

Cabinet (Resources) Panel

18 January 2023

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| Report title | Procurement – Award of Contracts for Works, Goods and Services | |
| Decision designation | AMBER | |
| Cabinet member with lead responsibility | Councillor Obaida Ahmed Resources and Digital City | |
| Key decision | Yes | |
| In forward plan | Yes | |
| Wards affected | All Wards | |
| Accountable Director | Claire Nye, Director of Finance | |
| Originating service | Procurement | |
| Accountable employee | John Thompson | Head of Procurement |
| | Tel | 01902 554503 |
| | Email | John.Thompson@wolverhampton.gov.uk |
| Report to be/has been considered by | Directorate Leadership Teams | |

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Delegate authority to the Cabinet Member for Resources and Digital City, in consultation with the Director of Strategy, to approve the award of a contract for an Omnichannel Solution when the evaluation process is complete.
2. Delegate authority to the Cabinet Member for Governance and Equalities, in consultation with the Chief Operating Officer, to approve the award of a contract for a Commercial Strategic Partner – Legal Services when the evaluation process is complete.
3. Delegate authority to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of City Housing and Environment, to approve the award of a contract for Supply, Installation and Maintenance of Intelligent Transport Systems when the evaluation process is complete.

1.0 Councillor Obaida Ahmed, Cabinet Member for Resources and Digital City
1.1 Delegated Authority to Award a Contract – Omnichannel Solution

| Ref no: | CWC22183 |
|----------------------------------|---|
| Council Plan aim | Driven by Digital |
| Originating service | Customer Engagement & Registration Services |
| Accountable officer | Lamour Gayle, Head of Customer Engagement & Registration Services (01902) 555536 |
| Leadership Team approval | 11 August 2022 |
| Accountable Lead Cabinet Member | Cllr Obaida Ahmed, Cabinet Member for Resources and Digital City (01902) 551218 |
| Date Lead Cabinet Member briefed | 11 November 2022 |
| Procurement advisor | Barry Greenwood – Procurement Manager |

1.2 Background

- 1.3 The current Contact Centre solution is a voice only channel and has regular performance failures resulting in challenges to delivering a good customer experience. Customer Services also receive customer contact via email and webform (c108,000 per year) which are manually managed with no easily reportable demand data and no visibility of performance information. Furthermore, these requests have to be replicated into our various Customer Relationship Management (CRM) solutions for auditing purposes and in majority of cases, for onward transmission to service teams for action and resolution.
- 1.4 There are a number of contact centres outside of Customer Services, operating across City of Wolverhampton Council (CWC), including HR, the Hub, Revenues & Benefits, Wolverhampton Homes and West Midlands Pension Fund. All of which utilise different CRM solutions and manage email traffic in different ways.
- 1.5 The draft Customer Service Strategy, which is currently under consultation, aims to provide a 'Positive Customer Experience' which is accessible, consistent, efficient, and simple. Therefore, there is a need to build seamless customer journeys, using digital technology and data which will require further digital transformation.

| Proposed Contract Award | |
|--------------------------------|-----------------------|
| Contract duration | Seven years (3+2+1+1) |
| Contract Commencement date | 1 May 2023 |
| Annual value | £270,000 |
| Total value | £1,970,000 |

1.6 Procurement Process

- 1.7 The intended procurement procedure will be a framework further competition utilising a government framework in accordance with Public Contract Regulations 2015. This route to market has been decided following the results of the Preliminary Market Test evidencing that the framework route offers the most flexibility on solutions and integrations alongside a robust set of ICT terms and conditions.
- 1.8 The evaluation scoring balance will be 40% price and 60% quality. Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.
- 1.9 The evaluation team will comprise:

| Name | Job Title | Organisation |
|-----------------|---|----------------------------|
| Lamour Gayle | Head of Customer Engagement and Registration Services | CWC |
| Laura Teale | Service Development Manager, Customer Services | CWC |
| Lisa Powell | Contact Centre Manager, Customer Services | CWC |
| Rebecca Clarke | Head of Customer Experience | Wolverhampton Homes |
| Belinda Mulloy | Customer Experience Manager | Wolverhampton Homes |
| Tracey Richards | Head of Revenue & Benefits | CWC |
| Amy Carey-Jones | Customer Service Manager | West Midlands Pension Fund |
| Mike Allen | Digital Solutions & Development Manager, Digital & IT | CWC |
| Phil Neath | Domain Architect (Voice & Network), Digital & IT | CWC |
| Rashmi Patel | Business Analyst, Digital & IT | CWC |

1.10 Evaluation of alternative options

- 1.11 CWC are looking to upgrade the current contact centre telephony solution and as part of this process, making the handling of all customer contact more efficient and consistent therefore the option to do nothing was discounted.
- 1.12 As our customers currently utilise different contact channels, CWC must continue to facilitate this but also open further options to improve the customer experience. As such, solutions which include having separate systems to manage calls, emails, chat, and social media messaging, have been considered but these would require multiple system implementations alongside complex integrations which is both risky and costly. Furthermore, separate solutions would not offer any support for both resource and demand management of overall customer contact which will help deliver efficiencies in the future.
- 1.13 Consideration was given to a Digital Marketplace call-off however as the final solution needs to be able to integrate with multiple CRM solutions, it was felt that this framework would be too restrictive and may not meet our complex requirements.

1.14 Reason for decisions

- 1.15 The customer experience provided by CWC to our residents, businesses, and visitors, must be as efficient and effective as possible. The solution must embrace the needs of our customers by expanding contact channels whilst also providing a consistent approach to the management and resolution of enquiries across all CWC services.

1.16 Financial Implications

- 1.17 The estimated capital expenditure of £80,000 will be met within existing Digital & IT capital programme,
- 1.18 The annual revenue expenditure of £270,000 will be met by the Digital & IT revenue budget. Based on the licencing model, costs associated to Wolverhampton Homes and West Midlands Pensions Fund will be recharged via the Digital & IT Service Level Agreement. The remaining revenue impact is estimated to be in the region of £200,000. This cost pressure will be built into the 2023-2024 Budget and Medium Term Financial Strategy 2023-2024 to 2025-2026 which will be presented to Full Council on 1 March 2023 for approval.

1.19 Legal implications

- 1.20 The procurement will be a further competition using a Framework in accordance with the Public Contract Regulations 2015 and CWC's Contract Procedure Rules.

1.21 Equalities implications

1.22 A full Equalities Impact Assessment will be completed once the vendor has been identified however, the solution will affect how customers engage with CWC and therefore will provide support for non-English speaking customers along with those affected by hearing and visual impairments. The project will increase available contact channels whilst improving existing ones and therefore any digitally excluded or vulnerable customers will retain access to all affected services.

1.23 All other implications

1.24 There are no other implications arising from the recommendations of this report.

1.25 Recommendation

1.26 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for Resources and Digital City, in consultation with the Director of Strategy, to approve the award of a contract for an Omnichannel Solution when the evaluation process is complete.

2.0 Councillor Paula Brookfield, Cabinet Member for Governance and Equalities

2.1 Delegated Authority to Award a Contract – Commercial Strategic Partner – Legal Services

| Ref no: | CWC22166 |
|----------------------------------|--|
| Council Plan aim | Thriving economy in all parts of the city |
| Originating service | Legal Services |
| Accountable officer | Tracey Christie – Head of Legal Services (01902) 554925 |
| Leadership Team approval | 12 January 2023 |
| Accountable Lead Cabinet Member | Cllr Paula Brookfield – Cabinet Member for Governance and Equalities (01902) 551217 |
| Date Lead Cabinet Member briefed | 12 December 2022 |
| Procurement advisor | Carol Wintle – Procurement Business Partner (01902) 553836 |

2.2 Background

2.3 Legal Services are looking to enter into a contract with an external partner to work with us on matters we require external assistance with. We currently use a number of different external legal advisors. This can be rather ad-hoc and piecemeal and does not give us the negotiating ability in terms of fees charged and added value to the instructions.

2.4 In order to reduce our external legal spend and grow and develop our team, we have identified that by creating a partnership we will have the opportunity to streamline the number of different external legal advisors we currently use and ensure a more focused approach which will give us the ability to negotiate competitive fees and to add value in terms of training and the development of our team.

| Proposed Contract Award | |
|----------------------------|-----------------|
| Contract duration | Two years (1+1) |
| Contract Commencement date | 1 April 2023 |
| Annual value | £340,000 |
| Total value | £680,000 |

2.5 Procurement Process

2.6 The intended procurement procedure will be a mini competition using the EM Lawshare Framework. The framework has been established in accordance with Public Contract Regulations 2015. This route to market has been decided because benchmarking has been carried out and the EM Lawshare Framework offers best value for money on previously tendered rates.

2.7 The evaluation scoring balance will be 30% price and 70% quality. Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.

2.8 The evaluation team will comprise:

| Name | Job Title |
|------------------|------------------------|
| Tracey Christie | Head of Legal Services |
| Jessica Adeniran | Lead Lawyer |
| Shamsher Zada | Lead Lawyer |

2.9 Evaluation of alternative options

2.10 The alternative option would be to continue as we are which is to continue to use different external legal advisors for work that is outsourced. This has been discounted because it will result in duplication and repetition, without the ability to obtain favourable rates and any added value to the instructions such as training for our team.

2.11 Reason for decision

2.12 We aim to reduce Legal Services external legal spend and grow and develop our Legal Services team.

2.13 Financial Implications

2.14 The estimated £340,000 annual contract cost will be funded from the £564,000 budget set aside in Legal Services for a wide range of external legal costs. It is anticipated that spend on external legal fees will reduce through the partnership arrangement. This will be kept under review over time with the intention of reducing the central legal costs budget.

2.15 Legal implications

2.16 The procurement will be a further competition using a Framework in accordance with the Public Contract Regulations 2015 and the Contract Procedure Rules.

2.17 Equalities implications

2.18 There are no direct equalities implications. However, tenderers are required to provide details of their Equality, Diversity and Inclusion (ED&I) programme including:

- Apprenticeships;
- Tackling under-representation; and
- Removing discrimination based on Race, Religion and Belief, Sexual Orientation, Disability and Age and Gender Maternity and Paternity.

2.19 All other implications

2.20 In addition, the supplier is to provide an overview of how they would contribute to CWC's Our City: Our Plan including:

- More local people into good jobs and training.

2.21 Recommendation

2.22 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for Governance and Equalities, in consultation with the Chief Operating Officer to approve the award of a contract for a Commercial Strategic Partner – Legal Services when the evaluation process is complete.

3.0 Councillor Steve Evans, Cabinet Member for City Environment and Climate Change

3.1 Delegated Authority to Award a Contract - Supply, Install and Maintain Intelligent Transport Systems

| Ref no: | CWC22088 |
|----------------------------------|--|
| Council Plan aim | Our Digital |
| Originating service | City Environment |
| Accountable officer | John Charles, Team Leader, UTC (Urban Traffic Control) (01902) 555752 |
| Leadership Team approval | 6 December 2022 |
| Accountable Lead Cabinet Member | Cllr Steve Evans, Cabinet Member for City Environment and Climate Change (01902) 861498 |
| Date Lead Cabinet Member briefed | 9 December 2022 |
| Procurement advisor | Sean Hynes, Procurement Manager (01902) 554950 |

3.2 Background

- 3.3 CWC has been the lead authority for providing Urban Traffic Control (UTC) services across the Black Country for many years. The provision of these services is covered by Service Level Agreements (SLA's) with Walsall Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council and West Midlands Metro, which outline the responsibility for the procurement and management of associated contracts.
- 3.4 Historically, contracts have been procured singularly for each aspect of the service i.e., Traffic Signal Maintenance, Closed Circuit Television (CCTV), Variable Message Signs (VMS) etc.
- 3.5 Whilst this approach has worked well, it has become increasingly more resource intensive to manage on an individual basis coupled with the advent of new technologies and communications it is now considered more efficient to harmonise the individual contracts into a single contract. It is expected that this approach will achieve greater scales of economy, enabling the service to be delivered more efficiently.

- 3.6 The new contract is now being procured to deliver the continued maintenance operation for Intelligent Transport Systems and associated equipment across the Black Country's highway network. Additionally, within the contract, provision has been included to allow for the expansion of these systems and associated equipment in support of future projects and network improvements. This additional work is only indicative and not guaranteed as the capital investment required will be subject to securing future capital allocations or submitting successful capital bids. Any new works will be subject to the relevant authority securing the necessary capital funding to support the investment.

| Proposed Contract Award | |
|--------------------------------|-------------------|
| Contract duration | Seven years (5+2) |
| Contract Commencement date | 1 April 2023 |
| Annual value | £4.925 million |
| Total value | £34.475 million |

3.7 Procurement Process

- 3.8 The intended procurement procedure will be the open tender procedure in accordance with Public Contract Regulations 2015.
- 3.9 This route to market has been decided because it is important to test the market to deliver this broad service and achieve value for money and support the Wolverhampton Pound by giving local companies the opportunity to bid for the work.
- 3.10 The evaluation scoring balance will be 55% price and 45% quality including social value. Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.
- 3.11 The evaluation team will comprise:

| Name | Job Title |
|------------------|--------------------|
| John Charles | Team Leader, UTC |
| Mark Etherington | Principal Engineer |
| Andrew Evans | Senior Engineer |

3.12 Evaluation of alternative options

- 3.13 Do nothing would mean that the existing contract would expire on 31 March 2023 and the on-street equipment and associated systems would no longer have any maintenance

arrangements in place. This would significantly increase the maintenance costs associated as repairs become ad-hoc and additionally CWC's Statutory Network Management Duty would not be fulfilled. CWC would be in breach of several SLAs and significant reputational damage and risk to CWC would occur.

3.14 The use of frameworks may not provide a suitably professional and competent provider to complete the contract and limit the opportunity of supporting the Wolverhampton Pound strategy.

3.15 There is no "in-house" option to deliver the service in part, the maintenance service, as the Council does not have the expertise or resource.

3.16 Reason for decisions

3.17 Carrying out a compliant open tender process is the best way to test the market and fully and ensure a suitably professional and competent provider can fulfil the requirements of CWC and the other Black Country authorities reliant on this contract.

3.18 Financial Implications

3.19 The £4.9 million estimated annual value of the contract includes both revenue and capital expenditure. Revenue budgets are currently split between budgets held by Wolverhampton on behalf of the region of £568,000 and contracts placed directly from other authorities. This contract will bring all of these budgets together as a region in the future. Capital is subject to approval as part of the Transport capital programmes and the work would not take place if not approved.

3.20 The regional agreement currently exists until 2027. The contract will extend beyond this date.

3.21 The estimated annual required revenue budget for CWC is £471,000 which is within the budgets currently held in Operational Maintenance and Equipment.

3.22 Legal implications

3.23 The procurement will be an above threshold open procedure in accordance with the Public Contract Regulations 2015 and CWC's Contract Procedure Rules.

3.24 Equalities implications

3.25 A review of the relevant policies will be undertaken as part of the procurement process to ensure compliance with legislation and best practice. Specifically, the review will also take account of any Equality Diversity and Inclusion (EDI) implications and due regard of the Equality Act 2010 – public sector duty.

3.26 Furthermore, through the development of a social value plan the following areas will be considered and demonstrated throughout the life of the contract:

- Consideration of Apprenticeships and links to agencies that support employment opportunities for young people.
- Training and Development as an inclusive employer.
- Maintaining a diverse workforce whilst encouraging other organisations to practice public service ethos on equalities.
- Corporate Social Responsibility – how they give back to communities – Wolverhampton Pound
- Linking to addressing CWC plan priorities – How are they going to demonstrate that they are going to meet CWC's objectives

3.27 All other implications

3.28 There are no other implications associated with this report.

3.29 Recommendation

3.30 Cabinet (Resources) Panel is recommended to delegate authority to the Cabinet Member for City Environment and Climate Change, in consultation with the Director of City Housing and Environment, to approve the award of a contract for Supply, Installation and Maintenance of Intelligent Transport Systems when the evaluation process is complete.

4.0 Financial implications

4.1 All financial implications are included within the relevant section of the report.
[RP/06012023/Q]

5.0 Legal implications

5.1 All legal implications are included within the relevant section of the report.
[SZ/08122022/P]

6.0 Equalities implications

6.1 The relevance to equalities and progress in terms of equality analysis will vary for each proposal included in this report. Accountable officers have and will ensure that evidence is collected and used to demonstrate compliance with CWC's legal obligations under the Equality Act 2010.

7.0 All other implications

7.1 All other implications are included within the relevant section of the report.

8.0 Schedule of background papers

8.1 All background papers are included within the relevant section of the report.