

CABINET

21 April 2020

Title: Procurement of a Replacement Customer Relationship Management and IT Service Management System	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Paul Ingram Chief Information Officer	Contact Details: Tel: 07455 168555 E-mail: paul.ingram@lbbd.gov.uk
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
Summary: This report requests authorisation for the Council to conduct a joint procurement exercise to secure a replacement Customer Relationship Management System and IT Service Management System and sets out the case for doing so using the Crown Commercial Services G-Cloud 11 Framework (RM1557.11). Customer Relationship Management (CRM) Agilisys, the provider of the current CRM solution and online MyAccount functionality announced in 2018 that they will no longer be continuing with or supporting their Agilisys Digital and MyAccount product. The current contract with Agilisys is formally due to expire in March 2021 and LBBD must have a replacement system in place in order to keep the services running. It is vital that LBBD should have a solution that offers flexibility, adaptability and futureproofing. A system that has been developed using modern cloud technology with a clear long-term future is likely to offer this. IT Service Management (ITSM) The joint venture partnership between LBBD and Agilisys will end in December 2020, and the services currently run under Elevate will return to LBBD throughout the year. When the joint venture is closed, existing contracts with Agilisys will also come to an end, including the use of the current ITSM system, Hornbill Supportworks. In order to continue providing on-going IT support to the Council, a new ITSM solution is required that will be able to offer the functionality and flexibility needed by LBBD to meet this demand.	
Recommendation(s) The Cabinet is recommended to: (i) Agree that the Council proceeds with the procurement of a new Customer Relationship Management System and IT Service Management System in accordance with the strategy set out in the report; and	

- (ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services and the Director of Law and Governance, to award and enter into contract(s) / agreement(s) and any periods of extension with the chosen supplier as outlined in the report.

Reason(s)

1. To provide a fit for purpose Customer Relationship Management System, and ensure staff have the right tools to facilitate excellent customer services to the public and enable continuous improvement. To gain better customer insight and information for future analysis and reporting on trends.
2. To provide a sustainable Customer Relationship Management System with robust technical resilience, which will allow LBBDD to be self-sufficient in order to meet the demands of future service improvements, redesign and future integrations to Council systems in-house.
3. To provide a fit for purpose IT Service Management System to support agents in providing an efficient and effective IT support service to all Council staff. To provide an IT Service Management System that delivers a user friendly and functional IT support system for all Council staff to use. To provide an IT Service Management System that can keep up with the ever-evolving environment of ICT.

1 Introduction and Background

- 1.1 The London Borough of Barking and Dagenham (LBBDD) currently use the Agilisys Digital Customer Relationship Management (CRM) System as the core system for managing and storing customers records and service requests. In addition, for the past 7 years LBBDD have been using the Agilisys Digital 'MyAccount' customer self-service platform allowing customers to make service requests, bookings and payments or receive status updates for a considerable number of services.
- 1.2 Agilisys, the provider of the current Customer Relationship Management solution and online account functionality announced in 2018 that they will no longer be continuing with or supporting Agilisys Digital or their MyAccount product. The contract and support for Agilisys Digital will formally expire in March 2021.
- 1.3 A series of workshops and meetings were held by the Council to ascertain the current issues faced. During these sessions, members of staff stated that the current system lacks some essential features, such as a robust search mechanism and a chronology of the user's journey from initial contact/request through to resolution. A further list of the issues identified can be found in Appendix 1.
- 1.4 Hornbill has been in use as the IT Service Management (ITSM) System for 9 years with IT providing a dedicated helpdesk of up to 7 frontline staff, which support over 3000 users. Currently, calls and tickets relating to IT support are logged through Hornbill either using the self-service portal or by agents themselves when receiving telephone calls or emails, which are sent directly to the IT helpdesk mailbox.
- 1.5 Through initial market research it was apparent that the 'out of the box' features most suppliers provided would allow LBBDD to meet the high-level requirements criteria for a CRM and ITSM system. It would also allow LBBDD to gain additional

capabilities which will enhance the services being delivered to users. For example, built-in system workflows that could automate complicated and tedious processes such as the onboarding and offboarding of accounts for new starters.

1.6 In order to save time and costs on carrying out two separate procurements, LBBB have opted to conduct a joint procurement for a replacement CRM and ITSM system as per option 2 in section 3.2 of this report.

1.7 **Current system overview**

1.7.1 LBBB's contract for Agilisys Digital covers:

- MyAccount – online self-service portal for customers
- MyAccount Back-Office (MABO) – back-end CRM-lite system used by agents
- Agilisys Single Sign-On (SSO)
- Zipporah Booking System
- GOSS Online Forms

1.7.2 Elevate's contract with Agilisys for the ITSM covers:

- Hornbill Supportworks Application
- Hornbill Supportworks Self-Service Portal

1.8 **Customer access strategy**

1.8.1 LBBB's Customer Access Strategy sets out their plan for providing enhanced levels of customer service for all individuals and households, primarily through digital and voice channels, with appropriate face-to-face support for those with specific needs.

1.8.2 LBBB's longer term vision is to give customers fast, easy access to council services, provide efficient and cost-effective service delivery, and in doing so achieve and maintain customer satisfaction expectations.

1.8.3 LBBB is committed to delivering excellent customer service. The customer promise was developed as part of the Council's drive to put the customer first and deliver services accessible to all, with the aim to:

- Reduce waiting times through effective online facilities
- Understand customers' needs
- Be clear and straightforward in our communications
- Keep information about services up to date, easy to understand and accurate
- Protect customers personal information and confidentiality

1.9 **IT strategy**

1.9.1 LBBB has a dynamic and cloud-based strategy with most of its applications and services being hosted by suppliers directly or through its Infrastructure as a Service (IaaS) contract with Agilisys.

1.9.2 Very little is hosted on-premise and this will further reduce as the Council looks to move into Microsoft's Azure platform during 2020. Any future CRM and ITSM

system must therefore be compatible with this strategy.

- 1.9.3 The Council is also implementing a wider transformation whereby a number of its services are breaking off to wholly independent arms-length companies (Entities) which will still require IT support and services from LBBD.

2 Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured

2.1.1 The recommended procurement approach is to use the Crown Commercial Services (CCS) G-Cloud 11 Framework (RM1557.11) for the joint procurement of a CRM and ITSM system to replace Agilisys Digital and Hornbill SupportWorks, respectively.

2.1.2 There is a business need to ensure the system required to support Customer Services and IT Service Desk is fit-for-purpose and capable of handling volumes and a variety of service requests, as well integrations to third party systems (internal and external).

2.1.3 Therefore, this procurement is focusing on the replacement of the core components as outlined in section 1.2 of this report. With the exception of GOSS Forms, Agilisys SSO and Zipporah Booking System – these components are not core and will therefore be procured and replaced separately.

2.2 Estimated Contract Value, including the value of any uplift or extension period

2.2.1 The table below illustrates the estimate contract value for a combined CRM and ITSM system during Implementation (year 1), as well as the estimate ongoing costs (year 2). The costs are based on the average market cost for a joint system procurement that can cover both CRM and ITSM functionality (as per option 2 in section 3.2 of this report):

Item	Implementation Year 1 (20/21)	BAU / Ongoing Year 2 (21/22)	Total Costs*
CRM Costs	£141,340	£93,840	£235,180
ITSM Costs	£111,325	£59,700	£171,025
Total Cost of Contract Over 2 Years			£406,205
Total Cost of Contract Over 2 Years + 1 Year			£559,745
Total Cost of Contract Over 2 Years + 1 Year + 1 Year			£713,285

*excludes internal Elevate and LBBD resource costs during implementation and ongoing.

2.3 Duration of the contract, including any options for extension

2.3.1 The contract will be for 24-months, with the option to extend twice for 12-months each time.

2.3.2 The Council may choose to award two separate contracts to the chosen supplier depending on the cost, the implementation timelines and the service level agreements for each system.

2.3.3 If there is a need to re-procure one of the systems and extend the other, then having

two separate contracts for each system will allow the Council to do so with ease.

2.4 Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?

2.4.1 Yes, this is subject to the thresholds for goods and services which are currently £184k contract value, however, not to the light touch regime. The use of the CCS G-Cloud 11 framework satisfies this requirement as it has been compliantly pre-procured.

2.5 Recommended procurement procedure and reasons for the recommendation

2.5.1 Conduct the procurement of a replacement CRM and ITSM system in advance of the upcoming termination of the Agilisys Digital and Hornbill SupportWorks contracts.

2.5.2 This can be achieved more quickly by the use of an appropriate Framework arrangement. It is proposed that the most cost-effective and efficient approach is to procure a new system via the G-Cloud 11 CCS Framework, with a view to awarding a contract by June 2020.

2.5.3 The recommendation is to undertake a joint procurement exercise via the CCS G-Cloud 11 Framework (RM1557.11) for the advantages outlined in section 3.2.1 of this report, and with the intention of going to market for two systems in one procurement. The suppliers identified will be shortlisted and evaluated based on the services they can offer, and the pricing they've advertised on G-Cloud.

2.5.4 The table below summarises the expected procurement timescales:

Procurement Board Sub-Group Meeting	Mon 2 nd March 2020
Procurement Board Meeting	Mon 16 th March 2020
Portfolio Holder Meeting	Tue 17 th March 2020
Corporate Strategy Group Meeting	Thu 19 th March 2020
Cabinet Meeting	Tues 21 st April 2020
Approach and evaluate shortlisted suppliers	Fri 24 th April 2020
Complete supplier evaluation	Fri 22 nd May 2020
Approval and award of contract	Fri 29 th May 2020
Start of project implementation	June 2020

2.5.5 If during the procurement it is discovered that a joint procurement is not to the Council's advantage, then LBBDD will be required to undertake individual procurements for a CRM system and an ITSM system (see section 3.3).

2.6 The contract delivery methodology and documentation to be adopted

2.6.1 CRM system to be developed by a combination of the supplier's implementation consultants and in-house resources via LBBDD's Continuous Improvement Team. ITSM is considered to be a more out of the box solution, therefore it will be

developed predominantly by the supplier's implementation consultants. The entirety of the project will be managed by Elevate / IT with input from IT SME's as and when required.

2.6.2 The internal development, project management and IT resource costs have not been factored into this paper. Nor have the ongoing internal resource support costs.

2.6.3 The project plan and the implementation model will be developed with the chosen supplier prior to contract signoff. As there is greater need to replace the current CRM system the project may be delivered incrementally (i.e. CRM first followed by ITSM).

2.6.4 At the end of the 2-year contract period, LBBB will be required to make provisions to continue with the contracted supplier for another 12-months, or undergo a re-procurement exercise within the 2-year period to ensure a new system is in place before the contract terminates.

2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract

2.7.1 The current software does not facilitate certain functions and there are more capable solutions available that will add value such as:

- Automated workflow processes built directly into the system that reduces the need for manual agent intervention.
- Simple Open Application Programming Interface (API) to integrate with other Council systems.
- Configuration of the replacement system without the need for coding or specialised knowledge, meaning that the system can be more readily kept in an up-to-date state and managed easier to improve the quality of daily use for both the end user (staff and customers) and agents.

2.8 Criteria against which the tenderers are to be selected and contract is to be awarded

2.8.1 The G-Cloud 11 CCS framework; Lot 2 covers the provision of Software as a Service (SaaS) applications hosted in the cloud.

2.8.2 The framework does not have a price/quality criterion split. However, the buying process comprises of the following six steps to ensure that a compliant process is adhered to:

- Prepare – establish high-level requirements/service outputs and timescales
- Search and longlist – identify and search for potential suppliers using keywords
- Longlist to shortlist – apply filters to refine the list of suppliers to evaluate
- Evaluation and selection – based on terms and conditions, pricing documents and per the requirements outlined in Appendix 1
- Award contract – based on whole life cost, technical merit, functional fit, after-sales service management and non-functional characteristics
- Benefits – complete a customer benefit record as per G-Cloud Framework guidelines

2.9 How the procurement will address and implement the Council's Social Value policies

2.9.1 Not applicable.

3 Options Appraisal

3.1 Option 1 – Do nothing (Rejected)

3.1.1 This is not a feasible option as it means that LBBD accepts that there will be no CRM system in place post March 2021, or IT Service Management system in place post December 2020. Furthermore, Agilisys are no longer developing their Agilisys Digital and MyAccount product and are also looking to move off their Hornbill SupportWorks system. Therefore, there is a risk that Agilisys may not grant any contract extensions past the current termination dates, or they will charge a substantial fee to provide on-going support for legacy systems. This however goes against the Council's Contract Rules.

3.1.2 Additional disadvantages are as follows:

- The current issues, user dissatisfaction, value for money and technical issues with the system will continue.
- There will be no change or improvement to the existing systems, or the way users are working.
- Systems integration will be difficult to achieve in the future, specifically if the system is not fit-for-purpose.

3.2 Option 2 – Joint procurement (Recommended)

3.2.1 Purchase a CRM and ITSM system under the same contract with the same supplier.

Joint Procurement	
Advantages	Disadvantages
<ul style="list-style-type: none">• Potentially a reduced implementation and on-going support cost.• A single procurement for 2 systems will mean a reduction in overall procurement time and costs, which will result in increased efficiencies and better contract value.• Sharing of skills and knowledge in supporting and developing both systems in-house.	<ul style="list-style-type: none">• We could be at risk of having a supplier that does not fully meet all of the individual CRM or ITSM requirements.• There is an overall reduced market selection available due to limited suppliers being able to deliver both a CRM and ITSM solution.• The supplier may not have the capacity to deliver the CRM and ITSM in our timeframe.

3.3 Option 3 – Individual procurements (Viable but Less-Preferred)

3.3.1 Purchase a CRM and ITSM system under two different contracts with different suppliers.

Individual Procurements	
Advantages	Disadvantages
<ul style="list-style-type: none"> Suppliers will be evaluated purely on the basis of whether or not they meet the individual CRM and ITSM requirements. Individual procurement of CRM and ITSM means that both projects can be delivered in parallel. 	<ul style="list-style-type: none"> Two separate procurements will need to be undertaken, which means that a solution may not be delivered within the required time. A costly option, in that suppliers will need to be approached and evaluated separately therefore effort may be duplicated.

3.3.2 The tables below highlight the estimate system costs for individual procurements:

Individual costs for CRM

Contract Length	Supplier 1	Supplier 2	Supplier 3	Supplier 4
2 Years	£167,600	£160,880	£424,460	£302,760
2 Years + 1 Year	£233,900	£226,820	£486,690	£424,140
2 Years + 1 Year + 1 Year	£300,200	£292,760	£548,920	£545,520

Individual costs for ITSM

Contract Length	Supplier 1	Supplier 2	Supplier 3	Supplier 4
2 Years	£120,380	£168,729	£147,800	£275,252
2 Years + 1 Year	£170,570	£233,100	£204,200	£382,878
2 Years + 1 Year + 1 Year	£220,760	£294,300	£260,600	£490,504

4 Waiver

4.1 Not applicable.

5 Consultation

5.1 Consultation for this tender exercise has taken place through circulation of this Cabinet Report to all required consultees as listed. The team also consulted with Customer Services, the Liquidlogic Systems Team, Elevate IT, the Information Governance Manager and the Council's Client Team.

5.2 It was then put forward and approved by the Corporate Procurement Board on 16 March 2020.

6 Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

6.1 The Councils Contract rules require all contract spend over £50k to be tendered, however this requirement can be fulfilled by the use of a pre-procured open framework.

6.2 The route to market being proposed is the Crown Commercial Services G-Cloud 11

framework, this would comply with the Councils Contract Rules and current legislation. Due to the timescales this route offers speed and flexibility to achieve the required outcomes.

- 6.3 The aggregation of the services should yield some economies of scale and reduce the cost to procure if the services were procured independently.

7 Financial Implications

Implications completed by: Sandra Pillinger, Group Accountant

- 7.1 The proposal is to undertake a joint procurement for a replacement CRM and ITSM system at a cost of £713,285 over a 2-year +1 year +1 year contract term. The estimated contract costs are £153,540 in revenue for each of the 4 years plus £99,125k capital implementation costs. These costs do not include internal development, project management and IT resource costs or ongoing costs.
- 7.2 The procurement will be funded from the core infrastructure fund, the funding for which was agreed by Cabinet in February 2018.

8 Legal Implications

Implications completed by: Graham Marlow, Contracts and Procurement Solicitor.

- 8.1 This report seeks approval to proceed with the procurement of a replacement Customer Relationship Management and IT Service Management System for 2 years by Direct award via the G-Cloud framework, with the option to extend the contract for up to two further periods of 1 year each.
- 8.2 A procurement of this nature and value is subject to the requirements for a full competitive tender exercise in accordance with the Public Contracts Regulations 2015 ("the Regulations") and LBBDD's contract rules, as contained within its constitution.
- 8.3 Procuring the services via an established, compliant framework agreement meets the requirements of the Regulations and LBBDD's contract rules, provided that the proposed framework agreement permits LBBDD to procure via that framework agreement.
- 8.4 The framework proposed in this report does permit LBBDD to procure via it, as it specifically permits all UK public sector bodies to procure services using the framework.
- 8.5 Therefore, if Cabinet agrees with the recommendations set out in this report, then the proposed procurement route is legally compliant.

9 Other Implications

9.1 Risk and Risk Management

Risk Description	Mitigating Actions	RAG Status
Any costs included in this report are estimate only and are likely to increase.	Costs will need to be finalised with the supplier upon contract award, and resource costs will need to be ratified.	A
A joint procurement may not be feasible as the new system may not meet all of the Business' requirements for either CRM or ITSM.	LBBD may be required to fallback to an individual procurement for CRM and ITSM.	A
Not meeting approval deadlines.	LBBD and Elevate will chase the relevant individuals to ensure they have been briefed and are aware of the procurement timelines.	A
Supplier is not able to deliver on the joint procurement and implementation.	LBBD will need to make a decision on whether to opt for an alternative supplier or whether to conduct individual procurements.	A

9.2 **TUPE, other staffing and trade union implications:** Not applicable – there is a parallel transformational programme which includes the Elevate PMO and IT moving back to the Council in July 2020. Therefore, the Elevate staff will sit under the Council once the project begins.

9.3 **Corporate Policy and Equality Impact -** The new system will enable LBBD to achieve and see a more holistic view of the customer and any interactions made with them by retrieving information from various systems using Open API (integrations).

This will then prompt better interaction with the customer as the services they've requested in the past, the resolutions and correspondence will be visible to the agent.

9.4 **Safeguarding Adults and Children:** Any procured system will be fully GDPR compliant. Calls are received from Social Care Services with many having sensitive information within their email or needing to be accessed on their devices by IT Support. Ensuring this data is protected and not exposed in any way is critical. IT agents will not be able to view these calls apart from those agents with privileged access in the ITSM system.

The Contact Centre receive calls or emails from the public containing sensitive information. Ensuring this data is protected in the CRM system and not exposed in any way is critical.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

Appendix 1 – “Current System Issues”