

# Orbis Procurement Report

*incorporating the reporting requirements of the Public Contracts Regulations 2015*

<b>Project Title:</b>		<b>Capita ESS SIMS for Schools</b>	
<b>Project reference:</b>			
<b>ESCC</b> <input type="checkbox"/>	<b>SCC</b> <input type="checkbox"/>	<b>BHCC</b> <input checked="" type="checkbox"/>	<b>Other</b> <input type="checkbox"/> <i>(please state)</i>

Name and address of the contracting authority (84.1a)	Brighton & Hove City Council Hove Town Hall Norton Road Hove, BN3 3BQ
Directorate	Traded Services, IT&D
Service	Orbis
Subject matter of the contract/framework/DPS (84.1a)	Schools Information Management System (SIMS)
Contract Start Date:	01/04/2021
Contract Term:	3 years
Extension Term:	1+1 years
Estimated overall Contract Value (including extensions): (84/1a)	£650k
Contract Segmentation:	Choose an item.
Project Complexity level:	Choose an item.
Goods works or services?	Services
Project to be reserved for Cabinet*/Lead Member** review before going to market (*SCC/**ESCC)	Choose an item.

## Part One - Project Start and Route to Market

### 1.1 Business Need, Scope and Project Objectives

This solution is used within Schools within the region and acts as the central IT management system for the school, storing all data in relation to performance, attendance, behaviour etc relating to the students, as well as management information relating to staffing. There is an included finance package that covers school finance requirements.

This solution has been used in schools since the early 1990's and is considered to be the market leader and most complete solution. Due to its legacy licensing arrangement, Local Authorities purchased a perpetual maintained license for the application back in the 90's that allows schools to use the application by accessing this central license. However Schools are also required to purchase 'Annual Entitlement' licenses which are based on the number of pupils within the school. With schools accessing this central maintained license, it is necessary for the council to order the Annual Entitlement licenses on behalf of the schools. These licenses are then recharged to schools to cover the council cost.

The existing procurement for the purchase of the Annual Entitlement licenses is coming to an end, so it is necessary to put a new contract in place to allow the council to continue to purchase the licenses on behalf of the schools.

### 1.2 Customer details

Service Project Lead:	Karen Guthrie
Service Contract Manager:	Mark Potter
Procurement Lead:	Nathaniel Burrows
Budget Holder:	Karen Guthrie

### 1.3 Key Timescales

Milestone	Estimated Date
Issue advert to market/begin call-off	15/01/2020
Evaluation completed	N/A
Award Contract (allowing for standstill if required)	29/01/2021

### 1.4 Financial Baseline

	Capital	Revenue	Total
	£ ('000s)	£ ('000s)	£ ('000s)
Total annual funding available:		£130k	£130k
Budget code for capital and revenue:			PPT503/DG055

### 1.5 Benefits forecast details

The council does not directly spend any of its funds on these services, as this procurement is being undertaken for schools who cover the costs of any spend. However, the council does generate income from undertaking this activity on behalf of the schools, generating a margin of income and being able to sell further associated support services in addition to the licenses which generates a significant income. Therefore, there is no possibility of a saving for the council, but income will be generated.

Benefit Type		Benefit Value (£ '000s)		
		Year 1	Year 2	Year 3
Cash Releasing	Choose an item.	N/A	N/A	N/A
Financial but non-cash-releasing	Choose an item.	N/A	N/A	N/A
Income generation		£315k	£315k	£315k

How will Social Value be considered as part of this Procurement?

This is a purchase of application licenses only, so does not have any directly attributable social value options. However, Capita ESS have provided details of the work that they do with communities as part of their organisational responsibilities.

	Quantifiable benefits over the life of the contract		
Quantifiable (incl. Social Value based on Charter)	ESCC	SCC	BHCC

### 1.6 Is the specification complete and clear? If not, explain why not. Include the outcome of the DPIA.

Yes, the specification is clear as it is for specific software licenses.

### 1.7 Brief summary of market conditions and any market engagement undertaken

The services are only available from Capita ESS – the only consideration is the route to contract. Using the KCS framework offers a compliant option with ease of contracting. The framework margin is 0.75% which is reasonable.

### 1.8 Options Appraisal

Option	Description of Option	Relative Advantages/Disadvantages, Reasons for selection or not, and any cost implications
Option 1 – <i>Proposed Route to Market</i>	Contract via KCS Framework Agreement	Ease of contracting, framework has been used before, low cost
Option 2 – OJEU Tender	Run a tender process to allow Capita to respond directly	Time consuming, resource heavy, saves on framework cost but likely to cost more in resource costs
Option 3 – Use alternative framework	Other framework options exist	Either frameworks have not been used before and would need to be reviewed or the margin is higher. Offers no advantage over KCS.
Option 4 – <i>do nothing</i>	Schools would have to contract directly with Capita	Schools would see an increase in pricing as would have to pay the list price instead of our negotiated lower rates. They would also have to purchase an organisation license as they would not be able to access the legacy LA license. BHCC Traded services would also lose income generated through this contract and potentially risk associated traded services.

### 1.9 Route to Market

Below relevant legal/regulatory threshold       Above relevant legal/regulatory threshold

Proposed Route to Market: Accessing Framework Agreement

If 'Other' selected, please give details:

The proposed Route to Market is via the KCS framework <https://www.kcs.co.uk/> where Capita ESS SIMS is available as a product within the SOFTWARE PRODUCTS & ASSOCIATED SERVICES 2 Y20011 framework.

This framework includes a direct award capability, so services can be directly awarded to Capita ESS as they are exclusive/unique to the supplier (as allowed for within the framework terms).

Note: All forms of route to market used in Orbis are expected to use 'electronic means of communication' for submission of tenders. If this is not the case, provide clear reasons why here: (84.1h, 22)

Provide details of any options available for collaboration:

Contracts are being sought for all three Orbis partners in conjunction, but with a separate call-off for each. Separate reports have been created for the other authority call offs. All call-offs are being provided with the same terms which have been negotiated with Capita based on all three organisations calling off. This has generated improved commercial options.

## CONTRACT REQUIREMENTS

### 1.10 Justification for Contract Term

A contract initial term of 3 years has been chosen as there is an expectation that services will be required throughout that period. By contracting for this period, we have been able to access more attractive financial terms and will also be spared the need to carry out additional procurement activities on a year by year basis. The option of the further 1+1 terms can be assessed in the final year of the contract and a decision can be made based on the demand for services and commercial alternatives available at that stage.

It is also important to explain the nature of the contract. The contract itself is more similar to a framework agreement, whereby the council is contracting for the ability to purchase licenses for schools on their behalf. Each year, schools that wish to take licenses are confirmed and numbers of pupils are counted for

each. This creates a cost for each school based on the license requirements for each. BHCC then confirm the total number of licenses for all schools for that year and place an order on that basis. BHCC then recharges the schools for their licenses.

In addition to this, BHCC is also positioned as the SIMS support provider for the schools, meaning that when schools commit to their licenses, they are also committing to support from the BHCC Traded Services team. This is where the significant income can be generated.

This means that BHCC is in a position of no risk as it is guaranteed that all costs will be recovered from the schools, with substantial income generated for the council.

There is also no minimum commitment. Pricing described within this approval is based on the current number of schools and the expectation is that this would be maintained throughout the contract term. However, if schools choose not to continue with the solution in the future and do not require licenses, these would be reduced from future orders made with Capita ESS. There is no risk to BHCC that they would have licenses that were then unwanted, as the licenses are only ordered based on confirmation that schools are continuing to access services. As mentioned above, as there is no minimum commitment, theoretically it could be possible that a large number of schools might choose to move away from the software, so in future years, the order quantity might reduce. This is completely acceptable and BHCC is at no risk in this scenario.

Based on the above, this further justifies the decision to take the longer term with the better commercials as there is actually no commitment to order services in the latter periods of the contract based on their being no minimum commitment.

### **1.11 Details of Framework or Dynamic Purchasing System (if appropriate)**

The contract is being purchased from the KCS Framework. This has been used by the Orbis authorities previously and is an approved contracting route. Details of the framework are available from: <https://www.kcs.co.uk/frameworks>

### **1.12 Details of Contracting Parties**

This contract is being provided by Capita ESS - <https://find-and-update.company-information.service.gov.uk/company/12595779>

A separate contract is being arranged for each of the separate Orbis authorities.

### **1.13 Form of Contract**

The contract will be for 3 years with a further 1+1 extension option

### **1.14 Lots (46.2)**

KCS Framework Y20011

<https://www.kcs.co.uk/frameworks/software>

### 1.15 Required financial security for performance

None

If minimum yearly turnover levels required have been set at more than twice the contract value, explain why: (58.9)

### 1.16 Insurance cover required (if different from PCSO requirements)

N/A

## TENDER/EVALUATION DETAILS

### 1.17 Evaluation Panel

Name	Organisation	Contact details
N/A		

This is a direct award framework as the services can only be accessed directly from Capita ESS

### 1.18 Conflict of Interest (84.1i, 24) and Prior Involvement (41)

Conflict of Interest	Measures Taken	Subsequent Result
N/A		

Prior Involvement - details of measures taken

### 1.19 Selection and/or Award Criteria and weighting

This is a Direct Award so no evaluation is undertaken

**Please ensure that you have:**

1. If the project has been reserved to committee or cabinet, confirm the details of the approval obtained prior to proceeding further:

2. Provided Finance with the intended tender return date and estimated number of bids so they can plan their financial appraisal workload.

Completed:            Yes             No

3. Updated the project system with latest forecast savings and contract spend.

Completed:            Yes             No

**Strategic Procurement Manager (or Head of Procurement, see notes) Authorisation of Route to Market**

Name:

Date:

**Finance Authorisation of available funding and benefits forecast**

Name:

Date:

**Legal signoff (only for complexity level C or above, or where a call-off from a framework not pre-agreed with Legal is required)**



Name:

Date:

**Once full Route to Market sign off is obtained please send a copy of this paper to the PMO.**

## Part Two - Contract Award

**Note for SCC only:** Award must be paused for further approval as set out in table 2.7a of Procurement and Contract Standing Orders if the proposed spend will be greater than 5% above the agreed budget at the start of the project. If this is the case, provide justification in the box below:

### 2.1 Summary of Tender Activity (complete as relevant)

Tender Procedure	Accessing Framework Agreement
Number of expressions of interest	
Number of responses (SQ)	
Names of tenderers passing the SQ process and reasons for their selection (84.1b)	
Number of responses	1 – Direct Award
Number of suppliers shortlisted (if applicable)	
Reasons for any rejection of any tender found to be abnormally low (84.1c, 69)	
Significant changes during tender (e.g. revised spec, pricing schedule)	
Key clarifications	
Other pertinent information/ ongoing decisions	As described, this is a direct award via a framework, so much of the above is irrelevant in this process.
Confirm that anti-fraud checks have been completed (see guidance)	

## 2.2 Successful Supplier(s) scoring and reasons for selection (84.1b, 84.1d, 65, 66)

Successful supplier name	Score	Reasons for selection
Capita ESS	-	Direct Award

Where known, the share (if any) of the contract or framework agreement which the successful tenderer(s) intends to subcontract to third parties (84.1di, 71):

Where known, the names of the main contractor's subcontractors (84.1dii, 71):

## 2.3 Unsuccessful Supplier/tenderer(s) and reasons for rejection (84.1b, 65, 66)

Unsuccessful supplier name	Score	Reasons for rejection

## 2.4 Detail any issues which have arisen which may affect contract award, or a decision not to award (84.1h)

## 2.5 Benefits Delivery

*[For joint projects show savings split across authorities]*

**Note for SCC only:** Where a cash-releasing saving greater than 5% of the agreed budget has been delivered, then the Head of Procurement and the relevant Director/Chief Officer must be informed, along with the S151 officer.

Benefit Type	Benefit Value (£ '000s)		
	Year 1	Year 2	Year 3

Cash Releasing	Choose an item.			
Financial but non-cash-releasing	Choose an item.			
Income generation				

How has Social Value been delivered in this award? (Embed the completed Charter)

	Quantifiable benefits over the life of the contract		
Quantifiable (incl. Social Value)	ESCC	SCC	BHCC

*[Briefly describe any non-quantifiable benefits]*

## 2.6 For Benefits relating to MTFP only:

Strategic Initiative / Project Title:

Current Baseline Annual Cost	£
New Annual Cost	£
Total cost over Contract Duration	£

*[If no benefits, explain why this strategy was chosen]*

## 2.7 Award approval (refer to table 2.7a in PCSOs)

For SCC only:

For all projects <b>with any identified savings</b>	Name:	Date:
Finance approval:		

For projects <b>not</b> within tolerance +/-5% budget range - <b>£181K - £1 million:</b>	Name:	Date:
Section Officer 151 approval:		

For projects <b>not</b> within tolerance +/-5% budget range - <b>£1million - £5million:</b>	Name:	Date:
Section Officer 151 approval:		
Portfolio Holder approval:		

**Projects not within +/- 5% tolerance that are valued over £5million must be taken back to Cabinet for a Contract Award Decision.**

*For all projects:*

Report approval by	Name:	Date:
Head of Procurement (or SPM):		

Contract award decision made by	Name:	Date:
Exec Director or delegate:		

*[Contract award decisions are recorded using the SCC Delegated Officer Decision Report template]*

**For ESCC only:**

For all projects:	Name:	Date:
Chief Officer approval:		
Lead Member approval (if applicable):		

*[Approval is obtained using the ESCC Contract Award Approval Request Form]*

**Once full sign off is obtained please send a copy of this paper to the PMO.**

**2.8 Customer Feedback**

Post Tender Feedback Survey Details:	Name:	Email Address
Contact details for PMO for circulation of the survey		

## Post Award Checklist

The following activities must be completed before the project can be closed

Checklist Item	Date	Comments
Project System updated? (ensure savings signed off and Social Value commitment has been recorded)		
Lessons learned documented on Navigator, if appropriate		
Signed/Completed contract loaded onto e-CMS and published to Contracts Finder/OJEU?		
Sourcing Solutions advised and purchasing arrangements including catalogue and e-invoicing set up <i>(if applicable)?</i>		
Add a Project Pipeline for project <i>(if likely to come up through a renewal cycle)</i>		
ESCC Award Decision/SCC Delegated Officer decision sheet submitted to PMO (and in SCC, Democratic Services if required)		

**Send this completed report to the PMO**

