



Havering
LONDON BOROUGH

Notice of Non-key Executive Decision

Subject Heading:	Approval to commence a procurement process for the on-boarding of a Gold Partner for the implementation of Microsoft Dynamics D365
Cabinet Member:	Councillor Viddy Persaud
SLT Lead:	Jane West, Chief Operating Officer
Report Author and contact details:	Jide Iyaniwura Tel: 01708434586 E-Mail: jide.iyaniwura@havering.gov.uk
Policy context:	Higher Customer Services, consistency in service delivery, systems rationalisation
Financial summary:	<p>There are no direct financial implications associated with commencing the procurement process, this will be conducted within existing resources</p> <p>The indicative value is £1m over the term of the contract funded from approved business case. The contract value will be spent during the course of financial years 21/22, 22/23 and 23/24. Contract cost to be accounted out of the A23630 cost centre code, budgets assigned and approved as per 22/01/2020 business case and cabinet report.</p>
Relevant OSC:	Overview and Scrutiny Board
Is this decision exempt from being called-in?	No

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The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input checked="" type="checkbox"/>

Place an X in the [] as appropriate

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

It is recommended that the Chief Operating Officer authorises the commencement of the procurement process for on-boarding a Microsoft Gold Partner for the Dynamics 365 platform from November 2021 at a cost of £1m (One Million Pounds).

AUTHORITY UNDER WHICH DECISION IS MADE

Para 3.3 of Part 3 [Responsibility for Functions] of the Constitution - Powers of Members of the Senior Leadership Team

Contract Powers

(a) to approve commencement of a tendering process for all contracts above a total contract value of £500,000.

STATEMENT OF THE REASONS FOR THE DECISION

Background:

Havering Council currently uses CRM 2011 to manage several of its operational processes, including corporate complaints and a range of transactional service requests. The current system has gone out of support as of July 2021 with no further security updates available from Microsoft and so will become less secure over time, with associated financial, reputational and security risks.

Microsoft has confirmed that no further development or support is offered. Additionally, the system does not meet London Borough of Havering's current business needs and will hinder the Council from achieving its transformation vision of delivering excellent customer service experiences.

Additionally, the current CRM 2011 system is on-premise, meaning that in addition to being out of support and inflexible there are high associated hardware capital and revenue costs. The Council currently has an interim support arrangement with a third party service provider to mitigate the risks of Microsoft's end of product support. The current support contract is for a year, commencing in February 2021 at an annual cost of £60K, allowing for a total 400 support hours.

Other challenges:

There is a need to migrate off the current CRM 2011 system expeditiously. The build of the current CRM 2011 system is over engineered and bespoke requiring specialist coding knowledge, meaning that changes, development, and fixes to the current system are costly, consumes significant staff and financial resources without a return on investment.

The integrations within the current system are not supported, thus creating the need for double entry data keying.

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One of the key hindrances of the current system is that the current online forms are difficult to use on mobile devices and customers cannot sign up for an account using social media accounts.

Proposed Replacement:

Microsoft's replacement of the CRM 2011 is called Microsoft Dynamics 365, a fully flexible, more extensive, and cloud-based solution. It is currently considered as the most agile enterprise platform in the market.

The proposed MS Dynamics 365 solution comes with extremely powerful capabilities which can be scaled to meet most of the Council's needs, support the Council's Vision, and provide a foundation to enable future transformation.

Opportunities for LBH – Other benefits of migrating to Dynamics 365:

A Microsoft Dynamics 365 platform presents LBH with the opportunity to achieve deep efficiencies and savings through the consolidation of customer and service data, reduced integrations, and seamless end-to-end journeys.

The new Microsoft Dynamics D365 Digital Platform is scalable and flexible to support the Authority's evolving needs as service delivery and new operational models are developed to meet budgetary pressures.

Start with what we need and add apps as our needs change

Dynamics 365 is built to be simple. It uses individual apps that work both on their own or together – it allows the Council to create the solution that fits its needs. When the Council's situation changes and new needs are needed, it allows the Council to find the applications that help it grow.

Understand our customers in a completely new way

Dynamics 365 brings together any kind of customer data, so we get the complete picture of the customers. It has pre-built KPIs to help understand the customer journey with real-time updates. The opportunity to personalise the customer experience and to easily measure and track the health of customer relationships.

Flexibility

The Dynamics 365 platform eliminates the need to manage our own data centre and servers, which can lead to significant savings.

Ease of Use

Dynamics 365 is based on Microsoft's eco-system, it has the look and feel of Microsoft's Office application, this makes the solution easy to understand and use.

Agility

Dynamics 365 will transform the way we manage customer data. We can dissolve barriers between critical business platforms and make our data start working together. The Microsoft Common Data Model that is a shared business database makes this possible.

Security

Dynamics 365 is a cloud-based solution that features robust security and access controls for applications and data that are built into the cloud services, network connectivity, service hosting platform, and user and administrator access.

Current Situation:

LBH already has an existing agreement with Bytes for the provision of Microsoft licences. A project team has commenced the development of the complaints solution to provide a more

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holistic and joined-up corporate complaints management within the Council. The solution has gone through testing and is in the final stages towards go-live in September.

Proposal:

The proposal is to appoint a Gold Partner to advance the replacement of the existing CRM 2011 system and deploy additional processes to take advantage of possible efficiencies using the Microsoft Dynamics 365 platform for wide reaching digital transformation in terms of how we work and connect with residents.

Synergy with Newham

Some cost and time benefits will be achieved through the OneSource shared services arrangement with London Borough of Newham. The Assistant Director of Technology has obtained written approval from LBN for the use of the Newham build code.

Timeframe:

The anticipated on boarding timescale is 8-12 weeks using the proposed procurement framework.

The delivery phasing and timeline is attached as appendix 1.

OTHER OPTIONS CONSIDERED AND REJECTED

Possible Delivery Options:

The options available to the Council is to carry out the entire product development in-house or use the services of a Microsoft Partner.

In-House Development:

An in-house delivery team has been building the complaints module entirely using the out-of-the-box functionality based on Microsoft's Dynamics 365, however the pace of development cannot be matched with what a Gold Partner would bring on-board. There are a total of 23 processes to implement, it is estimated that using the in-house development team would double the implementation cost.

Use of a Gold Partner

Microsoft has a two-stage partnership programme, silver and gold. A Gold Partner has demonstrated proven expertise in delivering quality solutions in one or more specialised areas of business.

The benefits of appointing a Microsoft Gold Partner Includes:

- Providing a level of cost and time certainty for the programme.
- Introduction and adoption of 'best practice' approach to configuration to ensure no be-spoking of the system.
- Advance sighting of Microsoft's roadmap, meaning solutions that otherwise would have needed customisation or integration will be avoided.
- Access to necessary professional resources to ensure completion of the programme.

Procurement Objectives:

The procurement objectives are:

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- The on boarding of a Microsoft Gold Partner Systems Integrator (SI) with the depth of experience to deliver the Havering D365 roadmap.
- The benefit of existing synergies of a shared service arrangement
- The procurement of human resources and associated skills required to carry out the configuration of the product (not internally available in Havering)
- In order to build capacity in-house, a team of internal resources will be embedded with the gold partner team.
- Achieve best value for Havering Council

Procurement Route:

The Programme plans to procure the Microsoft Gold Partner through the Crown Commercial Service G-Cloud 12 framework to ensure full OJEU compliance. Whilst the framework permits a direct award, following discussions with the internal Procurement Business Partner, a mini competition will be run to ensure best value. The purchase of the Microsoft Dynamics licences is out of scope of this procurement as Havering currently holds an existing Microsoft Enterprise agreement through the OneSource agreement.

PRE-DECISION CONSULTATION

Consultations have been held with Newham Council to ensure that Havering are able to share their existing code.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Jide Iyaniwura

Designation: D365 Programme Manager

Signature:

Date:

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

This report seeks authority from the Chief Operating Officer to procure a Microsoft Gold Partner to configure D365.

The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do. The contract may be procured in accordance with these powers.

Following the assistance of the Procurement unit, the client department intends to procure the gold partner through the G Cloud 12 Framework which is permitted under the Public Contracts Regulations 2015 ("PCR 2015") and the Council's Contract Procedure Rules ("CPR"),

The Council's Contract Procedure Rule 3.2 provides that a contract may only be procured if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the Council. The body of this report confirm the relevant financial implications arising from the Council's procurement of the contract.

The proposed contract for a development partner is above the EU threshold for services contracts of £189,330 and is therefore subject to the full rigours of the Public Contracts Regulations 2015 (PCR 2015). The G Cloud framework is PCR 2015 compliant. A call off from G Cloud will be PCR 2015 compliant to the extent that the framework rules for contract award are followed.

Officers must seek approval to award the contract to the preferred development partner upon completion of the mini competition tender process.

FINANCIAL IMPLICATIONS AND RISKS

The contract value of the procurement is £1m and is part of the wider CRM project where there is approval to spend £4.5m. Further work will be carried out to establish the split between capital and revenue expenditure but this will not affect the award of the contract or the Council's ability to finance the spend which will be via flexible use of receipts or reserves. Of the £4.5m approval, there was expenditure commitment of £0.786m in 2020/21 with £3.8m funding still available to use.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no anticipated HR issues resulting from this decision. The existing in-house team does not have the capacity and specialist knowledge to deliver the project within the timescale needed. The programme will embed internal staff within the supplier's development resources to ensure a good understanding of the solution design and effect knowledge transfer.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

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The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA (Equality and Health Impact Assessment) is usually carried out when a current or planned service/policy/activity is likely to affect staff, service users, or other residents. It is acknowledged that in emergency or urgent situations it will not always be possible to carry out an EqHIA in advance of a relevant activity; however, managers will undertake the required EqHIAs at the earliest opportunity. Where managers are already clear that protected groups/users will be impacted negatively by the intended activity, then this will be noted in the next paragraph and/or put into EqHIAs. Where the negative impact of the intended activity can be mitigated, this too should be set out in this report and/or the EqHIA.

In all situations, urgent or not, the Council will seek to ensure equality, inclusion, and dignity for all.

These proposals do not have any equalities and social impact implications and risks.

As part of the quality criteria for acceptance onto the framework, potential service providers will be scrutinised to ensure that they can demonstrate that suitable measures and training are in place to satisfy equality, safeguarding and welfare requirements.

BACKGROUND PAPERS

None

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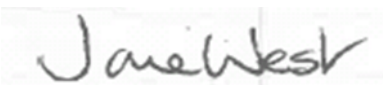
Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed: 

Name: Jane West

CMT Member title: Chief Operating Officer

Date: 28/10/2021

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

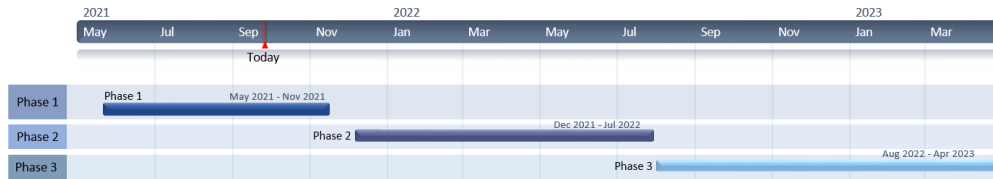
For use by Committee Administration

This notice was lodged with me on _____

Signed _____

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D365 Programme Update - Proposed Phasing



All currently in Newham bucket

Phase 1
Highways
Complaints
Members Enquiries
Registrars
FOI, EIR, SAR

All currently in Newham bucket

Phase 2
Green Waste
Waste
Environment Maintenance & Management (Fly tipping/ Graffiti, Flyposting)
Street Cleansing
Development & Building Controls
Highways (Cross Overs)
Highways Enforcement (Skip permits & Licences)
Trees (Nuisance, Pruning, Subscription)

Mostly new builds.

Phase 3
Business Rates
Environment Pollution (Air Quality, Pollution, Noise & Vibration, Odour)
Public Protection - Food Safety
Public Protection - Health & Safety
Public Protection - Animals & Pests
Public Protection - Filthy & Verminous Properties
Council Tax

Possibility of swapping process depending on priorities