

Approval to award a contract for a new Highways & Transportation Digital Information Management System

Date: 5th September 2022

Report of: Highways Asset Manager

Report to: Chief Officer Highways and Transportation & Chief Digital Information Officer

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Summary

The purpose of this report is to document the procurement and tender evaluation processes that were undertaken in accordance with the Council's Contract Procedure Rules (CPR's) and the Public Contract Regulations 2015 to identify a suitable Contractor for the provision of a new Highways & Transportation Digital Information Management System.

- The decision to award the contract is a Significant Operational Decision and is exempt from call - it is a direct consequence of the Key Decision to undertake a tender exercise in November 2020 ref: D52503 and subsequent Key Decision in February 2022 ref: D54964).
- Following a competitive tender exercise, this report seeks approval from the Chief Officer Highways and Transportation to award a contract to AMX Solutions Ltd.
- The award of a contract for the provision of a new Highways & Transportation Digital Information Management System will support and contribute to the delivery of the following Council policies and priorities:
 - i) Sustainable Infrastructure;
 - ii) Becoming a More Efficient and Enterprising Council.

Recommendations

- a) In line with Contract Procedure Rule (CPR) 18, the Chief Officer Highways & Transportation is recommended to approve the award of a contract to AMX Solutions Ltd for the procurement of a new Highways & Transportation Digital Information Management System for an initial period of five (5) years from 3rd October 2022 to 2nd October 2027 with the option to extend for further periods of time, up to a maximum of sixty (60) months.
- b) The total cost of the contract for the initial five (5) year period is £677,250.00.
- c) Any extensions taken after the initial period will be at a cost of approx. £97,000 per year.

What is this report about?

- 1 Following a competitive tender exercise run in accordance with both the Council's Contract Procedure Rules and the Public Contract Regulations 2015, this report seeks approval to award a contract for the procurement of a new Highways and Transportation Digital Information Management System to AMX Solutions Ltd for a period of five (5) years with the option to extend for further periods of time, up to a maximum of sixty (60) months.
- 2 The Council's Highways and Transportation Service currently use multiple software systems and in-house databases to manage and maintain accurate information for approx. £6.6 billion-worth of highways, structural and watercourse assets. Some of the technology used is old and is underpinned by outdated software running on the Council's infrastructure. It is also now deemed non-compliant with Public Services Network (PSN) and the UK General Data Protection Regulation (UK GDPR). In addition to this, the supplier of the main and most widely used system has advised that they intend to cease support for this system in the next few years as it is now coming to end of life. To safeguard against any disruption to the service and to ensure business continuity and compliance, there is a need for the Council's Highways and Transportation Service to have a new system in place as soon as possible.
- 3 The decision to carry out a competitive tender exercise procurement of a single integrated cloud hosted Highways and Transportation Digital Information Management System which can provide both improved and integrated functionality for the Highways and Transportation Service will support the Council's ambitions and strategic objectives to rationalise its software systems estate as well as reducing reliance on in-house servers, thereby helping to reduce technical debt.
- 4 Appointing a Contractor who can best demonstrate that they can meet the Council's requirements is key to the Council meeting these strategic objectives and outcomes.
- 5 The following Software and Services, as a minimum, are to be provided under the contract:
 - A cloud hosted Highways and Transportation Digital Information Management System
 - Any additional modules/functionality required to meet the Council's requirements
 - Implementation services
 - Installation services
 - Configuration services
 - Integration services
 - Data migration services
 - On-going support and maintenance services
 - System development and customisation
 - Training
 - Software/system upgrades
- 6 The Council commenced a competitive tender exercise on 3rd March 2022 seeking bids from suppliers with a view to awarding a contract to a single Contractor for the procurement of a cloud hosted Highways & Transportation Digital Information Management System with associated support services which is legally compliant and will provide the full functionality required by the Highways & Transportation Service to carry out its statutory duties.
- 7 Six (6) tenderers submitted a response to the Council's Invitation To Tender (ITT), which was conducted in accordance with both the Council's Contract Procedure Rules and the Public Contract Regulations 2015. The ITT was published on the Yorkshire & Humberside procurement portal YORtender and advertised on the Governments "Contracts Finder" and "Find a Tender" websites.

- 8 One (1) tenderer failed to meet the minimum threshold requirements at the Standard Selection Questionnaire evaluation stage and so were eliminated from the tender process. The remaining five (5) tenderers responses were evaluated, first on quality, then, subject to meeting the minimum threshold requirements for quality scoring, on price.
- 9 The maximum number of points available for quality was 600 and was subdivided with minimum thresholds as detailed in Confidential Appendix A.
- 10 The points available for each method statement were related to how important that method statement was to the overall delivery of the contract.
- 11 The maximum number of points available for price was 400.
- 12 For this tender, the price calculation was based on the tender with the lowest total price achieving the highest score available for price and the other tenders receiving a reduced score based on calculating the percentage difference between it and the lowest price and deducting this percentage from the maximum score available.
- 13 The Council chose not to divide this procurement into lots. The Council is seeking to appoint a contract to one Contractor who can offer a single, fully integrated cloud hosted Highways and Transportation Digital Information Management System which can meet all the Council's requirements. Separate lots were considered but given the scope of requirements and inter-dependency of systems and processes involved, this was deemed impractical and uneconomical, and therefore not appropriate to divide the Councils requirements into lots.
- 14 The evaluation panel members who evaluated the tender responses were:
 - Highways Asset Manager, City Development
 - Principal Engineer Highways Asset Management, City Development
 - Executive Manager, City Development
 - Bridges Group Manager, City Development
 - Traffic Manager, City Development
 - Highways Maintenance Manager, City Development
 - Principal Operations Manager, City Development
 - Solution Architect, Resources
 - Business Partner Manager, Resources
 - Senior Engineer, Resources
 - Lead Applications Officer, Resources
- 15 The overall quality and price scores for all tenderers can be found in Confidential Appendix 1, which illustrates that AMX Solutions Ltd were the highest scoring tenderer based on overall quality/price tender submission.
- 16 The prices submitted through a competitive tender exercise by AMX Solutions Ltd to deliver the outcomes required by the Council for this project are considered to represent value for money.

What impact will this proposal have?

- 17 The award of a contract to AMX Solutions Ltd for a new cloud hosted Highways & Transportation Digital Information Management System will have the following impacts:
 - Sustainable Infrastructure - by 'improving the resilience of the city's infrastructure and the natural environment reducing flooding and other risks from future climate change' in managing assets, utilities and other highway works, and enabling the monitoring and production of highway maintenance plans and;

- Becoming a more efficient and enterprising Council - through effective data management in a centralised, accessible and re-usable way, combined with efficient and effective document storage and retrieval.

How does this proposal impact the three pillars of the Best City Ambition?

- Health and Wellbeing
 Inclusive Growth
 Zero Carbon

18 This report relates to the procurement of a cloud hosted software system, its impact on climate change initiatives is mainly through the support the system will give to those services using it. The use of a new Highways & Transportation Digital Information Management System directly contributes by facilitating digital working, enabling the Council's Highways and Transportation Service to manage and effectively maintain the Council's existing and proposed infrastructure assets using a single digital platform, removing the need for extensive paper-based solutions.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

19 No wards will be affected by this decision.

20 Key stakeholders from the Highways & Transportation service, ICT Strategic Sourcing team and other members from the Integrated Digital Service were consulted and agreed that carrying out a competitive tender exercise for the procurement of a new Highways & Transportation Digital Information Management System was the best and most appropriate course to take.

21 No consultation has taken place with key stakeholders as to whether the contract should be awarded to the winning bidder or not as this is determined by the evaluation of the tenders received.

What are the resource implications?

22 The implementation of the new Highways & Transportation Digital Information Management System will be managed by the Contractor, supported by a dedicated Council Project team, which will include members of both the Highways & Transportation Service and Integrated Digital Service.

23 The Project team will report to the Highways Enterprise Architecture Implementation Board on all matters relating to Planning, Resourcing, Decision-Making, Escalation, Budget Management and Work Progress Management.

24 The implementation of the new Highways & Transportation Digital Information Management System will provide improved functionality, operational efficiencies, cost savings and opportunities to increase income.

What are the key risks and how are they being managed?

25 The implementation of the new Highways & Transportation Digital Information Management System is the key risk. Implementing a new system of this complexity and size will require substantial resource. Failure to fully implement the new system within the required timescales

could have serious operational consequences for the Council's Highways & Transportation Service.

- 26 A Project Manager has been appointed who will manage the implementation of the new system. All project risks will be regularly monitored and reported back to the Highways Enterprise Architecture Implementation Board.
- 27 Upon contract award, the Council will appoint a Contract Manager who will create a Contract Management Plan. Any risks highlighted throughout the term of the contract will be managed in accordance with the Contract Management Plan and mitigated by the Contract Manager through regular account management/supplier review meetings.

What are the legal implications?

- 28 The Director, City Development approved a decision, published on 24th November 2020, to enable this requirement to be tendered. A subsequent decision was approved, published on 11th February 2022, to increase authority to spend. Both decisions were a Key Decision and were subject to call-in. The decision to award this contract is a consequential decision and is being published as Significant Operational Decision for transparency and is not subject to call in.
- 29 In line with the Council's constitution and the Council's Contract Procedure Rule 3.1.7, the Chief Officer Highways & Transportation is authorised to approve the decision to award this contract to AMX Solutions Ltd.
- 30 The procurement followed the Open Procedure of the UK Public Contract Regulations 2015 and complied with the Council's Contract Procedure Rules and was published on the Council's Yorkshire & Humberside tendering website "YORtender". The tender opportunity was also advertised on Governments "Contracts Finder" and "Find a Tender" websites.
- 31 In accordance with the Public Contract Regulations 2015, a standstill period will be observed before the Contract is awarded.
- 32 The information contained in the Confidential Appendix is considered confidential as this includes a detailed breakdown of tenderers scores and prices under the Access to Information Procedure Rule 10.4 (3).

Options, timescales and measuring success

What other options were considered?

- 33 There were limited alternative options available to the Council given the supplier of the main system has indicated it will not be providing support beyond mid-2025. If the decision was to do nothing, the system would become obsolete, resulting in the Council being unable to fulfil its statutory and regulatory highways management and maintenance duties.
- 34 As part of the business case development process, an options appraisal was undertaken. Details of the findings and outcome of this can be found in section 4 of the "HEA Detailed Business Case (see background paper 2). The preferred and approved option was to undertake a competitive tender exercise to procure a new, modern, fit for purpose cloud hosted Highways & Transportation Digital Information Management System.

How will success be measured?

35 Success will be measured by:

- The provision of a new Highways & Transportation Digital Information Management System that is both PSN and GDPR compliant and supports the Council in carrying out its statutory and regulatory duties.
- Savings delivered through rationalisation of systems and streamlining business processes.
- Business continuity.

What is the timetable and who will be responsible for implementation?

36 The implementation of the new Highways & Transportation Digital Information Management System will commence upon contract award. The implementation will be phased with a current anticipated completion date for full go-live within the first quarter of 2024. It should be noted, however, that this timescale is dependent on sufficient Council resources being allocated to support the implementation. To safeguard against any disruption to the service, and ensure business continuity and compliance, the Highways & Transportation service must fully migrate onto the new Highways & Transportation Digital Information Management System no later than mid-2025.

37 The implementation will be managed by a dedicated Project team, supported by members of both the Highways & Transportation Service and Integrated Digital Service.

Appendices

38 Confidential Appendix - Detailed Price and Score Breakdown and HEA Detailed Business Case. This document is exempt from publication under the Access to Information Procedure Rule 10.4 (3).

Background papers

39 None.