

Key Decision Report of the Corporate Director Resources

Officer Key Decision	Date: 3 September 2021	Ward(s): n/a
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SUBJECT: Procurement Strategy for Digital Experience Platform and Customer Identity Services

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of the Digital Experience Platform and Customer Identity Services in accordance with Rule 2.7 of the council's Procurement Rules.
- 1.2 This contract is for the provision of a Digital Experience Platform (DEP), Customer Identity Services and the support and maintenance of the solutions. This platform will provide our residents with consistent, secure, and personalised access to online services and information provided by the council. Associated with this procurement will be the transition of services from the aging My eAccount platform to this service.

2. Recommendations

- 2.1 To approve the procurement strategy for Digital Experience Platform and Customer Identity Services as outlined in this report.

3. Date the decision is to be taken:

4. Background

4.1 Nature of the service

A Digital Experience Platform will be a council-wide solution and will encompass a set of integrated technologies, which will enable the council to build, deploy and continually improve the services we offer to residents through an online customer portal. An existing in-house developed system 'My eAccount' currently fulfils this service. This procurement activity will allow the council to implement a modern solution that can expand and improve the offering to residents.

4.2 Customer Identity capabilities will provide a common approach to customer identity, automating the authentication and verification of customers when accessing different services and line of business applications across the council. A new contract with an improved solution will allow the council to introduce new online services that are not possible with the existing solution.

4.3 The council's IT application roadmap entails a shift from maintaining onsite IT infrastructure in favour of systems that are hosted by suppliers and/or provided as a service that includes system hosting known as SaaS (Software as a Service). This approach avoids periodic spikes in investment followed by degradation in technology performance. Hosted and cloud services are expected to provide enhanced resilience, performance, and accessibility of systems. Business systems are kept up to date by vendors allowing services to make full use of available compute power and functions provided by these software applications.

4.4 This contract will allow the council to deliver technology capabilities, which will support the Resident Experience Programme in achieving their objectives to transform the way we interface with local people through the digital offer.

4.5 Estimated Value

The estimated annual commitment for the services provided within this contract is £200,000 for subscription costs, plus £700,000 one-off cost for services. The estimated total contract value required is £1,500,000 – this will cover the potential of a four-year duration.

4.6 The contract value contains an annual provision for one-off costs within the first 36-months of the contract. This includes development, integration, and professional technical services from the supplier, to migrate existing services to the new platform and implement new services onto the platform. The contract will also include the provision for additional technical capabilities available to use within the platform that may support evolving business processes.

4.7 Funding will come from revenue ICT budgets and will be an increase in revenue expenditure and will avoid capital investment in the wider IT estate. Failing to move systems to hosted IT infrastructure is likely to incur major investment in the council's IT provision and Data Centre facilities as the only sustainable alternative.

4.8 The proposal is for the new contract to be a direct award on the Government Digital Marketplace procurement framework (G-Cloud 12). The technology costs have been benchmarked against various suppliers of Digital Experience Platforms.

4.9 The current solution is hosted on premise and is supported in-house.

4.10 **Timetable**

The aim is to have a contract in place and the implementation works commencing by September 2021.

Key Dates:

- Procurement Strategy approved by Corporate Procurement Board – June 2021 (complete)
- Procurement Strategy Key Decision approved – August 2021
- Market Research/Shortlisting – August/September 2021
- Direct Award via Government Digital Marketplace procurement framework – September 2021

4.11 Engagement with stakeholders:

- Resident Experience Programme Team
- Corporate Management Board (CMB)
- Director of Digital Services
- Commercials Manager, Digital Services
- Architecture and Security Manager, Digital Services
- Application Services Team

This platform is an essential tool required for the Resident Experience Programme to deliver their objectives. The Programme is a key part of joining up this platform to the needs of the residents and creating an engaging experience.

4.12 **Options appraisal**

The existing Customer Portal 'My eAccount' is a system developed in-house. It is built around bespoke IT development code that is now preventing the development of the council's online offering. The technology does not meet common standards that allow for integration with other line of business systems and their associated online digital modules. With the council's IT application roadmap outlining a preference of cloud hosted systems – further development in this space is not a viable option (see section 4.3).

4.13 This proposal seeks to offer a direct award via Government Digital Marketplace procurement framework. An alternative procurement route would be to advertise our requirements and complete a competitive tender. However, Digital Experience Platforms, with a specific council focus and low costs/overheads, is a limited market within the UK and can be narrowed to a small number of offerings. The Crown Commercial Services G-Cloud 12 framework has a range of suppliers in this space providing a competitive market comparison.

4.14 The process for evaluating suppliers on G-Cloud will be: -

- Shortlist on the key criteria
- Invite suppliers to demo their system
- Issue specification and receive quotes/responses
- Run through clarifications
- Select supplier of 'Best Fit'

4.15 The benefits of the proposed route:

- Focus on solutions with local government experience and knowledge – understand our legal, data and technical requirements
- 'Out of the box' cloud offering that can be deployed quickly
- Tried and tested 'out of the box' integrations available for line of business systems specific to local government statutory and non-statutory services
- Potential to release additional features as required and development capabilities
- Opportunity to refine and improve existing online services as they are migrated to the new platform
- Provide enhanced access to council services
- Potential to lower transactional cost and/or redirect staff effort to more complex resident contact
- Avoids renewal & investment costs to upgrade datacentre infrastructure

Drawbacks of the proposed route:

- Increase in external annual committed revenue spend – hosting/support

Expectations of the proposed route:

- We expect these providers to offer support in the Digital Exclusion space. Helping residents to get online but we will explore in market engagement.

4.16 **Key Considerations**

Delivering a contribution to the council's social value objectives is a key element of this procurement strategy and contract award. The supplier must demonstrate their contribution over the duration of the contract to economic, environmental, and social benefits.

- What social value benefits has the supplier delivered within London Borough of Islington e.g., contribution of expert volunteering hours
- What social value benefits is the supplier working towards in London Borough of Islington e.g., contribution to the Council's net zero ambition: support to local small and micro businesses within as part of their supply chain
- How has their Digital Platform delivered or supported social value within receiving local authority (if they have local authority experience) e.g., participation in the Council's 100 Hours of the World of Work programme

4.17 There are no TUPE, pensions or staffing implications expected from this contract.

4.18 The requirement for real London Living Wage will be a condition of the contract where legally permissible.

4.19 **Evaluation**

The evaluation criteria set within the Government Digital Marketplace procurement framework has no weighting or designated banding. The framework guidance states the final choice of supplier made by the council should be based on best fit. In making this decision the framework requires the council consider:

	G Cloud evaluation criteria
1	Whole life cost – the cost effectiveness, price and running costs of the service
2	Technical merit and functional fit – for example, coverage, network capacity and performance

3	After-sales service management – the helpdesk, account management function and assurance of supply of a range of services
4	Non-functional characteristics – for example, supplier terms, help with on-boarding and off-boarding, scalability, reliability, and automatic disaster recovery

4.20 **Business Risks**

All customer/resident accounts will need to be migrated from My eAccount to the new platform. There is a risk of disruption through this process and all account holders will need to change their passwords. Through the market engagement, we will assess the migration options and mechanisms to mitigate this risk where possible.

- 4.21 Whilst the expectation is for the platform to deliver out of the box functionality, there is a significant amount of work required to create the end-to-end process flows. This will require a significant amount of input from the Service Area. The Resident Experience Programme is forming a delivery project team, which could mitigate or manage some of this risk.
- 4.22 One of the key benefits of using a solution that is designed for local government is that they have tried and tested integrations with key council line of business applications. However, configuring integrations and developing new integrations where there is no 'out of the box' available does have a time/cost/resource risk.
- 4.23 If the council experiences a poor service in the performance, reliability, and resilience during the life of the contract, this will have a detrimental impact on council service operations. This risk should be mitigated through Service Level Agreements (SLA) and any associated penalty clauses with the supplier. Business continuity planning by council services should already allow for these concerns. It is expected the service level provided in the new contract will be an enhancement on the current provision.
- 4.24 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale, or supply of blacklists containing details of trade union members and their activities. Following a motion to full council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.
- 4.25 The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Digital experience platform, customer identity service to replace the existing My eAccount solution. See paragraph 4.1 and 4.2

2 Estimated values	<p>The estimated value per year is £375,000</p> <p>The agreement is proposed to run for a period of 2 years with an optional extension of two 12-month terms.</p> <p>See paragraph 4.5</p>
3 Timetable	<ul style="list-style-type: none"> - Procurement Strategy approved by Corporate Procurement Board – June 2021 (complete) - Procurement Strategy Key Decision approved – August 2021 - Market Research/Shortlisting – August/September 2021 - Direct Award via Government Digital Marketplace procurement framework – September 2021 <p>See paragraph 4.10</p>
4 Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Direct award via Government Digital Marketplace procurement framework.</p> <p>Competitive tender – lengthy and market already limited in local authority Digital Experience Platforms.</p> <p>See paragraph 4.12</p>
5 Consideration of: Social benefit clauses. London Living Wage. Best value. TUPE, pensions and other staffing implications	<p>Social Value will be agreed through the procurement process.</p> <p>There are no TUPE, Pensions or Staffing implications expected from this contract.</p> <p>London Living Wage – will be considered.</p> <p>See paragraph 4.15</p>
6 Award criteria	<p>The Government Digital Marketplace framework, direct award call-off agreement.</p> <p>See paragraph 4.18</p>
7 Any business risks associated with entering the contract	<p>There are several key risks highlighted around the migration to the new platform. The expectation is that some of these will be mitigated through the market engagement/design decisions or through the Resident Experience Programme.</p> <p>See paragraph 4.19</p>

8 Any other relevant financial, legal, or other considerations.

N/A – please see section 5

5. Implications

5.1 Financial implications:

The business case for the overall project has been agreed by the CMB and the funding identified.

The overall cost of the Digital Platform Experience project is £2.6m of both one-off and ongoing costs. The element of the project contained in this report pertains to:

1. £200k of subscription costs. This is an ongoing cost of £200k per annum and will be funded from the contracts inflation budget and built into the IDS (Islington Digital Services) budget from 2022/23.
2. £700k – one-off costs of services. This will be financed from the one-off funding which has been identified.

The breakdown of these amounts is as follows:

	FY1	FY2	FY3	FY4	Total	Funding source
One-off costs	£'000	£'000	£'000	£'000	£'000	
Other (e.g., training, redundancy)	£300	£300	£100	0	£700	One off funding which has been identified
Ongoing costs						
Technology	£200	£200	£200	£200	£800	Contracts inflation budget
Total cost	£500	£500	£300	£200	£1,500	

£500k is expected to be incurred in the current financial year 2021/22; £300k will be funded by the one-off funding which has been identified and £200k by the contract's inflation budget. The latter amount will increase the IDS base budget position by £200k on an ongoing basis and as such will not require additional £200k each year. £200k is shown in each year to illustrate the overall cost of the project being undertaken.

Financial implications author: Ivana Green, Strategic Finance Manager

5.2 Legal Implications:

- a) This report seeks approval of a procurement strategy for a contract of 2+1+1 years (a total maximum of 4 years) at a total maximum contract value of c£1.5m via the G-Cloud Framework by direct award after a 'best-fit' consideration process of relevant providers on the framework.
- b) The council has power to enter into the proposed contract under section 111 of the Local Government Act 1972 and section 1 of the Local Government (Contracts) Act 1997, which enable the council to carry out any activity that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, and to enter contracts accordingly.

- c) The estimated value of the procurement (c£1.5m) is above the current financial threshold for service contracts under the Public Contracts Regulations 2015. Procurement by direct award via the G-Cloud Framework is compliant with the Regulations.
- d) The value of the proposed contract is below £2m and therefore within the power of the Corporate Director to award, or by a Director if the power has been delegated to them (per Procurement Rule 18 and Appendix 3 to the council's Constitution).

5.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

Environmental Implications Assessment will be completed as part of the contract award process.

5.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

The information gathered through the procurement process, will be used to inform the Resident Impact Assessment. An RIA will be completed before the contract award and will be submitted with the Award Key Decision Paper.

6. Reasons for the decision:

- 6.1 The recommendation in this report is to approve the procurement strategy for a Digital Experience Platform, which will enable the development and ongoing improvement of our online offering to residents. The decision is in line with the Council's IT application road map and the IDS vision of Islington having a cloud first Strategy.

7. Record of the decision:

- 7.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Signed by:



Corporate Director Resources

Date: 3 September 2021

Appendices: None.

Background papers: None

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