

Approval to procure a Finance Implementation Partner as part of the Core Business Transformation Programme and waive Contract Procedure Rule 15.2 (c)

Date: 19th December 2022

Report of: Core Business Transformation Programme

Report to: Chief Officer Financial Services

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- This report is seeking approval to carry out a competitive tender exercise under the Crown Commercial Services (CCS) Software Design and Implementation Partner Framework (RM6193) for the appointment of an Implementation Partner to successfully implement Microsoft Dynamics for Finance and Operations (D365) and help the Council to maximise the transformational benefits derived from the implementation.
- This delegated decision is being taken as a consequence of the previous Key Decision taken at Executive Board on 19/10/22.
- The report further seeks approval to waive Contract Procedure Rules (CPR) 15.2 (c) in respect of the minimum points for price in the further competition. The evaluation criteria will be 60% quality, 30% price and 10% social value.
- The call-off contract awarded as a result of this procurement exercise will contribute to the city's and Council's ambitions by enabling the Core Business Transformation programme to deliver a successful change programme and therefore support the Council in achieving its strategic ambitions to be the Best Council in the Best City in the UK. This includes transforming the organisation through cultural change enabled by enhanced digital capabilities to optimise the use of both finance and human resources

Recommendations

- a) The Chief Officer Financial Services is recommended to approve the use of the Crown Commercial Services Software Design and Implementation Partner Framework (RM6193) to undertake a competition under and award a contract to a finance implementation partner
- b) The Chief Officer Financial Services is recommended to waive Contract Procedure Rule 15.2 (c) in respect of evaluation criteria, in order to allow a split is 60% quality, 30% price and 10% social value.

What is this report about?

- 1 The Council is entering a period of unprecedented change. The future scale and shape of the Council is unknown and will only emerge over the coming years. The Council must transform and embark on a continuous, sustainable change journey that embraces opportunities to improve and modernise services for the communities it serves.
- 2 In this reality it is essential that the core business processes of the Council are as efficient and streamlined as possible and that individual managers and staff have the right tools and information easily accessible to deliver valued services effectively.
- 3 The Core Business Transformation Programme is central to the Council realising the changes it needs to make whilst ensuring its core business processes are appropriate for supporting a reshaped organisation. The programme seeks to bring about a transformation in the way Finance and Purchase to Pay (P2P) activities are undertaken. Other areas such as Human Resources and Payroll activities are also within the scope of the Core Business Transformation Programme and will be transformed but they are not within the scope of this procurement exercise.
- 4 The Core Business Transformation Programme is predominantly an organisational business change programme. It does however contain a technology refresh element. It is the aim to deliver the technology to enable change and deliver a transformed way of working that is flexible enough to support an organisation that is on a change journey that will last well beyond the initial technology implementation timeline.
- 5 The Council is seeking a single managing supplier in respect of all products and services that may be needed to meet its requirements. This supplier will be the Implementation Partner.
- 6 The Council may look to the Implementation Partner to provide additional specialist support, sub-contracting this support where necessary. However, the Council will always retain the right to source such specialist support independently.
- 7 The Products, Advice and Services being acquired as part of this project is the successful implementation of Microsoft Dynamics F&O and will include:
 - a) Business Readiness Analysis (gap analysis)
 - b) Implementation Plan covering people, process and technology factors
 - c) Data Management, covering: Discovery, Analysis and Profiling, Design, Development and Testing, Implementation and Evaluation
 - d) Resource Profile, covering the Implementation Partner and the Council
 - e) Review of existing policy and processes, highlighting areas for change
 - f) Standardised business processes, driven by leading best practice, with the desire of the Council to adopt and not adapt the technology
 - g) Change management approach, to include engagement and support to be people-centred and embed new ways of working and cultural change to underpin the technical implementation
 - h) Post-implementation plan to include advice on skills, training and approaches necessary to develop the capacity for the organisation to achieve its transformational ambitions through continuous improvement

- 8 In line with contract procedures rules (CPR) permission is sought to utilise the existing CCS Software Design and Implementation Partner Framework (RM6193) to establish a contract with a suitable provider on the Framework. The scope of this Framework meets the needs of this area of work.
- 9 The CCS Software Design and Implementation Partner Framework (RM6193) requires a mini competition to be published to all providers on the Framework who have expressed an interest in the opportunity. The competition will be evaluated on quality (60%), price (30%) and social value (10%). Bidders will be asked to respond to 8 marked method statement question to assess quality, these will be evaluated by an evaluation panel of project representatives.
- 10 The CPRs require that the price-quality separated approach to evaluation is considered in the first instance, however this is not suitable for this procurement due to the evaluation methodology set out in the framework terms and conditions.
- 11 This report is seeking approval to waive the minimum requirement of 40% for price, as set out in CPR 15.2 (c), due to the Core Business Transformation Programme having far greater impact than a standard technology implementation, meaning changes to ways of working and the associated cultural change are critical to its success.

What impact will this proposal have?

- 12 No wards will be affected by this proposal

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 13 The provision of this contract contributes to all three council Key Pillars by helping the Council to make the best use of its people, money, and enhanced digital capabilities.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 14 Engagement has taken place with:

- a) Core Business Transformation Board.
- b) Head of Procurement & Commercial Services (Resources)
- c) Expression of Interest with suppliers on the CCS Software Design and Implementation Partner Framework (RM6193)
- d) Engagement with other Local Authorities undertaking similar work
- e) Exec Board Approval

What are the resource implications?

- 15 Exact resource implications are unknown at this time and will depend on the outcome of the procurement exercise and initial assessment by the chosen partner once the project starts.
- 16 Resource planning is considered within the tender evaluation phase.

- 17 Contract cost of this activity is estimated to be in the region of £4.5 million to deliver.
- 18 The pricing model being used for this work will be time and materials, based on average day rate.
- 19 Suppliers will provide a schedule of rates that will be used to call off from to complete the work within budget.
- 20 Management of the budget and ensuring contract delivery once the project commences will be undertaken by relevant officers within the Core Business Transformation team in collaboration with the selected Supplier.
- 21 The Contract's objectives will be delivered over approximately 52 weeks, with the specific duration to be agreed after contract award.

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

- 22 The Core Business Programme Lead will work with the successful provider to ensure that appropriate planning is carried out and the agreed timescales are adhered to.
- 23 Budget and Contract management on this project will need to be managed. The Core Business Programme Lead will ensure effective budgetary controls and contract management is in place with regular progress reports to the Core Business Transformation Programme Board who will monitor delivery.
- 24 Any other risks which are highlighted during the term of the contract will be managed and mitigated through regular account management/supplier review meetings.

What are the legal implications?

- 25 This is a Significant Operational Decision as a direct result of a key decision ref: D55730 taken at Exec Board on 19 October and is not subject to call-in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 26 To the best of the Council's knowledge, CCS Framework RM6193 has been reviewed and in accordance with the Public Contract Regulations 2015 and is not the subject of any challenge.
- 27 Use of an Third Party Framework Agreement is fully in accordance with the CPRs, which define an Third Party Framework as an agreement set up by an organisation other than the Council and the terms and conditions of those framework agreements have been approved by Procurement and Commercial Services. It is considered that such approval is merited for these agreements.
- 28 The terms of the framework agreement are current and the terms and conditions of the framework agreement and the call-offs are considered acceptable to the Council/
- 29 Although there is no overriding legal obstacle preventing the waiver of CPR 15.2 (c) in making their decision the Chief Officer, Financial Services should be satisfied that the use of the proposed procurement route to select the provider will represent value for money.

Options, timescales and measuring success

What other options were considered?

- 30 The council has considered carrying out an open tender in accordance with the Public Contract Regulations 2015, however the decision to utilise the existing the CCS Software Design and Implementation Partner Framework (RM6193) and carry out a further competition was determined to be the most appropriate and expedient route to procure the services required.
- 31 A direct award was considered and rejected in adherence to CPR 9, as there may be more than one organisation with experience to deliver the service.
- 32 Awarding the contract via G-Cloud 13 was also considered but was rejected following advice from the Head of Procurement in relation to the nature and complexity of the procurement.
- 33 Do nothing was considered but this was rejected as the skills, knowledge and experience required to deliver the products, services and advice that this project requires is not available

within internal resources. The products, services, and advice are critical to the successful delivery of the wider Core Business Transformation programme.

How will success be measured?

- 34 The Contractor will be given key milestones and deliverables as part of the Contract that will be built into an agreed plan. Exact scope, resource requirement and outputs will be defined and agreed on commencement of delivery each product, service, and advice requirement.
- 35 The supplier will be required to report on progress at regular intervals throughout the project.

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

- 36 The aim is for the mini competition to be published in December 2022 with the contract awarded by February 2023. The contract will commence shortly thereafter with an estimated aim of completing initial delivery by October 2023.
- 37 A delivery plan including timetable will be produced by the Supplier and agreed with by the Core Business Transformation Lead on commencing the project.
- 38 The initial contract is expected to be for 24 months, with potential for a 12 month extension

Appendices

- None

Background papers