

Decision title

Performance and Administration Management Solution (PAMS) – Contract Award

Recommendation by
Assistant Director, Strategy and Risk

Decision Number
LFC-0254-D

Protective marking: **OFFICIAL**
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Summary

Report LFC-0254 seeks approval to award the contract for the purchase of a performance management and administration system to [REDACTED]

The proposed contract award will ensure an appropriate software solution is provided to enable managers to create and monitor corporate, departmental and team plans, risk registers, business continuity activities and programme/project information.

The report also sets out the procurement strategy undertaken and the outcome of the procurement exercise.

Decision

The London Fire Commissioner awards a contract for the provision of a Performance and Administration Management Solution (PAMS) [REDACTED] for five years with an option to extend for an aggregate of 36 months for a total value of [REDACTED] for the duration of the contract.

Andy Roe
London Fire Commissioner



Date 5th Feb 2020

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LONDON FIRE BRIGADE

Report title

Performance and Administration Management Solution (PAMS) – Contract award

Report to

Safety and Assurance DB
Corporate Services DB
Commissioner's Board
Fire and Resilience Board

Date

10 September 2019
17 September 2019
23 October 2019
12 November 2019

Report by

Assistant Director, Strategy and Risk

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Summary

This report seeks approval to award the contract for the purchase of a performance management and administration system to [REDACTED]

The proposed contract award will ensure an appropriate software solution is provided to enable managers to create and monitor corporate, departmental and team plans, risk registers, business continuity activities and programme/project information.

This report also sets out the procurement strategy undertaken and the outcome of the procurement exercise.

Recommended decision

The London Fire Commissioner award a contract for the provision of a Performance and Administration Management Solution (PAMS) to [REDACTED] for five years with an option to extend for an aggregate of 36 months for a total value of [REDACTED] for the duration of the contract.

Background

1. The current Performance Management Framework (PMF) system provided by Excelsis 360 Limited was implemented in 2010 to provide a single, centralised and integrated ICT system for the monitoring of the corporate plan, projects, risks and performance indicators.
2. The system streamlined a number of low tech solutions (e.g. manually updating Word documents, Excel spreadsheets, Access databases) and brought the core elements of the Brigade's performance management framework (at that time) into one place.
3. Since its introduction, our business management needs have expanded and a range of 'add on' modules have had to be acquired to increase the system's functionality to accommodate our new requirements.

PMF – Positives and negatives

4. PMF was developed as a bespoke system. Excelsis 360 Limited developed the modules based on the input of lead performance officers and the design of the Brigade's processes back as they were in the last decade.
5. Its core advantage is that it provided a central area for the Brigade's planning, risk and project management needs in one place. Users can access a personal dashboard to see what activities they are responsible for. Additionally, because the software is open source, anyone in the Brigade can have access to PMF without the need for expensive licensing costs.
6. It would be fair to say that the user experience has been variable with PMF. Some use the system daily and others are put off to the extent that they no longer engage with it or the information it contains.
7. Although the system has been developed with further add-ons since its introduction, the core user experience remains the same. Put simply, PMF is showing its age as a system from a decade ago. The prime source of frustration is the dated click, edit and save functionality which has to be performed for each input into the system. Compared to modern systems, it is clunky and labour intensive.
8. Additionally, while Excelsis 360 Limited have provided excellent support to PMF, it is not their core business (they also design accountancy solutions). They are not performance management specialists and we cannot tap into a wider network of performance professionals to introduce improvements to the way we use our performance information. Most modern providers (including the successful tenderer for PAMS) provide this as standard so that the system remains relevant to the organisation.
9. With the current contract with Excelsis 360 due to expire in May 2019, this has provided the opportune moment to explore other options and the PMF contract was extended for a further two years while a new system is being procured and tested.

Consultation on the current system and the case for moving on

10. As part of this exploration, the Strategy and Risk department carried out a consultation on performance management system needs with key stakeholders to canvass opinion on the PMF, and to identify gaps in the current system and find out what user requirements were.
11. In terms of gaps identified, consultation has shown that there is not an obvious alignment between the departmental / team / borough plans and the Brigade's corporate objectives. The current system does not provide managers with a clear picture of their areas of performance proving it ineffective for analytical purposes.
12. Users also pointed out that the current system is cumbersome and difficult to navigate so departments prefer to use spreadsheets and other database applications to record and monitor their plans. An example of this is the Brigade's Operational Improvement Plan which is maintained as a completely separate entity by the Operational Policy department as the Plan has additional functionality and reporting requirements that cannot be met by PMF.
13. The use of other solutions outside of PMF means that it is difficult to gain an overview of the Brigade's priorities and activities alongside resource allocation. It is reasonable to assume that the

use of other applications will increase the longer PMF remains as the corporate performance management system.

14. It was clear from this exercise that the Brigade needed a more user friendly solution to handle all performance management information and thereby make it more appealing to staff.
15. Using the findings from the consultation, the specification was developed and following the advice of colleagues in Procurement, it was sent to soft market test with suppliers under the G-Cloud framework before committing to the tender process to ensure our requirements were sound and attractive to potential bidders. A Request for Information (RFI) sent by the Procurement department attracted responses from three suppliers; their responses were taken into account, the document was revised accordingly and was approved by the Project Board.

Collaboration

16. Research on performance management systems used by other FRS and blue light partners has shown that these are provided as locally installed applications which does not comply with the Brigade's ICT strategy. The Brigade have adopted the government's cloud first strategy so it is an essential requirement that off the shelf packages should be delivered as 'Software as a service' (SaaS) hosted by the supplier of the software product. Therefore, there were no obvious collaboration opportunities for this procurement.

Procurement strategy – the road to the new system

17. The Project Board agreed that eight years would be an ideal length to the contract as this would ensure that the implementation, training and resources costs required to install a new software system represented a better investment than a shorter contract where these costs would be incurred in a shorter timeframe.
18. The GCloud framework was considered as it provides a large pool of suppliers however, this route imposed a two-year contract limit and there was no guarantee that the same solution could be retained beyond these two years, so, this option was discounted. The Crown Commercial Services Technology Products 2 framework was considered however, the framework has a maximum term of five years under this agreement and the suppliers were unable to fully meet the specification and so this option was also discounted. No other frameworks were identified in the market which could potentially be an option for the route to market.
19. The restricted Official Journal of the European Union (OJEU) procedure was chosen for the procurement of this new solution primarily due to the requirement for a longer contract length and access to the wider market.
20. The OJEU restricted procedure allowed any interested party to participate in the procurement process however, only those invited to tender following an assessment of their experience, capability and capacity may submit a tender.
21. The procurement documents were published on 12 April 2019 with a deadline of 13 May 2019 for the first stage of the process which requires that suppliers submit their responses to a Supplier Questionnaire (SQ). The questions under the SQ are used to determine the suppliers' suitability in delivering the range and scope of services as required by the Brigade. Officers from the Strategy and Risk department carried out the SQ evaluation and all scores were agreed at a moderation meeting chaired by an officer from the Procurement department.

22. Five suppliers were shortlisted and invited to tender on 13 June 2019 with a deadline for 21 June 2019. Five tenders were received before the deadline:

[REDACTED]

23. The tender responses were evaluated using the price and quality criteria at the ratio of 35% to 65% respectively. Further evaluation under each criterion is available on request.

24. System presentations took place on 24 and 25 June 2019 at the Brigade headquarters and scores were agreed by officers from the Strategy and Risk and Information and Communication Technology departments and moderated by an officer from Procurement.

25. Quality questions were evaluated by officers from Strategy and Risk whilst officers from Information and Communication Technology evaluated technical quality questions. The Social Value question was evaluated by officers in the Sustainable Development team and a commercial evaluation was undertaken by officers from the Procurement department.

26. A moderation meeting was held on 17 July 2019 with all the officers from Strategy and Risk, Information and Communications Technology and Procurement where the final scores were agreed.

27. All suppliers passed the ICT security evaluation, however, [REDACTED] and [REDACTED] did not pass the threshold question on functionality and therefore were not considered further.

28. A summary of the final scores are set out in Table 1 below.

CRITERIA	Tender 1-	Tender 4 -	Tender 5 -
PRICE 65%	22.43%	35.00%	20.57%
Quality 35%	45.20%	56.00%	44.40%
Totals	67.63%	91.00%	64.97%

Table 1- Final scores

Costs of the system

29. Based on the tendered price the implementations costs, including training for administrators, cascade training support, design & development and project management totals [REDACTED] Licensing, hosting and support costs are set at [REDACTED] in each of the first five years for a total of

██████████ over that period. Together with the implementation costs this results in a total cost over the first five years of ██████████.

30. The annual licensing, hosting and support costs for each of the three extension years is then ██████████, ██████████ and ██████████ respectively. This results in a total additional cost of ██████████ if the contract is extended for the maximum possible three years and a total potential total contract cost over eight years of ██████████
31. There is an existing revenue budget of ██████████ available from 2021/22 from the existing performance management system budget that can be used to offset the annual revenue costs to an additional ██████████ from 2021/22.

Conclusion

32. ██████████ provided the most economically advantageous tender based on the evaluation model through the OJEU restricted procedure procurement process and should be awarded the contract as they achieved the highest quality score and also provide best value to the London Fire Commissioner.
33. This contract will benefit the organisation in aligning and integrating strategic objectives with the required performance indicators by driving all the activities from the bottom up in the planning and monitoring work undertaken within the Brigade.

Finance comments

34. This report requests approval to award a contract for the provision of a Performance and Administration Management Solution (PAMS) for a period of five years, with an option to extend for three further years, for a total cost of ██████████.
35. There is a budget of £210k in 2019/20 within the existing capital programme for this project. However based on the proposed delivery method, the costs of this project will now be treated as revenue expenditure with projected revenue implementation costs of ██████████ in 2019/20. The financial impact of these revenue costs will be considered as part of the Quarterly Financial Position reports along with the impact of this project no longer being funded as part of the capital programme.
36. The annual cost of the contract will result in an increased requirement of ██████████ from 2020/21, when compared to existing resources. This additional requirement will be included as part of the budget process for future years.

Workforce comments

37. No staff side consultations undertaken; staff side are not ordinarily consulted on such procurement processes. Strategy and Risk have delivered workshops to staff to develop understanding of the system and identify their requirements. Membership of the project board included a representative of the Fire Stations department and heads of service will be requested to nominate departmental leads who will be responsible for the monitoring of their activities.

Legal comments

38. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act

2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.

39. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").
40. Paragraph (b) of Part 2 of the said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".
41. The Deputy Mayor's approval is accordingly required for the Commissioner to procure a Performance and Administration Management Solution (PAMS) from [REDACTED] for 5 years with an option to extend for an aggregate of 36 months at a cost of [REDACTED].
42. In accordance with Section 5A Fire and Rescue Services Act 2004 (FRSA 2004), the London Fire Commissioner, being a 'relevant authority,' may do 'anything it considers appropriate for the purposes of the carrying- out of any of it's functions'.
43. The statutory basis for the actions proposed in this report is provided by section 7 (2)(a) of the Fire and Rescue Services Act 2004, under which the Commissioner must secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting.
44. The General Counsel also notes that the restricted procedure OJEU procurement undertaken is in compliance with regulation 28 of the Public Contracts Regulations 2015.

Sustainability implications

45. Sustainability consideration were included in the award criteria (5%) requesting responses on improvements so the tenderers could offer on areas specific to the delivery of the contract and of relevance to the Responsible Procurement priorities of LFB. The winning supplier provided their social value policy and detailed how they reduce impacts of their internal activities by using digital documentation and external data centres.

Equalities implications

46. The Public Sector Equality Duty applies to the London Fire Brigade when it makes decisions. The duty requires us to have regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful. PAMS aims to introduce an integrated performance management system for managing planning, risk, business continuity and project information. This will allow for better planning, and oversight of projects from a management perspective, alleviating stress in staff through better management through adopting a more standardised way of working.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not. PAMS aims to ensure equality of opportunity in identifying a standard policy approach to managing projects, removing lack of clarity or unintentional inequalities arising from the projects.

- Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding. Consultation with equality support groups, in particular the disability support group will ensure that this project achieves its aim of supporting management processes for projects across the Brigade.
47. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
48. The Equality Impact Assessment (EIA) indicates that the implementation of the new system will have an adverse effect on persons within the disability group; however, the new system will work with the range of standard hardware and software assistive technologies already used by the Brigade to mitigate this such as:
- Dragon
 - Zoomtext
 - Texthelp
 - MindManager
49. Appropriate reasonable adjustments will be provided to staff in line with the guidance provided in [Policy Number 553](#) – Learning Support.
50. Furthermore, the new solution complies with the *International Standards ISO/IEC 40500:2012* which are applied to web based systems throughout UK government agencies. The standards are based on four principles: systems must be *Perceivable, Operable, Understandable* and *Robust*.
- Perceivable*
- Provide text alternatives for non-text content.
 - Provide captions and other alternatives for multimedia.
 - Create content that can be presented in different ways, including by assistive technologies, without losing meaning.
 - Make it easier for users to see and hear content.
- Operable*
- Make all functionality available from a keyboard.
 - Give users enough time to read and use content.
 - Do not use content that causes seizures.
 - Help users navigate and find content.
- Understandable*
- Make text readable and understandable.
 - Make content appear and operate in predictable ways.
 - Help users avoid and correct mistakes.
- Robust*
- Maximize compatibility with current and future user tools.
51. The LFB disability support group and the Learning Support team will be consulted during the implementation of the solution and as part of the User Acceptance Test.

List of Appendices

Appendix	Title	Protective Marking