watling	Date	
Finance Representative	Mark Jarvis	Date	3/11/21
Departmental Stakeholder	Chris Pelham	Date	3/11/21