

REPORT OF
The Strategic Director for Place
TO
Procurement Board
ON
25 November 2020

TITLE: Approval to Award the Contract for Regulatory Services and Refuse Collection Software System

RECOMMENDATION:

That Procurement Board approve the award of the Contract for Regulatory Services and Refuse Collection Software Systems

Detail required	Answers
Title/Description of Contracted Service/Supply/Project	Community Protection / Refuse Collection Software
Name of Successful Contractor	Civica
Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i>	01628868
Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Private Limited Company
Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	Non-SME
Contract Value	£502,866 Full Project
Contract Duration	48 months
Contract Start Date	01/04/2021
Contract End Date	31/03/2025
Optional Extension Periods	3 x 12 months
Who will approve each Extension Period?	Strategic Director (extension < £150k)

Contact Officer (Name & number)	John Wooderson 793-2623	
Lead Service Group	Place	
How the contract was procured? (to be supplied by procurement)	Direct Award	
Framework Details (where applicable) (procurement body, framework reference & title, start/ end date)	Crown Commercial Services RM3821 Data and Applications Solutions Framework Lot 1a Resource Planning & Management Solutions including Financial & Commercial Start date 22/02/2019 End date 22/02/2021	
Funding Source	Choose an item.	
Ethical Contractor	Mayor's Employment Charter Committed to sign up to charter	<input type="checkbox"/> <input type="checkbox"/>
	Accredited Living Wage Employer	<input type="checkbox"/>

EXECUTIVE SUMMARY:

The purpose of this report is to seek approval for the award of the above-mentioned contract.

BACKGROUND DOCUMENTS: N/A

KEY DECISION:

Yes – The value of the contract is over £350k

DETAILS:

1 Background

The current contract for two systems – Civica App (Regulatory Services software) and Powersuite (Refuse Collection Rounds Management Software) is coming to an end in March 2021. The software supplier is Civica.

The Powersuite system is part way through a second phase of implementation. Phase 1 implemented in-cab technology and the Powersuite system to help manage refuse collection rounds and monitor operational performance. The second phase of the implementation is ongoing – this will enable real-time citizen interactions with the refuse collection system. For example, a missed bin report will validate against the system and provide instant feedback to a citizen about whether and why the bin was not emptied.

Civica App has been in place for over 20 years and is used by many regulatory functions within the Place directorate. These include:

Food hygiene, health and safety inspections and complaints, noise and air quality complaints and investigations, antisocial behaviour and housing crime reduction work, work of the council's dog warden service, infectious disease and accident at work investigations, food sampling. In addition, the system manages proceeds of crime investigations, illicit tobacco and counterfeiting investigations and other targeted work undertaken by the Trading Standards function in addition to receiving complaints and intelligence from the Citizens Advice Bureau.

Management of empty properties, landlord and HMO licensing schemes, property disrepair, accommodation certificates, gas safety contracts for registered social landlords and housing assistance schemes.

Licensing – taxi drivers, operators and vehicles, premises and club premises licences, gambling licences.

Street scene – requests and complaints relating to street cleansing, refuse collection, litter, parks and their facilities, environmental crime including fly tipping and associated fixed penalty notices issued.

While no 'end of life' date has yet been confirmed for Civica App, the current product is only receiving mandatory updates to service statutory obligations. All forward-thinking development is being channelled into a new product called Civica CX, which is a modern platform that offers key advantages, while satisfying all functionality within the current system. In brief, these are:

- The product allows staff to be digitally agile. The system is web based and can be accessed from any device with an internet connection
- The product is hosted by Civica, allowing upgrades and enhancements to be managed seamlessly by Civica, reducing system downtime and demand on DDaT (Digital Data and Technology) to maintain the system infrastructure.
- The product offers improved processing efficiency and reduced administration via process automation (where appropriate) and increases operationally active time, increasing the productivity of teams without the need for increasing team costs / staffing at a time when demands on the service are rising. This kind of functionality previously had to be developed within DDaT and this further alleviates the demands placed on the function.
- Improved citizen experience – meets the demand of the modern citizen and interacts with them in self-serve ways they find attractive and easy (e.g. online, email and SMS) For example, the system incorporates a citizen portal and booking functionality which allows full end to end processes to be managed within a single system. This reduces the need for integration with other services and is citizen focused by default.
- Automatic assignment, prioritisation and escalation of workload to ensure key performance indicators can be adhered to, enabling services to be truly citizen focused.

When considering whether to re-contract with Civica for the two systems it was considered, that:

- The full benefits of the Powersuite product had not yet been fully realised. The second phase of the project is ongoing, there was a desire and commitment to complete both phases of the project to enable improved service provision for the

citizens of Salford. The Powersuite system has benefitted the refuse service operationally and the service wanted to retain the system moving forward.

- Regulatory Services had reviewed potential alternative software solutions and have spoken to colleagues at other local authorities about the systems they use and obtained feedback. They have also reviewed Civica's new Product (Civica CX) and following feedback from other local authorities they have made the decision that the new platform offers many advantages over other software platforms to enable them to react to changing demands / challenges and offer better experiences and services to the citizens of Salford. It was agreed that a direct award was the required option – to maintain the provision of statutory services and have access to the best software possible to support the needs to the services and Salford's citizens in the future.

The options considered were:

Option 1

- Re-contract for the current systems (Civica App and Powersuite). While this was a viable option, this was dismissed on the grounds that retaining the current system would not realise the benefits of adopting a modern and forward-thinking software platform. Modernising both our services and the existing system to suit our evolving citizen and operational needs would require us to continually develop services outside of the system to integrate to it, which would take longer to deliver and require greater involvement from DDaT. Our ability to react to changing needs/challenges would be diminished over time.

Option 2

- Re-contract for Civica CX (replacement for Civica App) and Powersuite. This would include Salford retaining the current system (Civica App) and transitioning to the new system (Civica CX) during the early years of the contract. This option would include consultancy support from Civica - project management and training support for staff and the DDaT (Place systems) team to adopt and support the new system. The new system would enable the services using it to work more effectively and implementing new solutions and systems within the system quickly, would enable services to support our changing needs/requirements.

The recommended option is option 2 – enabling the council to future proof the system supporting Regulatory Services through transition to the improved Civica CX platform and continuing the development of Powersuite to support the refuse collection service. In addition, this enables us to provide better support and services to the citizens of Salford.

2 Financials

The pricing for the current system and proposed contract is detailed below. The first column details the costs of the existing contract. The second column details the upgrade cost for early adoption, presenting savings against the costs to be faced should the council wait until the end of the contract. During negotiation every effort has been made to reduce the costs to the council. In addition, extra functionality has been negotiated and included in the offer for early adoption. This includes:

- A citizen portal to manage bookings, applications and documents related to those applications. The portal is fully integrated with the system and enables citizens to self-serve on a variety of services – putting our citizens at the heart of this proposal
- A GDPR module to manage to retention and deletion of data in the current Civica App system as we transition to the new Civica CX product – protecting and securing the data of our citizens.

- Access to a cloud-based data model to enable access to the full underlying data in the Civica CX system, enabling advanced business intelligence reporting and the ability to integrate Regulatory Services with data from our other systems. This will enable the council to maximise the use of the data for operational purposes, enabling us to better support our citizens.

	Current Contract Costs (2015-2021)	Civica Cx Upgrade Costs (now)	Civica Cx upgrade costs (March 2021)
<u>One-Off Costs (Capital)</u>			
Consultancy/Implementation	N/A	£87,300.00	£130,950
Initial Licence Cost	£131,100	£111,550.00	£118,550
Total One-Off Costs	£131,100.00	£198,850.00	£249,500
<u>Recurring Costs (Revenue)</u>			
Annual Support/Maintenance costs	£72,490.00	£76,004.00	£82,452
Total Year 1 Costs	£203,590.00	£274,854.00	£331,952
Total Year 2 onwards	£72,490.00	£76,004.00	£82,452

3 Social Value

Statement from Civica on Social Value:

Civica whole-heartedly commit to supporting the economic, social and environmental development of all regions we work in, including Salford and Greater Manchester.

Subject to contract, Civica proposes a range of activities to support the Social value initiative.

The three main ways we have an impact are:

1. Our presence in the region as an employer (providing employment opportunities across the skills spectrum, including managerial, technical, trainee and apprenticeship positions)
2. Charitable support (including fundraising activities and the 'donate a day' scheme)
3. Sustainable approach (delivering and supporting quality services through green initiatives).

Employer in Greater Manchester

Our office in Altrincham provides a critical base for Civica in the North West of the UK.

We are particularly proud of our commitment to be part of 'The 5% Club' - a commitment to ensuring a minimum of 5% of our workforce are apprentices or

graduates. These schemes are run through our Learning Academy, which provides a consistent programme of training, development and talent management to support our people throughout their careers and help them reach their full potential.

Our commitment to our employees is reflected in our receipt of a Glassdoor Employer of Choice Award for the second year running, rising 8 places from the 2017 survey, to 25th. Our approach to inclusion and diversity has also contributed to us being recognised in the top 50 best companies for work/life balance in the UK by Glassdoor.

In July 2019, following our in-depth assessment, we were once again awarded the Investors in People 'Gold' standard; a status held by only 2.5% of accredited organisations! Our wide range of training courses and development opportunities have led to c.124,000 hours of training within 2018. Our presence in the West Midlands region provides quality employment for hundreds of individuals and supports their skills and career growth.

In terms of recruitment, we are committed to ensuring that our diverse and inclusive culture continues to evolve as the company grows. Not only have we appointed a Diversity and Inclusion Lead, the programme is now sponsored by the Chief Executive Officer. Our training materials have been reviewed in order to ensure that diversity is integral to everything that we do and to ensure that our leaders have an understanding of not only the importance D&I has in growing a successful business, but also to appreciate the role they play in building a fairer and more inclusive organisation. We have also adapted the way in which we advertise to ensure we are attracting a diverse range of applicants, adapted the recruitment processes to ensure selection is fair and unbiased and introduced targets to ensure we are challenging the status quo. We are committed to paying the national minimum and living wages to all of our staff members.

Charitable Support

The Civica Foundation also provides a focal point for all our charitable fundraising and community support.

For every employee at Civica, we operate a 'Donate a day' programme where employees have a free day each year to volunteer their time to a worthwhile cause, as well as Tour De Civica running and cycling event. In our Altrincham office, Byte Night in support of Action for Children is a particularly popular initiative of ours, having been run for the last 8 years and raising thousands of pounds to support the homeless in North West and the UK.

In addition to our in-house charitable support, we partner with Young Enterprise to provide support to young people across the country, but also, specifically in Greater Manchester.

Young Enterprise Manchester work in partnership with local schools, businesses and volunteers to inspire and equip thousands of young people each year to learn and succeed through enterprise. Working in partnership, Civica and the Young Enterprise aim to ensure that young people grow up with the life skills, knowledge and confidence they need to succeed in the changing world of work.

[\(https://www.young-enterprise.org.uk/what-we-do/where-we-work/region/northwest/manchester/\)](https://www.young-enterprise.org.uk/what-we-do/where-we-work/region/northwest/manchester/)

Civica support Young Enterprise to deliver two Employability programmes in Manchester: 'Employability Masterclass' and 'Learn to Earn'. Since 2018, Civica have supported Young Enterprise to deliver Employability programmes to many schools in the GMCA, including students from both Levenshulme High School, and Manchester High School for Girls.

The 'Employability Masterclass' targets students aged 14-19, and encourages young people to consider the skills and personal qualities employers value and how to evidence these to prospective employers. Civica volunteers and students work through practical activities to explore themes such as personal branding, life experiences, CVs, LinkedIn profiles, interview preparation and high growth career sectors.

'Learn to Earn' targets younger students, aged 12-16, and aims to inspire participants to take ownership of their life choices and increase their career awareness. Civica volunteers help students to work through a jobs booklet of 95 jobs from 19 industry sectors to explore how employment/salaries link to lifestyles and the cost of living. Students consider the range of careers available, the qualifications needed and routes to entry (apprenticeships, training or university). The event also provides an overview of key areas often not covered by standard education, such as debt management or pensions.

Young Enterprise also deliver the exciting 'Company Programme', in which students set up and run their own student company. Students make all the decisions about their business, from deciding on the company name and product to managing the company finances. Students sell to the public with pop up shops at YE Trade Fairs and on YE Market Place, the dedicated online sales platform. Participants gain the practical business experience, adaptability, entrepreneurial mindset and employability skills needed to secure successful futures.

Student companies can take part in local competitions and have the opportunity to compete to be crowned UK YE Company of the Year, as well as a chance to go on to the JA Europe Company of The Year Competition.

<https://www.young-enterprise.org.uk/company-programme-finalists-2019/>

Sustainable approach

At Civica, we are committed to supporting action on climate change.

During the course of this contract, we will ensure that, wherever possible, all members of the team travelling to the Council will travel using public transport.

- Conference call & Video conference is used as much as possible to reduce carbon emissions due to unnecessary travel into Salford
- Remote consultancy will be used as much as possible
- Where a face to face meeting is required, Civica will travel to the Council

using public transport, where possible

Civica have an Environmental Management Team (EMT) that came together in 2011 to provide a strong and clear focus for the on-going development and implementation of the company's environmental policy. Not only has the team 'championed' the company's achievement of the ISO 14001 environmental management standard certification, but they are committed to continuous improvement and best practice which involves working with our customers, suppliers, partners in order to recognise and reduce the impact the company's operations have on the environment.

There are plenty of new and on-going environmental initiatives happening across the business, from the rollout of Aqua Aid mains-fed water coolers to battery recycling and centralised recycling points in each of our offices.

We have a number of processes in place to ensure committed sustainable processes are fulfilled and that all staff within the organisation have received the relevant training to ensure their awareness of its importance

- 10 Civica Offices are on green energy tariffs. Whenever an energy contract is up for renewal, these tariffs will be requested for consideration, and chosen even if it's higher than a comparable brown energy solution
- Reviewing sustainability of Civica branded merchandise
- Reducing paper usage
- Reducing plastic

In addition to the above, in line with Civica's ISO14001 accreditation, employees are asked to:

- Car share wherever possible with mileage incentives to promote this
- Conserve fuel by driving at the appropriate speed limit
- Endeavour to drive cars with low carbon emissions

All company cars supplied by Civica are checked for emissions and are ECO friendly, and all mileage claimed through expenses is tracked and we work out capita mileage to track trends.

As part of the employee handbook and the new employees first weeks with Civica, they find out about the contribution we make to the environment and the ways we support charities both at homes and abroad. Each week, Civica send to all employees Take Five, which is the company newsletter and features our social value initiatives.

KEY COUNCIL POLICIES:

N/A

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

Not

applicable

ASSESSMENT OF RISK:

Should the Council not award a new contract now, there is a risk that costs could increase as renewal of the contract in March would not benefit from discounted pricing.

The current system (Civica App), does not have an end of life date yet, but enhancements to the product are limited to satisfying Statutory Obligations only. A lack of development / new features in the system may limit the ability of Regulatory Services to respond to the changing needs of the citizen and may result in reduced operational efficiency over time.

SOURCE OF FUNDING:

Capital and Revenue

LEGAL IMPLICATIONS: Tony Hatton, Principal Solicitor, tel. 219 6323

When commissioning contracts for the procurement of goods, services or the execution of works, the Council must comply with the requirements of the Public Contracts Regulations 2015 (PCR) and its own Contractual Standing Orders (CSO's), failing which a contract may be subject to legal challenge from an aggrieved provider. CSO's stipulate that where a suitable framework agreement exists, this must be used unless there is an auditable reason not to. The proposed award of the contract follows a direct award (call off) under the Crown Commercial Services Framework Agreement (CCS).

The CCS Data and Applications Solutions Framework is fully OJEU compliant and has been procured for named authorities, including Salford City Council and other public sector organisations to use. Each Framework is an overarching agreement through which those named organisations can select a service from a range of providers by undertaking an exercise to call off the services (eg. direct award as here or mini competition) and enter into an individual contract/agreement with that provider, according to the terms of the Framework Agreement. A contract will then be formed between the Council and the chosen provider/s.

The Council will need to have followed the procedure set out in the Framework Agreement to ensure the direct award process to Civica for the Community Protection and Refuse Collection Software is compliant.

FINANCIAL IMPLICATIONS: Submitted by: Paul Hutchings, Strategic Finance Manager (x2574)

In terms of revenue budget implications, the ongoing costs are currently picked up centrally as part of the ICT software budget. As identified in the main body of the

report, the new contract does represent a small increase in annual costs of approximately £6k which will need to be managed within the existing ICT budget.

PROCUREMENT IMPLICATIONS: Supplied by: The Corporate Procurement Team

The Crown Commercial Services DAS framework allows for direct award. Any direct call offs under this framework are subject to a number of conditions, whereas the requirement must be intrinsically linked to a system already within the citizens organisation, the products they are looking to award must be present on the Government eMarketplace, and Framework Schedule 6 Order Form must be signed by both supplier and customer.

Since CivicaAPP is a system the Council is already using, direct award is compliant with the framework rules and also the Council's own Contractual Standing Orders.

HR IMPLICATIONS: Supplied by:

Not applicable

CLIMATE CHANGE IMPLICATIONS: Supplied by: Matthew Wylie, Service delivery Manager for Place, Digital Data and Technology (DDaT), reviewed by

The second phase of implementing the Powersuite system will reduce printing job lists on paper, using in vehicle devices to manage requests/reports of service failures. In addition to reduced printing and paper use, jobs can be pushed out to vehicles in real-time. This will help reduce the amount of fuel used as vehicles can action more jobs as part of an existing journey, rather than extra journeys being required. Powersuite also allows the service to optimise and amend bin rounds, which supports fuel savings, and this would be important were the vehicles to become electric in the future.

The new Civica Cx product allows staff to be digitally agile, reducing the need to return to the workplace/home to update the system. Staff can update the system in new ways including digital forms, while working in the community, reducing the need for work to be recorded on paper and input into the system later. In addition, the system will allow better organisation of workload, allowing staff to reduce travel time by organising their workload by locality.

OTHER DIRECTORATES CONSULTED: Service Reform and Place

CONTACT OFFICER: John Wooderson **TELEPHONE NUMBER** 0161 793 2623

WARD(S) TO WHICH REPORT RELATE(S): None

