



Environment Committee

30 June 2020

Title

Replacement for London Borough of Barnet Highways Asset Management System

Report of

Chairman of the Environment Committee

Wards

All

Status

Public

Urgent

Yes

Key

Yes

Enclosures

None

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Summary

Through the governance route of the Urgency Committee of 27 April 2020, the Council commenced a two-Phase approach to the replacement of the Council's Highways Asset Management System (HAMS). Phase one commenced on the 30 April 2020 to deliver the Confirm Street Manager solution by 1 July 2020, aligned to the Department of Transport Street Manager System confirmed launch date. Phase two has commenced in line with the Urgency Committee recommendation to conduct a procurement options appraisal to identify the best route to market to deliver the replacement of the whole of the Exor System. The recommended procurement option is to access the Crown Commercial Services (CCS) G-Cloud 11 Framework to procure the replacement system. This procurement route allows the Council to access pre-assessed suppliers through a simplified application process enabling the Council to focus on the effective assessment of service providers in relation to value for money, technology and innovation.

Officers Recommendations

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| <p>1. That the Environment Committee notes the progress with the implementation of Phase one procurement of the DfT Street Manager Solution.</p> |
| <p>2. That the Environment Committee notes the outcome of the procurement options analysis and agrees to the commencement of the Phase two procurement exercise to progress the replacement of the entire Exor Asset Management System using the Crown Commercial Services (CCS) G-Cloud 11 Framework.</p> |
| <p>3. That the Environment Committee notes the outcome of the procurement will be subject to contract award in accordance with Contract Procedure Rules, being delegated to the Interim Executive Director for Environment, in consultation with the Chairman of the Environment Committee.</p> |
| <p>4. The Environment Committee are requested to note that subject to the agreement of recommendation 1, 2 and 3 above that, a report will be submitted to the Policy and Resources Committee in order to outline the additional budget requirement and therefore seek approval to enter into a contract with the preferred supplier.</p> |

1. WHY THIS REPORT IS NEEDED

- 1.1 The London Borough of Barnet is required to consider and determine the appropriate actions to replace the Council's Highways Asset Management system (HAMS). The current system Exor (supplied by Bentley) has not maintained a viable position in the marketplace. It has been announced that the current version will be not be supported by the supplier, Bentley from December 2021. Currently, significant commercial and operational issues are being experienced with the system which has been impacting on service efficiency and development.
- 1.2 Of greater immediate concern was the identified risk that the Exor system does not provide a direct connection with the DfT Street Manager. The Department for Transport (DfT) require the legal implementation of their Street Manager Street Works system (which controls the granting of Utility Permits) by the Council with effect from 1 July 2020. It is considered that the replacement of Exor is urgent due to the DfT deadline and with Bentley (current provider) not providing a direct connection with the DfT Street Manager as well as withdrawing support for the Exor system the proceed with replacement is required.
- 1.3 The 27 April 2020 Urgency Committee considered the matters set out in Sections 1.1 and 1.2 of this report approving the commencement of Phase 1.
- 1.4 The purpose of this report is to request the initiation of Phase 2, the replacement of the Exor Highways Asset Management System.

2. REASONS FOR RECOMMENDATIONS

- 2.1 As reported at the Urgency Committee, the Exor system has not had the investment of other systems in the marketplace and the current version will be unsupported by the

developer, Bentley, in two years' time. Therefore, the Council needs to consider and determine the appropriate actions to take to replace the Council's Highways Asset Management system (HAMS). The Urgency Committee approved the principle of this at the meeting 27 April 2020.

2.2 The purpose of this report is to approve the commencement of Phase two, the procurement process to replace the entire Exor Asset Management System, utilising the Crown Commercial Services (CCS) G-Cloud11 Framework. The CCS Framework allows the Council to access, through its Digital Marketplace pre-qualified suppliers through mini competition.

3. RECOMMENDED OPTION

3.1 The recommended option is to progress the procurement through the Crown Commercial Services (CCS) G-Cloud 11 framework.

3.2 The pre-qualified suppliers include all the major providers of Highways Asset Management systems (HAMS) in the UK market.

3.3 The G-Cloud 11 framework mini competition will enable the Council to identify following evaluation a preferred supplier to enable go live with a new system from 1 April 2021.

3.4 The benefits of working with a G-Cloud framework are that it:

- Supports the Government's 'Cloud First Policy' to access and use cloud-based services in a flexible and agile fashion
- Includes all the main asset management system providers
- Enables scalable services, based on the philosophy of "pay for what you use"
- Enables a quick and effective assessment of service provider
- Drives value for money, reducing implementation and ongoing licence costs
- Enables access to the latest technology and innovation
- Delivers a well-developed contractual framework with performance measures

3.5 Through the G-Cloud 11 Framework the minimum contractual term is 24 months and the maximum 48 months, based upon the initial 24-month contractual term plus two 12-month extension periods. One of the concerns that Officers had with the framework was the contract duration. However, in evaluation of the CCS G-Cloud 11 and discussions with the Commercial Agreement Specialist this is deemed by Officers to now be an advantage as it ensures the Council:

- Access to suppliers who must re-state their quality and price offer to the market for each new G-Cloud iteration, driving innovation and value for money whilst ensuring the Council is not left with an unsupported system
- The opportunity to re-evaluate the Council's needs against the services on offer through the refreshed G-Cloud Framework
- The opportunity to conduct a fair and robust market comparison, factoring in the cost of change
- The opportunity to restate requirements which have not changed i.e. the Council can use the same search and evaluation parameters originally set to ensure that no new services are offered that may deliver better value for money

- 3.6 During the rollout of both Phases one and two, and until the replacement to Exor is fully functional the existing Exor Asset Management System will need to remain operational in parallel, incurring existing licence and maintenance costs, i.e. the licence and maintenance costs for both the existing Exor system and the replacement system net of operational savings will need to be fully funded until such point that the new system is fully functional (no later than December 2021). The commercial apportionment of these costs will be settled through Phase 2 between Re and the Council.
- 3.7 The do-nothing scenario is not an option due to the Exor system being unsupported from December 2021.
- 3.8 As part of the options appraisal two other options were considered, and these are described in more detail under Section five of this report.

4. PROGRESS ON IMPLEMENTATION OF PHASE 1

- 4.1 Phase one implementation formally commenced 30 April 2020 to deliver the Confirm Street Manager Solution by 1 July 2020, aligned to the DfT Street Manager implementation date. The project is being managed in line with the Council's Project Management arrangements with weekly review meetings. The project is subject to a robust risk and mitigation management arrangements. In addition, the project has a dedicated Project Manager to ensure all required activities are addressed to deliver the project on time and within scope. The intention will be for Officers to provide Members with a verbal update on the Project at the Environment Committee meeting of 30 June 2020 given that this Phase the project will be ready to go live on 1 July 2020. For information at the point of this report being drafted the project was RAG rated Green

5. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 5.1 In line with the 27 April 2020 Urgency Committee recommendations, a detailed options assessment has been conducted in relation to the other potential procurement options available to the Council:
- Traditional (non-framework based) procurement
 - Digital Outcomes and Specialists 4 (DOS 4) framework

6. POST DECISION IMPLEMENTATION

- 6.1 If the Environment Committee approves the recommendations in this report, the G-Cloud 11 procurement will commence during the period July and August 2020.
- 6.2 Following the award of the contract the Council will move into the Phase two implementation phase, using the same methodology that has been successfully deployed in Phase one, with the plan to go live with the new system 1 April 2021. This phase will be the subject of future reports on the progress of the replacement Asset Management System and will be brought to future meetings of the Environment Committee.
- 6.3 During the rollout of both Phases one and two, and until the replacement for Exor is fully functional the existing Exor Asset Management System will need to remain operational in parallel, incurring existing licence and maintenance costs.

7. IMPLICATIONS OF DECISION

7.1 Corporate Priorities and Performance

7.1.1 The Corporate Priority of Keeping the borough moving, including improvements to roads and pavements is delivered through improving the condition of our roads and pavements. Pitney Bowes Confirm will deliver a full end to end Asset Management and Street Works solution.

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

7.2.1 Finance & Value for Money

7.2.1.1 The following information is estimates based on current knowledge, with further work on cost mitigation and value engineering being required.

7.2.1.2 The 27 April 2020 Urgency Committee approved Capital Allocation for Phase one is £304,400 Capital Investment. This is made up of £200,000 implementation costs and an annual licence fee of £52,200, noting that the Pitney Bowes Confirm contract requires a two-year licence commitment i.e. a total of £104,400 over the two years. The spend profile is on target and within the allocated Capital Investment.

7.2.1.3 The Phase 2 Capital Investment required to replace the Exor Asset Management System over and above the Confirm Street Manager Solution, is currently estimated at an additional Capital Investment of £640,000 based on circa £500,000 implementation costs and £140,000 annual licence fees. This will be reviewed and refined as Phase two progresses.

7.2.1.4 Until the replacement to Exor is fully functional the existing Exor Asset Management System will need to remain operational, incurring existing licence and maintenance costs over and above the costs for the replacement system. This could be for a period of up to 2 years aligned to the end of life date of December 2021 as set out in more detail in the Urgency Report 27 April 2020.

7.2.1.5 The outcome of the procurement process will be addressed by the requirements of the Councils Contract Procedure Rules and the contract award will be subject to Statutory Officer review including Finance.

7.2.2 Procurement

The use of the Crown Commercial Services G-Cloud 11 framework is a recognised route to market for the provision of systems, including Highways Asset Management Systems. The approach is in accordance with the Council's Contract Procedure Rules 5.4.

7.2.3 Staffing

The procurement and implementation will encompass engagement with staff including, benefits, user acceptance testing, training and identification of super users.

7.2.4 IT

Included within the scope of this report.

7.2.5 Property

This section does not apply to this report.

7.2.6 Sustainability

An effective functional asset management system ensures the effective programming and scheduling of resources to minimise waste and maximise opportunities for sustainable practices to be deployed.

7.3 **Social Value**

7.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Social value will be considered when looking at the options. Our current contracts have considered social value.

7.4 **Legal and Constitutional References**

7.4.1 As a highway authority Barnet has a duty under section 41(1) of the Highways Act 1980 to maintain the public highway.

7.4.2 The Traffic Management Act 2004 places obligations on highway authorities to ensure the expeditious movement of traffic on their road network. Authorities are required to make arrangements as they consider appropriate for planning and carrying out the action to be taken in performing the duty.

7.4.3 In addition, Section 30 of the Greater London Authority Act 1999 stipulates that the highway authority has the general power to, amongst other things, promote the improvement of the environment, and economic and social development.

7.4.4 Under Article 7 of the Constitution, the Environment Committee has responsibility for all borough-wide or cross-constituency matters relating to the street scene including, parking, road safety, lighting, street cleaning, and can receive reports on relevant performance information and risk on the services under the remit of the Committee.

7.4.5 The procurement of highway services, including related supplies and works, must be done in compliance with public procurement rules, including the Public Contracts Regulations 2015 (PCR). The use of the CCS G-Cloud 11 framework fulfils this requirement.

7.5 **Risk Management**

7.5.1 The Council, as Highway Authority, has various responsibilities and duties. To address these responsibilities and duties the council has established policies, systems and processes that are regularly audited, reviewed and amended where necessary to reflect

current good practice and guidance and provide the council with a robust defence against insurance claims on the public highway.

7.5.2 The preparation of annual programme of highway works for both footways and carriageways in the borough demonstrates the necessary use of asset management planning and risk management principles for the distribution of available funding and resources on an agreed, clear and auditable basis utilising a prioritisation process and governance arrangements overseen by members and approved by the Environment Committee.

7.5.3 Until the replacement to Exor is fully functional the existing Exor Asset Management System will need to remain operational, incurring existing licence and maintenance costs over and above the costs for the replacement system. This could be for a period of up to 2 years aligned to the end of life date of December 2021 as set out in more detail in the Urgency Report 27 April 2020.

7.5.4 With the two-phased approach which commenced as a result of the 27 April 2020 Urgency Committee there is the risk of integration issues occurring if the outcome of the Phase two procurement results in a different system to Confirm being implemented in Phase one. These issues will be addressed as part of the procurement plan.

7.6 Equalities and Diversity

7.6.1 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:

- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advancement of equality of opportunity between people from different groups.
- Fostering of good relations between people from different groups.

7.6.2 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy, and maternity; race; religion or belief; sex and sexual orientation.

7.6.3 To assist in meeting the duty the council will:

- Try to understand the diversity of our customers to improve our services.
- Consider the impact of our decisions on different groups to ensure they are fair.
- Mainstream equalities into business and financial planning and integrating equalities into everything we do.
- Learn more about Barnet's diverse communities by engaging with them.

7.6.4 The broad purpose of this duty is to integrate considerations of equality into day to day business and keep them under review in decision making, the design of policies and delivery of services.

7.6.5 Good roads and pavements benefit all sectors of the community by removing impediments and assisting quick, efficient and safe movement to access school, work and leisure facilities. This is particularly important for the elderly, people caring for children and those with mobility difficulties and sight impairments. The condition of roads and pavements is regularly at the top of concerns expressed by residents and the

Council is listening and responding to those concerns by committing funding and resources to its planned highway maintenance programmes across the borough on a prioritised basis.

7.6.6 The physical appearance and the condition of the roads and pavements also have a significant impact on the quality of life for residents and visitors to the borough. A poor-quality street environment will give a negative impression of an area, impact on people's perceptions and attitudes as well as increasing perception of insecurity.

7.7 **Corporate Parenting**

7.7.1 In line with the Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

7.8 **Consultation and Engagement**

7.8.1 This section does not apply to this report.

7.9 **Insight**

7.9.1 This section does not apply to this report.

8. **BACKGROUND PAPERS**

8.1 Urgency Committee Report 27 April 2020.

<https://barnet.moderngov.co.uk/documents/s58626/EXOR%20-%20Highways%20Asset%20Management%20System%20Replacement.pdf>