

**Report of Asset Management Planning Manager, Built Environment**

**Report to: The Deputy Director of Children’s Services (Learning)**

**Date: 25<sup>th</sup> November 2014**

**Subject: Waiver Report – Migration & Implementation of Asset Management Data.**



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. Built Environment are currently managing the Children’s Services asset management data using two desktop PC’s connected to the network using Windows XP operating system. This was agreed by Leeds City Council development team in April 2014, and was implemented due to the current Tribal Asset Management software (Enterprise) not being compatible with the windows 7 platform that was being rolled out across the Council at the time.
2. Tribal (the current supplier) have confirmed that they have no plans to migrate their software on to windows 7, and that the software (Enterprise) is no longer being developed, therefore product support is also being phased out.
3. The lack of ongoing software development and product support presents a risk to Children’s Services, for example if the database becomes corrupted. This would have a detrimental impact on the ability to deliver Children’s Services Asset Management planning requirements, resulting in a potential loss of central governments capital grant.
4. If the DFE change the current requirements for submissions of data, we would be unable to incorporate the amendments, within the software, which would mean a manual capture of the information resulting in a time consuming exercise, potentially missing key deadlines and a leading to a reduction in quality, which could impact on the security of funding from central government.

5. The current working practices are limiting our capability in delivering an effective asset management function and the need to manually update information means that maintaining the system has become time consuming. Continuing to run with the current Tribal software is having a significant impact on the service, as it inhibits the ability to effectively provide the base condition data information required in delivering the Capital Maintenance Programme, Basic Need Programme and other strategic priorities including the Asbestos management, which is a statutory legal requirement.
6. Children's Services have investigated and soft market tested the options currently available in delivering a sustainable asset management software solution. The outcome of this exercise has demonstrated that working with our Joint Venture Partner, NPS Leeds, provides the best value for money solution. The Joint Venture Contract between LCC and NPS Leeds is in place for a further eight years and would therefore provide medium to long-term stability and support if we were to utilise their asset management software, known as C2. This option is further strengthened by utilising the existing partnership arrangement, which would provide added value to the solution.
7. On the basis that NPS are not an existing supplier of asset management software to LCC, if we were to enter into an agreement with NPS without a formal tender, a waiver of CPR 3.1.6 would be required, approved by the relevant Chief Officer / Director.

## **Recommendations**

The Deputy Director of Children's Services (Learning, Skills & Universal Services) is requested to:

Approve the waiver of the following contract procedure rule No 3.1.6 – Requirement to use existing suppliers. This will enable the implementation of the agreement with Norfolk Property Services Leeds for the provision of hosting data and the operational use of asset management software, resulting in the expenditure of:

- £12,000 from capital scheme number 16818.CON.000 to enable the migration of data from the current Tribal system to the NPS system.
- £12,000 per annum (fixed price until March 2018) to cover the cost of maintenance and support of the hosted service.

### **1 Purpose of this report**

1.1 The purpose of this report is to seek approval from the Director of Children's Services (Learning) to waive the requirement to use an existing supplier for the provision of hosting data and operational use of Asset Management software under CPR 3.1.6. and to enter into a five year agreement with Norfolk Property Services Leeds without undertaking a competitive tender exercise, resulting in the expenditure of:

1. £12,000 from capital scheme number 16818.CON.000 to enable the migration of data from the current Tribal system to the NPS system.

2. £12,000 per annum (fixed price until March 2018) to cover the cost of maintenance and support of the hosted service.

## **2 Background information**

- 2.1 The current Tribal Asset Management Software (Enterprise) was put in place in 1998 to deliver Central Government's drive to ensure accuracy of the authority's portfolio through effective Asset Management Planning, enabling better awareness of our current and projected requirements. Children's Services have used the software for asset management purposes and have operated independent to that of corporate asset management due to the specific needs of the service and the DfE.
- 2.2 The Tribal system includes modules for Condition Assessments, Asbestos Management, Project Management, the service Asset Register including school specific modules: Suitability, Sufficiency, Net Capacity and Curriculum Analysis. As such, it has extensive reporting facilities and the data has been and continues to be used to inform strategic priorities including: the current Basic Need programmes, Capital Maintenance Programme and previously Primary Capital Programme, BSF Programme, and LILS strategy.
- 2.3 Enterprise is no longer supported by the provider, as it is not compatible with the Windows 7 platform that is standard across Leeds City Council. The current corporate software still does not meet the needs for Children's Services or the requirements of the Department for Education, and whilst conversations have taken place with colleagues centrally regarding the procurement of an integrated system that reflects the need of all departments, they are not in a position to commit to a delivery timescale within the next financial year. This timescale does not meet the current delivery requirements of Children's Services.
- 2.4 Children's Services have investigated and soft market tested the options currently available in delivering a sustainable asset management software solution. The outcome of this exercise has shown that working with our Joint Venture Partner, NPS Leeds, provides the best value for money solution. The Joint Venture Contract between LCC and NPS Leeds is in place for a further eight years and would therefore provide medium to long-term stability and support if we were to utilise their asset management software, known as C2.

## **3 Main issues**

### **3.1 Reason for Contracts Procedure Rules Waiver**

- 3.1.1 The maintenance contract with Tribal expired in March 2014. The current Tribal Asset Management software (Enterprise) is no longer supported by the provider as it is not compatible with the Windows 7 platform which is used across the Council.
- 3.1.2 The current Joint Venture contract between LCC and NPS Leeds came into force in February 2012 and is in place for a further eight years. NPS are currently working in partnership with Children's Services to deliver the condition surveying programme of 150 schools, the delivery of the basic need projects and the management of the Capital Maintenance Programme. These key strategic programmes are paramount in supporting the principles of becoming a child friendly city.

- 3.1.3 The asset management data held by Children's Services underpins these programmes and the implementation of the C2 software would enable Children's Services to maintain up to date details of the estate, strengthen the partnership with NPS enabling a more joined up approach when assessing asset management priorities and delivering the identified needs of the service.
- 3.1.4 Children's Services have investigated and soft market tested the options currently available in delivering a sustainable asset management software solution. The outcome of this exercise has shown that working with our Joint Venture Partner NPS Leeds offers the best value for money solution.
- 3.1.5 The corporate asset management solution is not scheduled to be rolled out in the next financial year, which would put the Children's Services asset management function at risk. The Capital Maintenance programme for the 2014/15 academic year is currently being developed, which relies upon robust and accurate condition data to underpin the investment decisions being made. The programme needs to be finalised before the end of December, which means there is insufficient time to undertake a competitive tender exercise.

## **3.2 Consequences if the proposed action is not approved**

- 3.2.1 If the proposed action was not approved, we would need to continue to operate the Tribal software which is not supported by the provider, is now limited in its functionality, is incompatible with the Council's standard operating system and has become labour intensive. This is currently having a detrimental impact on identifying service requirements and there is a risk that any existing data could be lost if the database became corrupted.
- 3.2.2 If the delivery of Children's Services' asset management planning requirements was affected, there is the potential risk that the central government's capital grant may be reduced.
- 3.2.3 To carry out a formal competitive tendering exercise would impact upon the development of the 2014/15 Capital Maintenance programme and could ultimately prove not to be value for money.

## **3.3 Advertising**

- 3.3.1 The decision not to advertise was taken following the soft market test exercise which identified the NPS solution being the best value for money option. This decision was strengthened by utilising the existing partnership arrangement, which would provide added value to the solution.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 Relevant stakeholders have been involved and consulted throughout this process. The stakeholders include Children's Services, Corporate Asset Management and Corporate ICT. A series of meetings have taken place between the above parties, the outcome being that Corporate Asset Management has recommended that given the urgency of Children's Services requirements, that a solution should be implemented in advance of and outside of any future corporate strategy.

## **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 A completed EDCI form is attached to this report. An equality impact exercise does not need to be carried out and a copy of the form has been sent to the Equalities Team for information.

## **4.3 Council Policies and City Priorities**

4.3.1 One of the key objectives of the Best Council Plan 2013-2017 is to become an efficient and enterprising council by improving how we're organised and making best use of our assets. The use of quality data is an important way of supporting the needs of schools by ensuring that our limited capital funding is prioritised and targeted at those schools and assets with the greatest need.

4.3.2 As part of this scheme, the council are ensuring value for money is achieved and costs are minimised through the effective procurement and delivery of projects. Meeting this expectation while demonstrating the five values underpinning all we do is key to having an effective Asset Management Plan.

## **4.4 Resources and Value for Money**

4.4.1 The Council would benefit from enhanced support by utilising software that uses the latest technology on an up to date I.T platform, which also provides additional efficiency benefits by reducing the need for manual capture of data.

4.4.2 The cost of the current Tribal system over the preceding five year period would equate to £12,000 per annum maintenance plus £5,000 per annum for the managed upgrade service, giving a total of £85,000 excluding inflationary increases, whereas the agreement with NPS Leeds is a £12,000 per annum fixed price equating to a total of £60,000 for the five year period, saving the Council £25,000 over the five year period.

## **4.5 Legal Implications, Access to Information and Call In**

4.5.1 The approval of this waiver report is an administrative decision.

4.5.2 There are no other legal implications or access information issues arising from this report.

## **4.6 Risk Management**

4.6.1 There are two main risks associated with retaining the current/existing software:

- If the current database becomes corrupted, we would no longer have support of the software provider and very limited support from central ICT. This would have a detrimental impact on the ability to deliver Children's Services Asset Management planning requirements and may result in a potential loss of central government's capital grant.
- If the DFE change the current requirements for submissions of data, we would be unable to incorporate the amendments within the existing software, which would mean a manual capture of the information resulting in a time consuming exercise, potentially missing key deadlines, loss of quality which could impact on the security of funding from central government.

4.6.2 The development of the 2014/15 Capital Maintenance programme is at risk if there is a requirement to undertake a competitive tendering exercise – this would reduce the period available to design and tender all of the schemes within the programme, leading to a risk that works could not commence on site during the summer holiday period, which is the main opportunity to undertake significant work programmes.

## **5 Conclusions**

5.1 The current Tribal software is no longer compatible with either the needs of Children's Services or the Council's operating system, whilst no longer being supported by the supplier. This is having a significant impact on the service, by inhibiting the ability to effectively provide the data required to underpin decision making in relation to delivery of the Capital Maintenance Programme, Basic Need Programme and the strategic Council priorities including Asbestos management, which is a legal requirement.

5.2 Children's Services have investigated and soft market tested the options currently available in delivering a sustainable asset management software solution. The outcome of this exercise has shown that working with our Joint Venture Partner, NPS Leeds, offers the best value for money solution, and it is not considered that there would be any additional benefits through utilising an existing supplier or undertaking a competitive tendering exercise.

## **6 Recommendations**

6.1 The Deputy Director of Children's Services (Learning, Skills & Universal Services) is requested to:

Approve the waiver of the following contract procedure rule No 3.1.6 – Requirement to use existing suppliers. This will enable the implementation of the agreement with Norfolk Property Services Leeds for the provision of hosting data and the operational use of asset management software, resulting in the expenditure of:

- £12,000 from capital scheme number 16818.CON.000 to enable the migration of data from the current Tribal system to the NPS system.
- £12,000 per annum (fixed price until March 2018) to cover the cost of maintenance and support of the hosted service.

## **7 Background documents<sup>1</sup>**

### **7.1 None**

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.