

	<p>OFFICER CHAIRMAN DELEGATED POWERS REPORT</p>
<p>Title</p>	<p>Authorisation of a direct award contract to CM2000 for the supply of Electronic Call Monitoring and Finance Manager Software</p>
<p>Report of</p>	<p>Executive Director, Adults and Health</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Enclosures</p>	<p>None</p>
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Summary

This report seeks authorisation to award a contract directly to a provider, CM2000 via a single tender action, for the supply of both Electronic Call Monitoring and Finance Manager software. This software supports effective contract monitoring and administration of providers delivering Home and Community Support and Supported Living services to residents of Barnet.

Council officers employ CM2000's Electronic Call Monitoring software to match commissioned care hours to the actual hours of care delivered, whilst Finance Manager software supports accurate provider and service user invoicing and billing across multiple council service areas.

Both aforementioned CM2000 software are embedded into the council's service delivery processes and systems currently, and this direct contract award is essential to avoid service disruption and ensure continuity of care.

The council's current contract with CM2000 for Electronic Call Monitoring will terminate on the 31st July 2020. The council plans to decommission the existing invoicing and billing system on the 31st March 2020, necessitating the commissioning of an appropriate replacement.

The council currently uses its own in-house bespoke finance management software, which is now obsolete and no longer receives technical support, hence the requirement for an alternative.

The recommended option is to commission CM2000 Finance Manager as a combined package with Electronic Call Monitoring software, and propose a unified approach to contract award for both software elements as it negates the requirement for multiple council contracts with the same provider. This is beneficial for administrative, financial and contract monitoring reasons.

The proposed contract duration with CM2000 for Electronic Call Monitoring is 6 years, with break clauses at the end of years 3, 4 and 5 subject to satisfactory performance. This is in alignment with the duration of the Home and Community Services Approved Provider List contract, which is linked inextricably to CM2000's Electronic Call Monitoring software, being that the council currently mandates service providers to install this software element.

The projected base cost to the Council for both software elements is £108,810.00 per annum and £700,339.50 over the 6-year contract duration. This contract value is within the budget approved within the 2020/21 Annual Forward Procurement Plan on the 6th January 2020 by the Policy and Resources committee.

This decision is required in order to secure formal authorisation to award a new contract directly via single tender action to CM2000, in line with the council's contract procedure rules.

Decisions

- 1. To authorise the direct award of a contract to CM2000 for the supply of Electronic Call Monitoring and Finance Manager software for a 6-year duration with break clauses at the end of years 3, 4 and 5, subject to satisfactory performance.**

1. WHY THIS REPORT IS NEEDED

- 1.1 This report seeks authorisation to award a contract directly via single tender action to CM2000 for the supply of Electronic Call Monitoring and Finance Manager Software. ECM software facilitates the monitoring of effective Home and Community Support Services delivery by council officers, whilst FM software supports provider and service user invoicing and billing across multiple council service areas.
- 1.2 According to Section 6.1 of the council's contract procedure rules, direct contract award via single tender action is permitted in exceptional circumstances, for example, where the works, supplies and services can be supplied by a particular provider, as detailed within this report.
- 1.3 The authorisation and acceptance thresholds detailed within Table B, Article 10 – Decision making of Barnet council's constitution stipulate that authorisation to commence a procurement process for contracts with a procurement value above £500,000 must be obtained via the Relevant Theme Committee decision or approval as part of the Annual Procurement Forward Plan.

- 1.4 Furthermore, the acceptance documentation if within budget requires a full Chief Officer in consultation with Theme Committee Chairman Delegated Powers Report (DPR).

2. REASONS FOR DECISIONS

- 2.1 CM2000 is the long-standing and incumbent provider of Electronic Call Monitoring to the council for the successful delivery of the Home and Community Services contract, through which appropriate support is provided to eligible adults and children across Barnet.
- 2.2 The council mandates that providers of Home and Community Services install CM2000 Electronic Call Monitoring software (Call Confirm Live!) as a core requirement, thus making it vital to the successful delivery of the Home and Community Service contract, which is currently being re-procured by the Adults Joint Commissioning Unit in partnership with the Care Quality Team.
- 2.3 The use of CM2000 Electronic Call Monitoring software is embedded into the council's finance and care records systems, with critical interconnectedness and multiple interfaces that cannot be replicated by an alternative provider without a wholesale overhaul of council systems and processes.
- 2.4 There is currently a Chief Officer Decision in place authorising payments to CM2000 for the supply of Electronic Call Monitoring until the 31st July 2020. This is coterminous with the existing Home and Community Service Framework, which terminates on the same date.
- 2.5 The bespoke billing and invoicing procedure currently utilised by council officers is accessed via the Swift server, which is being decommissioned on the 31st of March 2020 as part of a wider transformation programme. Therefore, there is a requirement to commission an alternative billing and invoicing support software that will seamlessly integrate with the councils systems and avoid service disruption.
- 2.6 Following an options appraisal, financial modelling and market testing, which included demonstrations of alternative software from alternative prospective providers, the recommended approach is to commission Finance Manager Software from CM2000 to ensure compatibility with CM2000's Electronic Call Monitoring software, as well as integration with council processes and systems.
- 2.7 CM2000 Electronic Call Monitoring and Finance Manager Software will be employed by multiple council service areas; therefore, a joint contract for both software elements is beneficial as it negates the requirement for multiple contracts with the same provider.
- 2.8 The council has previously mandated the installation of CM2000 by providers on the Home and Community service framework. Incumbent providers have

already installed and operated CM2000 Electronic Call Monitoring at significant expense.

- 2.9 A new Approved Provider List will replace the existing framework from the 1st August 2020; however, the expectation is that a significant number of incumbent providers on the current framework who have installed CM2000 Electronic Call Monitoring Software will be successful in their bid to join the new Approved Provider list. Furthermore, all new providers joining the Approved Provider list will be required to install the software.
- 2.10 Council officers from the Brokerage, Care Quality and Customer Finance teams also use CM2000 Finance Manager Software to support contract monitoring and facilitate both provider and service user invoicing and billing.
- 2.11 Providers are responsible for software installation costs; however, the council is responsible for software licence costs and service user charges.
- 2.12 This new contract award to CM2000 for the supply of both Electronic Call Monitoring and Finance Manager Software elements is therefore essential due to existing synergies between CM2000 software and council systems and processes, as well as to ensure service continuity across interdependent council service areas, and avoid any disruptions to currently commissioned and ongoing care packages.
- 2.13 Moreover, council officers have recently renegotiated improved terms including volume discounts with CM2000 for supplying both software; therefore, a combined contract with CM2000 for both software elements represents good value for money due to the inherent economies of scale available to the council as the number of care packages supported by and processed through the software increases.
- 2.14 Therefore, the recommended approach is to award a direct contract via single tender action to CM2000 for the supply of both Finance Manager and Electronic Call Monitoring software.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 3.1 Council officers also conducted market testing including inviting alternative providers to demonstrate their software and conducting a HCS service provider survey.
- 3.2 Options considered included:
 - 3.2..1 Open tender to enable selection of and contract award to an alternative provider - Market testing and provider engagement did not reveal suitable alternative providers that could meet the council's requirements. Initial discussions with potential alternative providers indicated their inability to deliver the full functionality required, and initial quotes were more expensive.

3.2..2 Utilising an ESPO Framework – CM2000 is not appointed on the currently available ESPO framework, and the providers on the framework do not meet the council’s requirements.

3.2..3 Direct Award Contract to an alternative provider – Market testing did not reveal suitable alternative providers that could meet the council’s requirements.

3.2..4 **Summary of options appraisal (based on indicative current level of usage: 1200 service users and 25 providers)**

OPTION	FUNCTIONALITY	COST	COMMENTS
ONCARE System	Case Management system only. Suitable for providers, not for Local Authority call monitoring or financial management.	<ul style="list-style-type: none"> • £100 + VAT PCM. • £1,440 PA • £8,640 for 6 years 	Not recommended as does not deliver required functionality for LA use. The software supports provider exclusively, with no scope to support the council’s requirements for either call monitoring or financial management.
PASS System	ECM only; no Finance Manager.	<ul style="list-style-type: none"> • £86,995 PA • £521,970 for 6 years 	Not recommended as Finance Manager not included. Procuring FM separately will increase the technical complexity of system integration and incur extra costs due to the additional implementation resources required.
CM2000 FM only	Finance Manager only	<ul style="list-style-type: none"> • £39,440 for 6 years 	Not recommended as ECM not included, thereby foregoing potential volume discounts and economies of scale available by procuring a combined package. Procuring ECM separately will increase the administrative burden unnecessarily by requiring two separate but similar contracts with the same provider.

CM2000 ECM only	Electronic call monitoring only	<ul style="list-style-type: none"> • £778,155.00 	Not recommended as FM not included, thereby foregoing possible volume discounts and economies of scale available by procuring a combined package. Procuring FM separately will increase administrative burden unnecessarily by requiring two separate but similar contracts with the same provider. Furthermore, FM software will require additional resources to integrate it with council systems.
CM2000 ECM and FM	Combined ECM and FM package	<ul style="list-style-type: none"> • £700,339.50 for 6 years (Further breakdown in table 5.2.5) 	Recommended option. This is the most economically advantageous proposition as it delivers the full functionality required by the council, whilst also providing volume discounts and economies of scale resulting in a lower expenditure than would be the case if procuring both software separately.

3.2..5 **Recommended action** - Renegotiation of contract terms with CM2000 in line with the combined costings for both software provided above, and subsequently, direct contract award to CM2000 via single tender action for the reasons outlined above.

4. POST DECISION IMPLEMENTATION

- 4.1 Following the authorisation of this decision, a contract will be awarded directly to CM2000 for both Electronic Call Monitoring and Finance Manager Software, followed by a mobilisation period to implement the software across the relevant service areas.
- 4.2 Council officers from the relevant service areas will undertake contract monitoring to ensure that the provider delivers the requirements of the service and technical specifications to a high standard. Council officers will also engage in further negotiations with CM2000 to ensure that the service remains cost effective and economically advantageous.

- 4.3 Subsequent to this contract award, council officers will undertake further market testing and engagement to establish the availability of alternative providers. Council officers will also evaluate the performance of the incumbent provider to determine whether it has been satisfactory. If feasible and to the extent that there are alternative providers available with the capability to deliver the full functionality required by the council, an open competitive procurement exercise resulting in a new contract award will be undertaken. This would enable the council to terminate the contract with CM2000 at the earliest available contract break point, subsequently awarding a new contract to an alternative provider selected via open and transparent competition in line with the statutory guidance.
- 4.4 If an alternative suitable provider cannot be identified during the duration of the contract with CM2000 resulting in the contract running its full course, council officers will undertake to obtain the necessary authorisations in advance to re-procure the services in compliance with the council's contract procedure rules and all applicable procurement legislation.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 This decision supports the following Council's corporate priorities as expressed through the Corporate Plan for 2019 - 2024 which sets out the vision and strategy for the next five years based on the core principles of fairness, responsibility and opportunity, to make sure Barnet is a place;

- Of opportunity, where people can further their quality of life
- Where people are helped to help themselves, recognising that prevention is better than cure

5.1.2 This service also supports key outcomes within with the Children and Young People's Plan 2016 – 2020:

- **Safeguarding:** Outcome 1 of the Children and Young People's Plan 2016-2020 is that Families and children are kept safe.
- **Resilience:** Outcome 2 of the Children and Young people's Plan is to ensure that Families and children achieve their best. High quality delivery of this service is fundamental to achieving the Family Friendly Barnet vision of Resilient Families: Resilient Children, and to delivering against Barnet Children's Services Improvement Action Plan, which aims to improve outcomes for children. This includes supporting young people in achieving successful outcomes, and hearing the voice of the child.

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

Finance & Value for Money

5.2.1 The exact contract value is variable dependent on the actual number of care packages supported by the software.

5.2.2 Based on current rates of utilisation, the projected 6- year contract value is £700,339.50 (£108,810 per annum plus upfront capital cost of £47,479.50). This is within the budget approved via the annual procurement forward plan, and the expenditure will be funded through the Adult Social Care base budget.

5.2.3 The table below details the annual and total 6-year contract value at various levels of projected usage based on the combined rates for Electronic Call Monitoring and Finance Manager negotiated with CM2000.

5.2.4 The growth in utilisation will be in line with demand coming through, which is not expected to be significantly above the approved budget at this time. Moreover, Council officers will maintain robust oversight of the utilisation trajectory to indicate the requirement for budgetary review.

5.2.5 COST MODELLING (CM2000 Electronic Call Monitoring and Finance Manager)

Scenario	Upfront capital costs	Additional service user cost	Additional Supplier costs	Baseline annual	Annual Value	6 Year Contract Value
Base costs (1200 service users and 25 providers)	£47,479.50	N/A	N/A	£108,810.00	£108,810.00	£700,339.50
1400 service users and 27 providers	£47,479.50	£10,800.00	£2,520.00	£108,810.00	£122,130.00	£780,259.50
1600 service users and 29 providers	£47,479.50	£21,600.00	£5,040.00	£108,810.00	£135,450.00	£860,179.50
1800 service users and 31 providers	£47,479.50	£32,400.00	£7,560.00	£108,810.00	£148,770.00	£940,099.50
2000 service users and 33 providers	£47,479.50	£43,200.00	£10,080.00	£108,810.00	£162,090.00	£1,020,019.50
2200 service users and 35 providers	£47,479.50	£54,000.00	£12,600.00	£108,810.00	£175,410.00	£1,099,939.50

Additional service user cost per year	£54.00
Additional provider	£1,260.00

Staffing

5.2.6 No additional staffing resource is required. Council officers will undertake contract monitoring to ensure that the provider meets the requirements detailed within the service and technical specifications.

Procurement

5.2.7 Section 6.1 of the Council's Contract Procedure Rules (CPRs) sets out limited circumstances where the Council can proceed with a single tender action.

5.2.8 As stipulated by the council's Contract Procedure Rules, council officers have sought procurement advice and the approval of the Commercial and ICT Director.

5.2.9 Having considered alternative procurement options as detailed in the foregoing paragraphs, the recommendation is for a 6-year direct contract award to CM2000 for the supply of both Electronic Call Monitoring and Finance Manager.

5.3 Legal and Constitutional References

5.3.1 The value of the proposed contract is above the EU threshold for supply and services contracts therefore the contract is subject to the full requirements of the Public Contracts Regulations 2015 (PCRs). The PCRs allows for limited circumstances where a direct award can be made without competition if competition is absent for technical reasons - Regulations 32 (2)(b)(ii) PCRs. As set out in this report, a change of provider and software will result in incompatibility, disproportionate technical difficulties in operation and maintenance. Therefore, in order to avoid service disruption and ensure continuity of care and in reliance of Regulations 32 (2)(b)(ii) PCRs, the Council can make a direct award to CM2000.

5.3.2 Break clauses in this direct award contract permit the council to terminate the contract at the end of years 3, 4, and 5, and thereafter award a new contract to a suitable provider selected via a statutorily compliant open competitive procurement exercise. Therefore, council officers will conduct further market engagement subsequent to the successful mobilisation of this contract, to identify providers that have the capability to deliver the full technical specifications required (without prejudice to the incumbent) who are able to participate in a competitive procurement exercise commencing within 12 -18 months of this direct award. This approach will allow sufficient time to award and mobilise a new contract by the first break clause permitted by this direct award contract.

5.3.3 The authorisation and acceptance thresholds detailed within Table B, Article 10 – Decision making of Barnet council's constitution stipulates that authorisation to commence a procurement process for contracts with a procurement value

above £500,000 must be obtained via the Relevant Theme Committee decision or approval as part of the Annual Procurement Forward Plan.

- 5.3.4 Furthermore, the acceptance documentation if within budget requires a full Chief Officer in consultation with Theme Committee Chairman Delegated Powers Report (DPR).
- 5.3.5 Under paragraph 4.1 of the Contract Procedure Rules, any Procurement, including extensions and variations to Contracts set out in the Annual Procurement Forward Plan and approved by the Policy and Resources Committee, is deemed as Authorised irrespective of the Contract value.
- 5.3.6 Reprourement of Electronic Call Monitoring has been authorised via the 2020/21 Annual Procurement Forward Plan. Electronic Call Monitoring Software is currently supplied by CM2000, from whom Finance Manager will synergistically be procured as a combined package within the approved budgetary limits.
- 5.3.7 The Council's Contract Procedure Rules (CPRs) set out limited circumstances where the Council can proceed with a single tender action. The rationale for recommending this direct contract award via single tender action has been set out in the preceding paragraphs.
- 5.3.8 Additionally, this contract award is subject to the Public Contracts Regulations 2015 and the council's contract procedure rules; and therefore requires the prior approval of the Director of Commercial Services and ICT Services Director (CPR 6.1).

5.4 Risk Management

5.4.1 The risks of not implementing this recommendation would include:

- 5.4.1.1 Disruption to service delivery due to impacts on commissioning timely and appropriate care packages for residents.
- 5.4.1.2 Inaccuracies in invoicing and billing leading to an adverse financial impact on the council.
- 5.4.1.3 Deficiencies in provider contract monitoring leading to sub-optimal service quality.
- 5.4.1.4 Negative impacts on existing service area "business as usual" processes.

5.6 Social Value

5.6.1 The Public Services (Social Value) Act 2012 requires that consideration is given for above threshold currently £189,330) service contracts to secure benefits for the community, environment and value for money for the London Borough of Barnet as follows:

- How what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area; and

- How, in conducting the process of procurement, it might act with a view to securing that improvement.

5.6.2 Council officers have given due consideration to the requirements of the Social Value Act requirements as pertains to this contract award. The additional procurement of Finance Manager Software, which is embedded into council systems and synergistic with the extant call monitoring software will eliminate the existing requirement for manual billing and invoice reconciliation. This reduces the use of paper significantly, thereby providing a positive environmental impact, enabling staff resources to be deployed more efficiently resulting in additional value for money for the council.

5.5 Equalities and Diversity

5.5.1 The Equality Act 2010 outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- foster good relations between people from different groups

5.5.2 Council officers will utilise the available contractual levers to ensure that providers and suppliers abide by the statutory requirements of the Equality Act 2010 by integrating considerations of equality into day business and keeping them under review in decision-making, the design of policies and the delivery of services.

5.5.3 An Equalities Impact Assessment is not required.

5.6 Consultation and Engagement

5.6.3 This contract award relates to procurement of software elements, which will be used by council officers to ensure successful delivery of services commissioned through separate contracts. The service and technical specification for the software was co-produced with the involved service areas, and the impact of implementing this recommendation has been fully considered by the relevant service leads.

5.7 Corporate Parenting

5.7.1 There are no inherent implications for corporate parenting as this contract does not have any direct impact on children in care or care leavers.

5.8 Insight

5.8.1 Data generated from using the software will be used to support the delivery of commissioned care packages, facilitate contract monitoring and inform future procurement exercises.

6. BACKGROUND PAPERS

- 6.1 2020/21 Annual Procurement Forward Plan:
<https://barnet.moderngov.co.uk/documents/g10084/Public%20reports%20pack%2006th-Jan-2020%2019.00%20Policy%20and%20Resources%20Committee.pdf?T=10>
- 6.2 Policy and Resources Committee, 6th January 2020:
<https://barnet.moderngov.co.uk/documents/g10084/Printed%20minutes%2006th-Jan-2020%2019.00%20Policy%20and%20Resources%20Committee.pdf?T=1>
- 6.3 Single tender action to award a contract with Call Monitoring 2000 (CM2000) – 7th June 2019 -
<https://barnet.moderngov.co.uk/documents/s55833/Chief%20Officer%20List%20of%20Decisions%20-%2026032019%20-%2030092019.pdf>
- 6.4 Barnet Council Corporate Plan 2020 – 2024:
https://www.barnet.gov.uk/sites/default/files/corporate_plan_-_barnet_2024.pdf
- 6.5 Barnet Council Contract Procedure Rules:
<https://barnet.moderngov.co.uk/documents/s57682/18ContractProcedureRules.docx.pdf>
- 6.6 Barnet Council Constitution – Article 10, Decision making:
<https://barnet.moderngov.co.uk/documents/s56968/11Article10DecisionMaking.docx.pdf>
- 6.7 Barnet Council Constitution -
<https://barnet.moderngov.co.uk/documents/s43149/02Article1TheConstitution.doc.pdf>

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:

The direct award of a contract to CM2000 via single tender action for the supply of Electronic Call Monitoring and Finance Manager software for a 6-year duration with break clauses at the end of years 3, 4 and 5 subject to satisfactory performance.

Signed Dawn Wakeling

Date 17 March 2020

Chairman has been consulted

Signed Cllr Sachin Rajput

Date 25 March 2020