

	<p style="text-align: center;">ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER</p> <p style="text-align: center;">06 December 2016</p>
<p style="text-align: right;">Title</p>	<p>Supply of a Commercial Collections Customer Management System</p>
<p style="text-align: right;">Report of</p>	<p>Interim Street Scene Director</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>None</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Mark Maciver – Collections Services and Innovations Manager. Email: mark.maciver@barnet.gov.uk Tel: 020 8359 4074</p>

Summary
<p>Authorisation to enter into a procurement process for a commercial collections customer management system as the current system is not fit for purpose and does not meet the requirements of the future business need.</p>

Decisions
<p>1. Authorisation to proceed with quotation for the provision of a commercial customer manager system in accordance with Contract Procedure Rules, Appendix 1 Table A.</p>

1. WHY THIS REPORT IS NEEDED

- 1.1 The Commercial Waste team within Street Scene has been using a Microsoft Access database since circa 2002 to manage its customer data. Currently it holds approximately 2,400 active customers but has a significant amount of historic data. While the database may have been fit for purpose when it was originally developed, it no longer meets the current needs of the business due to the following reasons.

LBB ICT Services do not support the software and any issues, improvements or upgrades

The current system does not include integration between round sheets and the Integra finance system, requiring the update of three customer data points for each change. Work is being undertaken to reconcile across data points and improve the poor data quality this a very time consuming manual task.

The business is forecast to increase its customer numbers from 2,400 to approx. 5,000 over the next 4 years as well as offer fortnightly and weekly waste collections. In addition, a new recycling offer will include 3 different materials and associated collections. The current customer database is unable to provide this without significant upgrade.

- 1.2 In March 2016 the Environment Committee agreed that the Commercial Waste service would deliver a range of improvements (the Transformation Project) including the offer of recycling and increase the number of customers.
- 1.3 During July and August 2016 a range of process mapping workshops were held. This led to the development of a 'to be' process incorporating a range of innovative Information and Communication Technology (ICT) solutions in order to meet the needs of customers and generate market share as specified within the Transformation Project. During this period a range of external suppliers were reviewed and it became apparent that the vision being developed as part of the process mapping work was not only realistic but also achievable reasonably quickly.
- 1.4 The Alternative Delivery Model (ADM) submission for Commercial Collections built on this vision and further defined what the system should be able to do. It is further felt that the Commercial Collections Customer Management System replacement was an urgent business need to meet the requirements of the Transformation Project and could not wait to be included within the wider Street Scene ICT implementation, currently assumed to be 2019-20.

2. REASONS FOR DECISIONS

- 2.1** The current system does not meet the needs of the current or future business requirements.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 3.1** Other options which have been discounted are as follows:

Upgrade the current system

The current system would require a significant amount of work to enable it to meet the requirements and it is also not supported by the council's IT department. A dedicated ICT developer would be required to project manage the development which would result in high costs. The resulting product would unlikely be any better than the 'off the shelf' products and the desired product flexibility and reduced risk and support elements may not be as good. Therefore this option was discounted.

Procure a basic system for 3 years and tie the future service operating model into the wider Street Scene ICT vision from 2019-20

The work required to transfer the customer data and processes to a new system is extensive and ideally this work should only be undertaken once. While basic systems are available, on review these do not deliver much more capability than the current system. Work can be undertaken to achieve the integration with Integra and the other systems yet these would be at additional cost. The amount of work required to have a half-way house results in this option being discounted.

Use the Munidata Trade module until 2019-20

In 2013 a Munidata Trade module was procured for £1,500. It is unclear why the Access database was not upgraded to this system at that time as there are some clear benefits. The system would have enabled seamless creation of contracts and Duty of Care notices as well as integration with the round data. Further it would have easily supported integration (at an additional cost) with the finance system.

4. POST DECISION IMPLEMENTATION

4.1 A tender exercise will be undertaken and bidders will be evaluated under the council's procurement rules.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 Having access to appropriate, cost effective and fit for purpose system, the Commercial Collections Services can support the delivery unit to ensure they meet the Council's Strategic Objective, namely "Where service are delivered efficiently to get value for money for the taxpayer".

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 Early market review established that a broad range of costs were possible, however on review the following costs would seem appropriate to use as a guide for budgetary purposes. Prices come in 3 categories as follows:

One-off

Up-front costs from a supplier	£38,000
Project implementation costs (Street Scene)	<u>£20,000</u>
	£58,000

Revenue

Annual Cost from year 1	£11,500
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5.2.2 The project implementation cost assumes that 50 days work charged at £400 per day is required. The following work will be undertaken:

- Manage the ICT supplier and provide advice, guidance and support
- Document and agree all process work flows
- Ensure work flows are built into the software
- Ensure all relevant data is cleansed and fit for purpose
- Undertake user testing

5.2.3 As no capital funding is available for this work, the one off and revenue costs will need to be found from the revenue budget. The additional income is to be generated from increased sales.

5.2.4 During November 2016, work has been undertaken to match the data between the three systems, partly in anticipation of this proposal but also to identify those customers who are receiving a collection without any payment being made. Due to the poor data it is difficult to quantify the value of lost income but it has been estimated to be in the region of £40,000 per year. While work is now being undertaken to rectify these non-payment issues, it clearly demonstrates the challenges of using the current data management systems.

5.2.5 During 2016-17 income is forecast to be £2.6m, to increase to £2.9m in 2017-18, £3.0m in 2018-19 and £3.5m in 2019-20. The system will enable and support this increased income generation as well as provide an enhanced customer service.

5.3 Legal and Constitutional References

5.3.1 This procurement undertaken is in accordance with the Contract Procedure Rules Appendix 1 Table A.

5.4 Risk Management

5.4.1 The current system is not supported and there is a high risk of data loss and procuring a new system would allow us to put in support measures as part of the procurement.

5.5 Equalities and Diversity

5.5.1 The 2010 Equality Act outlines the provisions of the Public Sector Equality duty which requires public authorities to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it

5.5.2 There are no equalities and diversity issues that have been identified.

5.6 Consultation and Engagement

5.6.1 Officers did not consider that there was any need to consult on this issue.

6 BACKGROUND PAPERS

6.1 None

7. DECISION TAKER'S STATEMENT

- 7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

8. OFFICER'S DECISION

I authorise the following action

- 8.1 To authorise proceeding with a quotation for the provision of a commercial customer manager system based on the supply of two quotations.in accordance with Contract Procedure Rules, Appendix 1 Table A.

Signed Interim Street Scene Director

Date 06 December 2016