

Request for approval to award a direct contract to Oksidia Oy to provide a Tuition Management system for Artforms - waiver of CPRs 8.1 and 8.2

Date: 25/04/2023

Report of: Paula Brookes

Report to: Deputy Director for Learning

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Artform's Music Service seeks to make changes to its Data Management software system to improve its efficiency and quality of service to the public. The changes sought will enable the service to respond flexibly to a changing educational landscape and develop provision according to the needs of the city, delivering a traded service in a viable way.

Recommendations

- a) The Deputy Director for Learning is recommended to approve the waiver of Contract Procedure rules 8.1 and 8.2 and to directly award a contract to Oksidia Oy without competition on a time and materials basis. The contract will expire at the end of March 2027. The estimated total contract value is in the sum of £50,000.
- b) The contract is to commence as soon as possible following authority to award and will be for a duration of 4 years.

What is this report about?

Artform's Music Service seeks to make changes to its Data Management software system to improve its efficiency and quality of service to the public. The Music service provides a high-quality service to schools, settings and the community and is highly valued by service users.

The changes sought will enable the service to respond flexibly to a changing educational landscape and develop provision according to the needs of the city, delivering a traded service in a viable way.

The change of system to be provided by Oksidia Oy will enable Artform's Music Service in its role as lead partner of Leeds Music Education Partnership to respond efficiently and effectively in

providing data to the Arts Council. This is a requirement as part of the payment conditions for the £1.2m grant which is awarded to LMEP annually.

CPR 27 requires that a decision to waive the Contract Procedure rules is made by the relevant decision maker through the delegated decision process. The purpose of this report is to brief the relevant decision maker on the waiver that has been recommended so that they may be satisfied it represents the best course of action for the Council.

What impact will this proposal have?

The new information management system to be provided by Oksidia Oy (called Eepos) will include functionality for a 'Parent Portal'. This will be a web-based service accessed from any of the popular internet browsers via a secure login and parents will be able to view such things as attendance registers, progress reports, teacher comments, signposting information for ensembles and groups, concert information, Artform's notices etc. We know that this will be a popular addition for parents to make using the service easier and more sufficient; they will be much better informed about their child's progress and attendance which we can't provide at the moment, and it will cut out or redirect many of the queries which are currently directed through schools.

Being able to utilise Eepos to fully optimise the operational side of the service will enable us to reduce administration costs this will cut out many queries as we will be providing the Parents accurate information they can access.

Access to data insights and tools will enable us to grow service revenues which in turn will demonstrate a quantifiable return on investment in using the solution.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

This report relates to the use of a software solution, its impact on climate initiatives is mainly through the support it gives to the service. The solution directly contributes by facilitating digital working, removing the need for paper-based systems to invoice parents.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

The Service have fully engaged with the Integrated Digital Service commissioning process via Product Managers and Solution Architects. We sent Non-Functional Requirements and they have met the criteria we provided.

The option to select a new supplier has been ratified by Integrated Digital Services Design Authority (16/06/2022).

The preferred supplier has been selected following,

- Desk based market appraisal.
- Demonstrations and financial quotes from considered suppliers we obtained quotes from Xperios, Eepos and Speed admin.
- Peer review of other local authority's provision.
- Quality and meeting the Non- Functional Requirements.

- Tried and tested within the service.
- Will be able to implement using tight timeframes with a smooth transition Strategy.

What are the resource implications?

The new data management system to be provided by Oksidia Oy will lead to more effective use of resources and a significant improvement in the customer experience.

- The cost of the management system is fully budgeted for within the Artform’s budget.

A 4-year contract has been quoted by the supplier with a price freeze on the subscription.

	Year 1	Year 2	Year 3	Year 4	Total
Fixed Subscription	£ 12,500	£ 12,500	£ 12,500	£ 12,500	£ 50,000
RPI + 10% p.a.	£ 12,500	£ 13,750	£ 15,125	£ 16,638	£ 58,013
Total Savings		£ 1,250	£ 2,625	£ 4,138	£ 8,013

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

There is a risk that without the service having an effective data management system, the £1.2m Arts Council England Grant that the council holds will be put at risk in addition to significant loss of traded income from schools. This would put the council, the service, and staff at risk of losing our jobs.

What are the legal implications?

The waiving of any Contract Procedure rules is a Significant Operational Decision as a minimum and a report is required to meet the Council’s obligations of transparency. This report does not contain any exempt or confidential information under the Access to Information rules detailed in the Council’s constitution. The decision pertaining to this report is not subject to call in.

The value of the direct award detailed within this report is below the threshold for the application of the Public Contracts Regulations 2015 for the procurement of public services contracts and therefore it is not subject to the full procurement rules. However, the Council’s CPR 8.1 and 8.2 require competition for procurements valued between £25K and £100K and the invitation of at least three written tenders. A waiver of these CPRs is required to award a contract direct to the chosen supplier.

The risk is low but direct awarding to the chosen supplier could be open to challenge that the Council has not been wholly transparent. In terms of transparency, it should be noted that case law suggests that contracting authorities should always consider whether contracts of this value should be subject to a degree of advertising. It is up to the Council to decide what degree of advertising is appropriate. Consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices etc.) and the geographical location of the place of performance. The decision maker has considered this and, due to the nature of the services being delivered, and the relatively low value, is of the view that the scope and nature of the services is such that it would not be of interest to other contractors if the opportunity was published.

Although there is no overriding legal obstacle preventing the waiver of CPR 8.1 and 8.2, in making their final decision, the decision maker should be aware of the risks of challenge to the Council identified above and be satisfied that on balance, the course of action chosen represents Best Value for the Council.

Options, timescales and measuring success

What other options were considered?

This management software is a niche product, devised specifically for use by Music Services and Music Education Hubs. As such, there are a very limited number of products available. Other options were considered as follows:

- (a) Remain with current supplier and move to their upgraded system 'Experios' – the current product Ensemble is being phased out and will be unsupported. The service is not happy with the current supplier and the current system does not integrate with LCC services. The current supplier also uses more of our resource due to more admin costs.
- (b) Move to Speed Admin – this is currently the market leader in the UK. However, during the demo phase the service felt that customer service provided by Speed Admin was lacking and that the supplier doesn't have capacity to meet the demand of its customers. This is borne out by conversations that the Head of Service has had with national colleagues.
- (c) The option to build in-house was rejected based on the low value of the product and timescales to implement. The Service have been attempting to update their IT system for over 2 years, and this has hampered their attempts to modernise, drive operational efficiencies, and improve the music offer.

How will success be measured?

An effective data management system is in place within the music service.

We predict that the greater customer satisfaction provided by the new system will have a positive impact on student retention within our service which in turn will have a positive financial benefit.

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

The preferred supplier has provided a thorough onboarding and implementation plan commencing 15th May and enables us to work within the constraints of the Academic year. I am happy to provide this on request.

Involvement from LCC IDS will be required during the 'migration and set-up' and 'integration and custom development' workstreams. A project meeting has been proposed on the 24th May which would require IDS representation to discuss activity and completion dates for the workstreams that require their involvement.

Appendices

- Appendix 1 – Reasons for Waiving CPRs

Background papers

- N/A

Appendix 1

What is your reason for waiving CPRs?

There is a genuine, unforeseeable emergency meaning there is no time to go through a procurement process e.g. to deal with the consequences of extreme weather.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
To purchase supplies or services on particularly advantageous terms due to liquidation/administration.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Requirement to put a contract in place with a current provider whilst a review of the services is completed.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Ran out of time to undertake a new procurement exercise	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<p>Other: It is a niche market with only a limited number of products available. Speed Admin is another provider, however it was discounted because of cost and poor customer service during the trial period. In addition, their analytics (to enable the service to develop trading) are not developed as far as the Eepos system provided by Oksidia Oy. The £1.2m funding is our Arts Council grant - as part of the payment conditions we need to provide data as evidence of our impact. We are currently not able to provide this via Paritor and one of our key priorities is to improve the quality of our data. Moving to Eepos would enable us to do this effectively and thus improve our risk rating to the Arts Council, and therefore a direct award to Oksidia Oy (which provides the Eepos system) is required.</p>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No