



CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT

Title

Award of the tender for the replacement of the London Borough of Barnet Highways Asset Management System

Report of

Interim Executive Director for Environment

Wards

All

Status

Public

Enclosures

None

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Summary

At the Environment Committee meeting of 30 June 2020, the Committee agreed to the commencement of the procurement of the replacement Highways Asset Management System using the Crown Commercial Services (CCS) G-Cloud 11 Framework.

In addition, the Committee noted that 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.

On the 24 September 2020 the Policy and Resources Committee approved the necessary funding to enable the replacement of the London Borough of Barnet Highways Asset Management System to progress.

Following the G-Cloud 11 Framework procurement the report seeks Chief Officer authorisation to award the contract for the replacement of Highways Asset Management System to Pitney Bowes Software Europe Limited.

Decisions

That the Interim Executive Director for Environment, in consultation with the Chairman of the Environment Committee approve the contract for the replacement of the London Borough of Barnet Highways Asset Management System to Pitney Bowes Software Europe Limited for an initial two year term commencing 1 April 2021 with the option to extend by a further two years.

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 existing system will 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 The purpose of this report is to provide appropriate Council authorisation to proceed with the award of the contract for the replacement of Highways Asset Management System to Pitney Bowes Software Europe Limited for an initial period of two years with the option to extend by a further two years in line with the CCS G-Cloud 11 framework call off contract terms.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Environment Committee at its meeting of 30 June 2020 agreed to the procurement process to replace the entire Exor Asset Management System, utilising the Crown Commercial Services (CCS) G-Cloud 11 Framework. The CCS Framework allowed the Council to access, through its Digital Marketplace pre-qualified suppliers through mini competition.
- 2.2 The decision is required to establish a contract to enable the replacement of the Highways Asset Management System with a phased go live from 1 April 2021.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 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

4. POST DECISION IMPLEMENTATION

4.1 Once the decision has been approved, HB Law will be instructed to conclude the award through the CCS G-Cloud 11 framework for the replacement of the London Borough of Barnet Highways Asset Management System to progress.

4.2 The Council will follow the guidance set out by CCS in relation to an award of a G-Cloud 11 Call-Off Contract following the G-Cloud 11 procurement, through the completion of a G-Cloud 11 call-off agreement. This will include feedback to all the supplier's whose service offerings which have been evaluated.

4.3 The Council will build in a standstill period of 10 days following issuing of the notification letters to both successful and unsuccessful shortlisted suppliers.

4.4 Upon completion of the standstill period the Council will enter the contract with Pitney Bowes Software Europe Limited and will then commence the implementation, using the same methodology as deployed to implement the Street Manager system which successfully went live 1 July 2020.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 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.

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

5.2.1 Finance & Value for Money

5.2.1.1 On the 24 September 2020 the Policy and Resources Committee approved the necessary funding to enable the replacement of the London Borough of Barnet Highways Asset Management System including implementation costs and licencing for a period of four years.

- 5.2.1.2 The procurement through CCS G Cloud-11 framework has delivered a solution that is within the funding approved by the Policy and Resources Committee. Details are set out in Appendix 1 of this report.
- 5.2.1.3 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.
- 5.2.1.4 The outcome of the procurement process has addressed the requirements of the Councils Contract Procedure Rules and the contract award has been subject to Statutory Officer review including Finance.

5.2.2 Procurement

- 5.2.2.1 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.
- 5.2.2.2 The procurement has fully complied with the G-Cloud 11 buying process six steps including specification, questionnaire and submission documentation preparation, searching through the G-Cloud 11 framework, development of a shortlist, evaluation and selection, and subsequent notification of award and reporting of benefits.
- 5.2.2.3 Through the G-Cloud 11 framework shortlist exercise four suppliers were identified and invited to tender on 18 August 2020 with a submission date of 4 September 2020. Two suppliers made a submission.
- 5.2.2.4 Suppliers were provided with the evaluation and assessment criteria as part of the specification and questionnaire documents included as part of the released information to tender pack.
- 5.2.2.5 The weighting provided to suppliers was as follows:
- 60% Quality
 - 30% Price
 - 10% Project Delivery
- 5.2.2.6 Evaluation was conducted using Most Economically Advantageous Principles (MEAT) and concluded that Pitney Bowes Software Europe Limited were successful. The evaluation table below summarises the outcome.

		Bidder A	Bidder B
		Pitney Bowes Software Europe Limited	
PROJECT TOTAL	10.00%	8.00%	4.67%
QUALITY TOTAL	60.00%	53.60%	35.90%
PRICE TOTAL	30.00%	15.83%	30.00%
OVERALL TOTAL	100.00%	77.43%	70.57%

5.2.3 Staffing

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

5.2.4 IT

Included within the scope of this report.

5.2.5 Property

This section does not apply to this report.

5.2.6 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.

5.3 Social Value

5.3.1 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.

5.4 Legal and Constitutional References

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

5.4.2 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.

- 5.4.3 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.
- 5.4.4 The procurement of highway services, including related supplies and works was conducted in compliance with the Public Contracts Regulations 2015 (PCR) as well as Section 5.4 of the Council's Contract Procedure Rules.
- 5.4.5 The authorisation and acceptance thresholds detailed within Table B, Article 10 – Decision making of the Council's Constitution stipulates that authorisation to award a contract with a procurement between £189,330 – £500,000 must be obtained via a full Chief Officer in consultation with Theme Committee Chairman Delegated Powers Report (DPR) which is the purpose of this report.
- 5.4.6 HB Law will conclude the award through the CCS G-Cloud 11 framework for the replacement of the London Borough of Barnet Highways Asset Management System and a call-off Agreement will be put in place with the winning bidder.

5.5 Risk Management

- 5.5.1 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.
- 5.5.2 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.
- 5.5.3 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.

5.6 Equalities and Diversity

- 5.6.1 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.
- 5.6.2 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.

5.6.3 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.

5.6.4 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.

5.6.5 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.

5.6.6 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.

5.7 **Corporate Parenting**

5.7.1 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.

5.8 **Consultation and Engagement**

5.8.1 This section does not apply to this report.

7.9 **Insight**

7.9.1 This section does not apply to this report.

6. **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>

8.2 Environment Committee Report 30 June 2020.

<https://barnet.moderngov.co.uk/documents/s59141/Replacement%20for%20London%20Borough%20of%20Barnet%20Highways%20Asset%20Management%20System.pdf>

Cllr Dean Cohen (by email)

16.10.20

Chief Officer: Geoff Mee

Decision maker having taken into account the views of the
Chairman

16.10.20