

**Decision Maker:** EXECUTIVE

**Date:** For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on Tuesday 21<sup>st</sup> March 2017

**Decision Type:** Non-Urgent Executive Key

**Title:** REPLACEMENT OF HOUSING INFORMATION SYSTEMS – ITT EVALUATION OUTCOME PART 1 (PUBLIC) INFORMATION

**Contact Officer:** Sara Bowrey, Director Housing  
Tel: 020 8313 4013 E-mail: sara.bowrey@bromley.gov.uk

**Chief Officer:** Ade Adetosoye, Deputy Chief Executive and Executive Director EC&HS

**Ward:** Borough-wide

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1. Reason for report

1.1 This document is a summary to the Part 2 'Contract Award for Housing IT System' to be considered by PDS.

1.2 The summary provides an overview of the process for the tendering of a Housing IT System in accordance with the Council's financial and contractual requirements.

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2. RECOMMENDATIONS

2.1 The Care Services PDS Committee is asked to note and comment on the contents of this report prior to the Council's Executive being asked to:

- i) Note the summary when considering the recommendations in the Part 2 – Full Detail Report to award the contract.

## Impact on Vulnerable Adults and Children

1. Summary of Impact: The IT system ensures the delivery of a fit for purpose housing service to support the housing needs of vulnerable adults and children.
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## Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Excellent Council Supporting Independence
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## Financial

1. Cost of proposal: £659k capital, Revenue costs of up to £161k p.a.
  2. Ongoing costs:
  3. Budget head/performance centre: Housing
  4. Total current budget for this head: £200k capital receipts, £153k housing revenue budget
  5. Source of funding: Core
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## Personnel

1. Number of staff (current and additional): Project team required for implementation set out in the body of this report.
  2. If from existing staff resources, number of staff hours: Existing staff will be required to assist in implementation and testing. A contingency for overtime costs have been included in the body of the report together with the cost of backfilling for capacity from Liberata and ISD for implementation and data migration.
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## Legal

1. Legal Requirement: Non-Statutory - Government Guidance: The housing system is integral in the delivery of the Councils' statutory housing functions.
  2. Call-in: Applicable:
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## Procurement

1. Summary of Procurement Implications: The tender process was compliant with the Public Contract Regulations 2015. The Housing IT System was tendered using the Crown Commercial Services (CSC) RM1059 Framework as agreed by Executive on the 13<sup>th</sup> July 2016 (Report Number CS17007).
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The Council received more than 6,000 approaches for housing advice and approximately 500 applications each month for inclusion on the housing register. The allocation for temporary accommodation and social rented housing is managed through the housing system covering a total housing association stock in excess of 11,000 units.

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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### **Background:**

- 3.1 Officers presented a Gateway Review (CS14106) of Housing Systems in January 2015, an updated report was presented in July 2016 (CS17007).
- 3.2 This report set out the reasons for requiring a new housing IT system. In summary that the existing systems:
- Were not fit for purpose and did not cover all statutory housing elements
  - Were not integrated requiring bespoke data transfer and the development of 2 separate systems.
  - Were costly to maintain with additional upgrades required to maintain systems
  - Did not provide for mobile working
  - Did not comply with the Council's IT strategy preferred option and requirement for software as a service and managed IT systems where accessed by 3<sup>rd</sup> parties
  - Were hosted on internal secure networks where public websites cannot be hosted
  - Did not provide any on-line services or customer facing services
  - Did not allow third party contractor access thus making the management of rent accounts for temporary accommodation more difficult.
- 3.3 In addition it was highlighted that the future of one of the two existing systems was insecure and that this system was unlikely to be maintained and developed in the longer term necessitating a migration to a new system.
- 3.4 Furthermore the Homeless Reduction Bill extends the duties on local authorities regarding housing information, advice and homeless prevention. In order to meet these new duties in an effective and efficient manner it is necessary to increase the level of on line advice and prevention. The existing system could not fulfil the extended statutory duties.
- 3.5 Members agreed the recommendation to proceed to procurement of a fully integrated Housing IT system. Members also agreed a capital funding bid to procure and implement the system

#### **The Tender Process:**

- 3.6 An initial tendering exercise using the Crown Commercial Services RM1059 Framework (Local Authority Software Applications) was carried out in Autumn 2015. This exercise was not successful in attracting bids. Feedback from providers was that the Council's invitation to tender coincided with the conclusion of several other tendering exercises and the implementation of major system upgrades; therefore they did not have the resources to submit bids within our time frame.
- 3.7 Officers undertook further work with suppliers to understand the current position in the market prior to reporting back to Care Services PDS and Executive in July 2016 where it was agreed to undertake a further procurement exercise using the RM1059 Crown Commercial Services Framework. (Local Authority Software Applications).
- 3.8 The market is a limited one with an extremely small number of providers offering a fully integrated housing IT system which is fully managed with software as a service. Officers held an open day before the tendering exercise was undertaken in order to generate interest and review the capabilities of the providers. The Council invited 6 providers from the framework who could meet the Council's requirements. A total of 2 provider's submitted bids in response to the Invitation to Tender, 1 provider opted out noting they were unable to meet the full requirements and 3 did not respond.

3.9 The Tender was evaluated on the basis of a detailed systems and implementation requirements document and tenderers submitted pricing schedules. Full support was provided by IT (LBB and BT) in evaluating requirements, reviewing the technical solutions proposed and identifying costs required outside the Pricing Schedule. The tender submissions were evaluated on the following criteria as agreed by The Executive Committee in July 2016 (CS17007)

Criteria	Percentage Weightings
Cost	40
Cost Effectiveness*	10
Delivery Date and Delivery Period**	10
Quality	40

\*Covers long-term efficiencies that could be delivered by systems, including, but not limited to, channel shift and customer relationship management.

\*\*Further delays would very likely mean extremely high costs to stay on current systems because of maintenance and upgrades

3.10 The tender prices were scrutinised by key stakeholders including ECHS Head of Finance and Head of IT.

3.11 Early on in the evaluation stage one of the suppliers withdrew, the supplier was contacted and they confirmed that they no longer wished to comply with the Crown Commercial Services framework terms and conditions. The Council's Legal Department confirmed that, on this basis, the bid could not be considered a compliant bid. Written correspondence with the bidder confirmed their decision to withdraw their bid. It is noted that this was the higher priced bid, requiring more intensive system development to meet requirements.

3.12 Head of Procurement and Legal discussed the outcome of the bids received and agreed the evaluation exercise should continue with a view to achieving a competitive price. Evaluation therefore continued with the remaining bidder. Out of a total possible score of 60% for quality, cost effectiveness and deliverability, Orchard scored 55.4%. The detailed scoring is set out in the Part 2 report.

3.13 The final costs have been evaluated and are less than those set out in the Crown Commercial Services Call Off Schedule.

#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

4.1 There is no direct impact on vulnerable adults and children arising directly from the contents of this report. However recipients of services are some of the most vulnerable members of the community with high representation from particular equality groups; in particular vulnerable due to disability, mental health, pregnancy or young children and people including those leaving care.

4.2 The proposed Housing IT system offers enhanced customer interfaces and the provision of on-line housing advice to improve the transparency and level of information provided to service users. It also supports the delivery of services through mobile working to increase the time officers spend in the fields increasing flexibility to better meet service user needs.

## 5. POLICY IMPLICATIONS

- 5.1 Investment in a new IT system will support the Council in delivering the objectives of the Supporting Independence and Excellent Council which are key priorities in Building a Better Bromley and comply with the Councils IT strategy.
- 5.2 It will also facilitate the delivery of statutory housing duties and the priorities set out in the homelessness Strategy, temporary accommodation strategy and portfolio plan.

## 6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications of awarding the Contract are included within the Part 2 paper.

## 7. PERSONNEL IMPLICATIONS

- 7.1 A project team is required for the duration of the implementation, Requirements and costing of the fixed term posts are noted within the Part 2 paper.

## 8. LEGAL IMPLICATIONS

- 8.1 This report seeks the approval of the Portfolio Holder to award a contract for the provision of a Housing IT System for 5 years with the option to extend for 2 years pursuant the Rule 16.7 of the Contract Procedure Rules.
- 8.2 The contract is subject to the full application of the Public Contracts Regulations 2015. Officers used a Framework Agreement which was set up in compliance with the Regulations to carry out a mini competition to select a provider.
- 8.3 The report author will need to consult with the Legal Department regarding the execution of the Contract.

## 9. PROCUREMENT IMPLICATIONS

- 9.1 Procurement has been undertaken via a framework set up by the Crown Commercial Services. Clause 3.4 of the corporate procurement rules state;

“In seeking to demonstrate *Value for Money*, the Head of Procurement must be consulted and the agreement of the Finance Director obtained *prior* to commencing any *Procurement* process using the Office of Government Commerce (OGC) Buying Solutions or similar *Central Purchasing Organisation* Contracts.”

<b>Non-Applicable Sections:</b>	N/A
Background Documents: (Access via Contact Officer)	Gateway Review of Housing IT Systems – 14 <sup>th</sup> January 2015 (CS14106) Update on Replacement of Housing Information Systems – 13 <sup>th</sup> July 2016 (CS17007)