



**Author/Lead Officer of Report: Jessica Kavanagh – Service Manager Applications Systems and Data Place**

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**Report of:** Executive Director - Place

**Report to:** Executive Member for Finance and Resources (Cate McDonald)

**Date of Decision:** 29/04/2022

**Subject:** Procurement of Vehicle Telematics and Job Scheduling software to support services within Place (Operational Services) Portfolio

Is this a Key Decision? If Yes, reason Key Decision:- Yes  No

- Expenditure and/or savings over £500,000
- Affects 2 or more Wards

Which Cabinet Member Portfolio does this relate to? Executive Member for Finance and Resources

Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny Management Committee

Has an Equality Impact Assessment (EIA) been undertaken? Yes  No

If YES, what EIA reference number has it been given? EIA 1141

Does the report contain confidential or exempt information? Yes  No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

The appendix is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended). in that they include “information relating to the financial or business affairs of any particular person (including the authority holding that information)” and the balance of public interest is in the information not being released.

**Purpose of Report:**

This report seeks approval to use the Crown Commercial Services Framework - Vehicle Telematics Hardware and Software Solution RM6143 to secure via direct award, a five year contract with the current provider to deliver Vehicle Telematics and Job Scheduling software that will support services within Place Portfolio.

**Recommendations:**

That the Individual Executive Member:

- 1) Approves the use of the Crown Commercial Services Framework - Vehicle Telematics Hardware and Software Solution RM6143 to secure via direct award of a five-year contract with Big Change Ltd.

**Background Papers:**

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Kerry Darlow
		Legal: Marcia McFarlane
		Equalities: Louise Nunn
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	<b>EMT member who approved submission:</b>	Ajman Ali
3	<b>Cabinet Member consulted:</b>	Cate McDonald
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Jessica Kavanagh	<b>Job Title:</b> Service Manager Applications Systems and Data - Place
	<b>Date: 29.04.2022</b>	

## 1. PROPOSAL

1.1 Big Change is a 'mobile workforce and jobs management' solution used as an all-in-one solution for:

- Customer Relationship Management (CRM)
- Job Scheduling
- Customer job bookings
- Mobile Working
- Telematics (Vehicle tracking and monitoring)

1.2 Big Change is being used in several Sheffield City Council services with Transport and Repairs Service being the most prominent users. There are approximately 500 users of the system who have a rolling 'business as usual' training schedule.

- Transport and Repairs - Fleet Management  
The software is currently being used to aid mobile working and telematics including vehicle tracking and allowing back-office teams to monitor driver location and driving behaviour (e.g. speeding, breaking, safety).
- Other Service Area usage  
The software has also been used within other areas to aid digitalisation of working practises and support the Council's response and management of the pandemic. For example the software is used within FM Services, Street Scene and Regulation to manage City Centre Ambassadors to record adherence to covid rules and Facilities Management with managing PPE equipment.

1.3 Each supplier's hardware is configured to their software requirements therefore the hardware is not transferable and would need to be replaced for the full vehicle fleet which is currently 978 vehicles.

1.4 The current services are being provided through a contract that was awarded from a framework. The contract expires on 30 April 2022 while the framework agreement continues until 2024. The proposal will allow the Council to continue using the software and services of the current supplier which will provide stability for the service users, avoid service disruption, service downtime and mitigate the need for re-training current users.

1.5 The proposal is for the Council to award the new contract using the direct award procedure. BigChange Ltd is already an approved supplier on the Crown Commercial Services Framework -Vehicle Telematics hardware and software solution RM6143. This framework allows purchasers to make a direct award if there has been an assessment of the capability of suppliers on the framework to provide the requirements and this results in only one supplier being capable of doing this (capability assessment); or, where the purchaser's current

circumstances justify making a direct award without further competition and the achievement of best value is not served through further competition.

1.6 The framework explains this second circumstance can occur when organisations already have telematics equipment installed across their fleet that are still within their usable life cycle and they continue to meet the purchaser's needs. In the present situation the financial cost to the council of changing suppliers will negate any savings that could be gained from going back to market, and will actually cost the organisation more because of costs associated with de-installation and reinstallation of kit, plus the purchase of replacement equipment. Another factor to consider is the operational cost to the business due to the associated downtime of the fleet in having these changes implemented and the retraining of staff to be able to use a new software system.

1.7 As an indication to the cost of change for the hardware only, in relation to removal and replacement would be in excess of £250,000. This value does not include all elements related to the cost of change, for example staff training, creating new operational procedures, disruption to service, vehicle downtime etc. Each supplier's hardware is configured to their software requirements and therefore is not transferable.

1.8 The contract will be for a period of 5 years for a value of £867,772.80 which is compliant with the framework Call Off terms. The contract procurement and awarding processes will be compliant with Public Contracts Regulations 2015 (PCR 2015) and the Council's Contract Standing Orders.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

2.1 The Place (Operational Services) Portfolio are undergoing a strategic review of all legacy systems to ensure they are fit for purpose. The first part of the Place Systems Review programme has commenced in which a consolidated housing solution is currently being procured.

2.2 The Big Change Ltd software has enabled digitisation within a number of service areas which has improved processes and way of working. It has also proved to be adaptable and managed new and urgent requirements as part of the Council's responsibility during the covid pandemic.

## **3. HAS THERE BEEN ANY CONSULTATION?**

N/A

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### 4.1 Equality of Opportunity Implications

4.1.1 Following an Equality Impact Assessment there are no concerns raised. Any

appointed Supplier must meet the Supplier Code of Conduct standards set out by government

([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/779660/20190220-Supplier\\_Code\\_of\\_Conduct.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779660/20190220-Supplier_Code_of_Conduct.pdf) )

4.1.2 This is part of Joint Schedule 5 (Corporate Social Responsibility) setting out the standards and behaviours expected of suppliers who work with government.

## 4.2 Financial and Commercial Implications

4.2.1 Transport Services currently holds an annual budget of £150K for telematics. A further £23.5k has been identified from the Facilities Management/Cleaning budget area to cover the cost of additional licenses required as a result of the recently in-sourced cleaning service. The annual contract cost is £173,553.94 which can be identified through the combination of budgets from Transport services and Facilities/Cleaning. The service has opted to forego taking out a warranty, so any call out and repair costs will potentially incur an overspend.

Any further costs not already included within the contract such as additional hardware or software licences would be unfunded, further increasing pressures and would therefore require extra funding or mitigation

4.2.2 As the proposed contract value will exceed the Public Contract Regulations 2015 threshold in which a public sector authority is required to comply, Commercial Services have identified a suitable Public Sector framework. The Crown Commercial Services vehicle telematics hardware and software solutions RM6143 has been determined as a compliant route to create a contract. The contract term will be for a maximum period of 5 years.

4.2.3 Recent checks on the supplier's financial position suggest they are ranked low risk.

## 4.3 Legal Implications

4.3.1 The Localism Act 2011 gives local authorities a 'general power of competence' that allows them to do anything that an individual can do as long as the proposed action is not specifically prohibited. The proposals in this report are not prohibited.

4.3.2 The Council must comply with terms and conditions of Crown Commercial Services framework and specifically, those stating the circumstances when direct award is permitted. Section 1 of this report sets out the Council's reasons for using a direct award and these are consistent with framework conditions and Regulation 33 of the Public Contracts Regulations 2015 (as amended) which applies to framework agreement.

4.3.3 This contract award must also comply with the Council's Contract Standing Orders and until a decision is taken to issue the new contract, the Council

must comply with all contractual obligations that are triggered by the anticipated expiry of the existing contract.

#### 4.4 Other Implications

The new contract does not include warranty cover for the hardware/tracking units in the vehicles; the service have calculated that the increased cost for the warranty is likely to exceed the cost of repairs/replacements to trackers during the term. This means the cost for repairs, callouts and replacements will need to be covered by the service at the point at which the hardware failure/issue occurs. The indicative costs for these services have been provided by the supplier (but are subject to change and not fixed for the term of the contract).

### **5. ALTERNATIVE OPTIONS CONSIDERED**

#### 5.1 Do Nothing

Due to the anticipated expenditure over the proposed term the council is required to comply with Public Contract Regulations 2015 and therefore to continue use of the software beyond the current contract period would not conform.

#### 5.2 Reduced Contract period

A shorter contract period was not taken forward in order to provide stability to the service areas and users. The Place portfolio are undertaking a strategic review to replace legacy systems and this will impact on services and staff. This software has been received positively by users and therefore retention enables service stability.

#### 5.3 Open Market Procurement

The marketplace is large for software of this type. However as there is a suitable public sector framework which meets the requirements of the Council it was not taken forward. The suppliers appointed to the framework have already undergone a competitive and compliant procurement process in accordance with PCR 2015 regulations.

#### 5.4 Use of a Public Sector Framework

The CCS vehicle telematics hardware and software framework has been identified as a suitable framework in which to make a Call Off contract. It has already been competitively tendered and is compliant with PCR 2015 regulations. It enables a direct award via CCS e-marketplace

### **6. REASONS FOR RECOMMENDATIONS**

6.1 The current contract is due to expire 30 April 2022. The service areas have a requirement to retain use of the systems to enable an efficient service to be maintained. A compliant commercial vehicle has been sourced via CCS

framework.

6.2 Failure to secure a contract for the supply of the system will impact on several service areas who would have to revert back to paper-based systems which would increase service response times and may also require an increase of resources.