

North Lanarkshire Council

Report

Transformation and Digitalisation Committee

approval noting

Ref KH/LB/MO

Date 04/09/19

Contract Award for DigitalNL Systems Integrator Partner

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Executive Summary

The DigitalNL Transformation Programme was approved at the Policy and Strategy Committee on 21 March 2019, with the initial update in respect of the Programme mobilisation considered by the Transformation and Digitalisation Committee on 15 May 2019.

In approving the DigitalNL Programme, committee noted transformation would require significant changes to operational and customer-facing infrastructure, IT services and culture. Delivery of this required the engagement of a specialist Systems Integrator Partner, and procurement in respect of this commenced on 27 March 2019.

This report details the outcome of the procurement exercise, and seeks committee approval to award the Systems Integrator Partner contract to Agilisys Ltd., as outlined in paragraph 2.6.

Recommendations

It is recommended that committee approves the award of the Systems Integrator Partner contract to Agilisys Ltd., to a potential maximum value of £11.9m.

The Plan for North Lanarkshire

Priority All priorities

Ambition statement (18) Ensure our digital transformation is responsive to all people's needs and enable access to the services they need

1. Background

- 1.1 The DigitalNL aspects of the WE Aspire ambition and The Plan for North Lanarkshire provide the council with an opportunity to become a leading digital authority in Scotland.
- 1.2 The Policy and Strategy Committee of 21 March 2019 considered the Council's digital ambitions and the potential benefits available from this for employees, businesses, communities and partners. Committee thereafter approved the digital activity required to support our Live, Learn, Work, Invest and Visit ambitions.

- 1.3 A key element of the approved digital activity is the engagement of a specialist Systems Integrator Partner to build and implement the transformational technology components which facilitate this ambition.
 - 1.4 This report details the procurement process followed in respect of the Systems Integrator, and seeks approval to award the contract to the organisation representing the most economically advantageous tender.
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2. Report

- 2.1. Mobilisation of a specialist team to implement the council's digital transformation was approved at the Policy and Strategy Committee on 21 March 2019. A Systems Integrator Partner is a key component of this specialist team which, due to the level of skills and experience required, had to be sourced externally.
- 2.2. The value of the contract dictated that the contract award procedure be undertaken in accordance with the Public Contracts (Scotland) Regulations 2015.
- 2.3. A multi-disciplined team consisting of Business Solutions, Corporate Procurement, Legal Services and the council's Digital Business Partner conducted research to determine the most suitable route to market. This was followed by market soundings with the top four digital consultancy firms in the UK plus another six firms in the digital consultancy market.
- 2.4. The procurement PQQ for the Systems Integrator went live on the Digital Marketplace on Wednesday 27 March 2019. Responses were returned on Wednesday 10 April 2019, with tenderers who satisfied the selection stage criteria progressing to the award stage evaluation. Six candidates were identified for the tender stage.
- 2.5. At tender stage a contract notice was published in the Official Journal of the European Union (OJEU) and Public Contracts Scotland (PCS) portal to advertise the opportunity to the six shortlisted bidders. The Tender was published on the Public Contract Scotland portal on 22 May 2019 using the Digital Marketplace Digital Outcomes and Specialists (DOS3) framework.
- 2.6. The Evaluation Stage ran throughout July 2019 and concluded that Agilisys Ltd. submitted the 'Most Economically Advantageous' tender. Appendix 1 summarises the Procurement and Evaluation Process, with the Evaluation Outcome illustrated within Appendix B.
- 2.7. Three implementation work packages were defined within the tender, with bidders required to submit a fixed price for each. A rate card was also requested to provide certainty of cost for any additional works which may be required throughout the contract period.
- 2.8. Officers from Business Solutions will be responsible for managing the contract in accordance with the council's approved approach to Contract and Supplier Management. In line with the procuring framework, the contract is of two years duration, with an additional option to extend for up to six months. This is considered an appropriate timescale for the System Integrator to deploy the foundational components required to digitise council services.

- 2.9. Subject to committee approval to award the contract, the earliest possible commencement date for the Systems Integrator Partner contract is likely to be 01 October 2019.

3. Equality and Diversity

3.1 Fairer Scotland Duty

There are no requirements for an assessment under the Fairer Scotland duty arising from this report. However, members are assured that The Fairer Scotland assessment process will be undertaken as appropriate when designing services for customers, businesses and residents.

3.2 Equality Impact Assessment

Specific equality impact assessments will be undertaken by council services as appropriate when developing the phased implementation programme.

4. Implications

4.1 Financial Impact

4.1.1 The contract has an estimated total value of £11.9m. Financial Solutions led the pricing evaluation of the tender, and confirmed such is included within the indicative DigitalNL investment levels approved at Policy and Strategy Committee in March 2019.

4.1.2 Any further work identified as necessary, outside the scope of the initial work packages considered appropriate for the Systems Integrator Partner, will be based on the submitted rate card, and considered by the DigitalNL Delivery Board in the first instance as a costed work package to be managed within the maximum contract value.

4.2 HR/Policy/Legislative Impact

There is no HR impact arising from this report.

4.3 Environmental Impact

There is no environmental impact arising from this report.

4.4 Risk Impact

4.4.1. Effective identification and management of risk is considered critical to the success of this programme. A comprehensive risk assessment and risk and issue log (RAIDE) is being managed and monitored throughout the programme with high level risks and all programme level issues being reported to the SRO and Delivery Board on a monthly basis.

4.4.2. As part of the tender process bidders were asked to identify key programme risks on a programme of this type, specifying how they mitigated against these in previous engagements. These have been assessed and, where required, are incorporated into the DigitalNL Programme RAIDE Log.

5. Measures of success

5.1 This contract will provide an experienced delivery partner to develop, build and implement the technology components which form the basis of our digital council approach.

- 5.2 Success of the contract will be evidenced through technology being efficiently and effectively deployed, in an agile manner, to support new digital service delivery models and solutions which meet the needs of modern businesses and communities.
- 5.3 Agilisys Ltd. have committed to delivering community benefits which include providing placement opportunities for graduates of local colleges and universities on the programme, investing in digital development within the Council area by providing an online training portal, hosting technology innovation days for local schools and colleges, and investing 0.5% of the revenue associated with the transformation programme in technology capable of supporting young people residing within the Council area.
- 5.4 Building upon the community benefits offering, better connected communities and businesses, improved customer experiences, and availability of multi-skilled, agile and flexible staff are all expected outcomes of the DigitalNL programme required to be delivered jointly by the council and its specialist partners, including the Systems Integrator.

6. Supporting documents

- 6.1 Appendix 1 - Summary of Procurement and Evaluation Process
- 6.2 Appendix 2 - Evaluation Outcome

Katrina M Powell

Head of Business Solutions

Summary of Procurement and Evaluation Process

Contract Title	A Systems Integrator to provide an enterprise solution including Office365 and migration to cloud
Contract period adopted by the Council	Maximum of two and a half (2.5) years
Estimated total contract value	£11,900,000
Governing UK Procurement Regulation	Crown Commercial Services (CCS) Digital Outcomes and Specialists 3 (DOS3) under the Public Contracts (Scotland) Regulations which is a two stage Procurement: Stage 1 - PQQ Supplier Selection (shortlisting); and Stage 2, Tender evaluation (ITT)
Contract award procedure adopted	Further competition from the Crown Commercial Service Digital Marketplace Digital Outcomes and Specialists 3 framework (RM1043.5)
Interest List – number of organisations that downloaded the procurement documents from the procurement portal	24
Number of Selection Questionnaires received by response deadline	12
Number of organisations invited to tender	6
Number of Tenders received by response deadline	3
Number of non-compliant Tenders	0
Number of compliant Tenders	3
Number of Tenderers recommended for contract award	1
Basis of contract award	Most Economically Advantageous Tender
Evaluation criteria and weightings	Price 25%, Quality 70%, Cultural Fit 5%
Evaluation team	Internal officers supported by the Digital Business Partner (PwC)

Evaluation Outcome

Selection Stage Evaluation Outcome:

Tenderer	Selection Requirements Met? (Yes/No)
Agilisys Ltd	Yes
Capgemini UK plc	Yes
Deloitte LLP	Yes
EntServ UK Ltd part of the DXC Technologies Group	Yes
Fujitsu Services Limited	Yes
Wipro Limited	Yes
IBM United Kingdom Ltd	No
Shaping Cloud	No
CGI	No
Incremental Group	No
Visionist	No
Insight	No

Award Stage Evaluation Outcome:

Tenderer	Total Score	Rank	Recommended for Contract Award (Yes/No)
Agilisys Ltd	77.67%	1	Yes
Capgemini UK plc	66.66%	3	No
*Deloitte LLP	n/a	n/a	No
*EntServ UK Ltd part of the DXC Technologies Group	n/a	n/a	No
*Fujitsu Services Limited	n/a	n/a	No
Wipro Limited	70.91%	2	No

**Did not submit a tender*