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Transforming Herefordshire Public Services.

Herefordshire Connects – Technology Selection.

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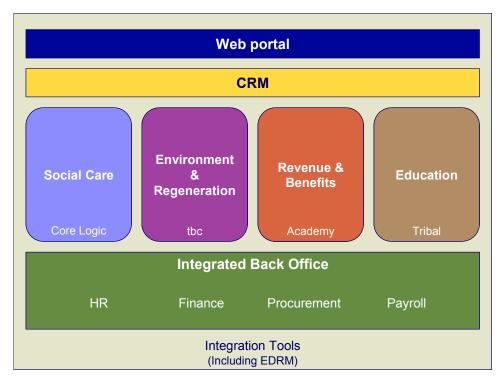London
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1 Introduction

The revised vision for the Herefordshire Connects programme is "to seek to radically reduce costs, to help forge a new joint culture of partnership working, rationalise and update systems and infrastructure, and harmonise and improve the accessibility and responsiveness of services to both internal and external customers"

The Cabinet report of July 31st 2008 outlined that to enable the delivery of this vision the Council will need to implement a simplified and integrated set of technology applications, as outlined in the following Application architecture diagram:

Web portal			
CRM			
Social Care Core Logic	**Environment & Regeneration** tbc	**Revenue & Benefits** Academy	**Education** Tribal
Integrated Back Office			
HR	Finance	Procurement	Payroll
Integration Tools (Including EDRM)			

To deliver this architecture the Council will need to evaluate and select four new systems:

1. An Integrated Environment & Regeneration (E&R) System

2. An Integrated Back Office System

3. Integration Tools (including EDRMS)

4. A Performance Management System

This report:

- outlines the selection process that has taken place for each of the four.

- presents an update on all processes and their findings.

2 The Selection Process

This section outlines the process that has been followed to evaluate each system and the criteria that have been used to assess their suitability in supporting the Connects Vision.

Three of the four systems, the E&R system, the Back Office system and the Integration tools are being selected at this point for the use of the Council. The assessment has included understanding the systems ability to work in the wider Herefordshire Public Services environment, but it has not been the primary focus. The selection of the Performance Management system is different as the selection has been for both the PCT and the Council.

2.1 The Process and Timescales

The Selection process for E&R, Back Office and Integration Tools has followed the timeline below:

- w/c 11th August   Requirements published
- w/c 18th August   Demo Scenarios published
- 29th August   Written responses returned
- w/c 1st September   Demos held
- w/c 19th September   Scoring completed
- w/c 22nd September   First Draft of results
- w/c 29th September   Report for Programme Board
- w/c 6th October   Report for Cabinet
- 16th October   Cabinet

The selection process for Performance Management is running 3 weeks behind this process. This separation was planned to allow a longer period of time initially to consult with the wider PCT and Council user audience to ensure that all of the requirements of each organisation had been understood and reflected in the documentation issued to suppliers.

2.2 The Selection Criteria

The selection criteria used to assess the potential suppliers are intended to cover a number of different dimensions. They reflect the longer term vision of Connects and Herefordshire Public Services, for example supporting the move to greater partnership working, shared services and potentially even outsourcing. In parallel, the criteria need to ensure that any proposed system also meets more immediate requirements in terms of the functionality required by each service, does not involve undue risk and can of course prove to be value for money now.

The following table outlines the criteria used for assessment, providng a brief description of each.

Criteria	Comments
Strategic Alignment	Supporting Herefordshire Public Services and Council transformation in line with the Herefordshire Connects Vision.
Functionality	Assessment of functional breadth and depth from written responses and demos.
Market Proven	Quality and quantity of reference sites.
Technical Alignment	Fit with ICT Strategy, Herefordshire Connects Vision and product mix.
Skills Requirement	Assessment of availability, capacity and capability required to support.
Cost	5 year full life cycle cost including implementation and support
Risk	Assessment of risk of failure to deliver transformation objectives and benefits case.
BACK OFFICE ONLY Shared Services	Prominence of solution in shared service models in Local Government.

3   Environment & Regeneration

This section outlines the selection process that has been completed for E&R and the resulting recommendation.

The scope of services delivered within these directorates is very broad, including Planning, Building Control, Environmental Health, Trading Standards and Private Sector Housing. The number of suppliers within the market able to support this breadth of functionality is small, with two clear market leaders, Civica and Northgate.

A summary of the assessment results against the selection criteria is indicated below.

Criteria	Civica	Northgate
Strategic Alignment	Meets Requirements	Meets Requirements
Functionality	Scored 91%	Scored 84%
Market Proven	Proven	Proven
Technical Alignment	Scored 69%	Scored 57%
Skills Requirement	MS Based – skills available in house	MS Based – skills available in house
Cost	Scored 70%	Scored 55%
Risk	Low	Low

Overall it was felt that both systems performed credibly and both could deliver the Council's requirements. However, the assessment indicated that Civica offered a deeper set of functionality on a technical platform which the Council is better able to support and at a lower cost.

4 Integrated Back Office

This section outlines the selection process that has been completed for the Integrated Back Office system and the resulting recommendation.

This system will deliver the key corporate services for the Council, and in the longer term potentially the PCT and other partners. These services include Finance, Procurement, HR, Payroll and Asset Management.

There are four recognised market leaders in the supply of Back Office systems to Local Governement in the UK; Agresso, COA, Oracle and SAP. The procurement process invited all four of these suppliers to particiapate. Oracle chose not to participate in the process, primarily stating that they did not feel they could respond adequately in the timescales requested of them.

Responses were received from three suppliers, Agresso, COA and SAP. These were reviewed and an initial assessment conducted. This assessment highlighted three key issues with the COA proposal:

1. The COA system is not a truly integrated back office system, rather two separate systems with some interfaces which require separate technical platforms to operate.

2. The COA system is unable to support a number of key HR requirements and is not therefore a viable option for the HR system.

3. COA provided very limited Shared Services and Outsourcing references, a key factor in the future vision for the corporate services.

On this basis COA were discounted from continuing further in the selection process.

A summary of the assessment results for Agresso and SAP against the selection criteria is indicated below.

Criteria	Agresso	SAP
Strategic Alignment	Integrated Back Office References in Health	Integrated Back Office Minimizes the overall application set. Used widely in Health in Ireland
Functionality	Scored 92%	90%
Market Proven	Well proven Finance and Procurement – Teachers Payroll unproven	Proven across breadth of product set.
Technical Alignment	Microsoft based, simpler environment.	Aligned with Council's CRM.
Skills	Microsoft based – skills available in house	Some SAP skills in house – requires development
Costs	Lower Cost Option	Higher Cost Option
Risk	Risk around Payroll	Risk around skills
Shared Services	Agresso has some but limited experience in Shared Services and Outsourcing arrangements, for example: Stockton and Darlington Councils are	Shared Service operations including Somerset County Council, Surrey County Council and Birmingham City Council. Preferred software solution for the majority of

	developing a Shared Service based upon Agresso. Southampton City Council is outsourcing back office services to Capita on an Agresso platform	private sector outsource providers including CapGemini, Mouchel, Capita, Serco, IBM and Logica.

Overall both systems performed well in the selection process, and in the context of Herefordshire Council both could deliver the Integrated Back Office requirements. However in the wider context of the vision of Herefordshire Connects and Herefordshire Public Services, further consideration needs to be made to ensure that an ISS provider is selected who is capable of delivering an integrated solution for a range of shared services scenarios currently established or emerging regionally and nationally.

5   Integration Tools

This section outlines the selection process that has been completed for the Integration Tools and the resulting recommendation.

These tools will provide the key enabling technologies to deliver a fully integrated technology platform for the Council. They include middleware tools, web portal integration, electronic document and record management systems (EDRMS) and data management tools.

Three suppliers were requested to participate in the Selection process based upon their track record of providing integration tools in Local Government and other sectors; IBM, Microsoft and SAP.

The assessment was not conclusive for the EDRMS tools within this selection period. Each supplier offered 3rd party options to deliver these requirements. Further work is required to clarify the how these should be best delivered.

A summary of the assessment results for the other Integration tools against the selection criteria is indicated below.

Criteria	IBM	Microsoft	SAP
Strategic Alignment	Market Leading Integration toolset	Fits well with current ICT environment and skills. Close fit with the Agresso Back Office product	Integrated with SAP Back Office Minimizes the overall application set.
Functionality	77%	86%	79%
Market Proven	Proven across breadth of product set.	Proven across breadth of product set.	Proven across breadth of product set.
Technical Alignment	New technology to the Council.	Microsoft based, simpler environment.	Aligned with Council's CRM.
Skills	No existing skills – may be difficult to build and retain	Microsoft based – skills available in house	Some SAP skills in house – requires development
Cost	Highest Cost	Lowest Cost	Comparable to Microsoft for Integration Tools

Risk	Risk around skills	Risk around governance and control	Risk around skills

Microsoft scored well and offers technical synergies with the Agresso Back Office product. SAP also scored highly and offers technical synergy with the SAP Back Office product. Given that the purpose of these tools is to support the integration of the Council's applications, the choice of Back Office product is a further key driver in this selection.

6 Performance Management

This section outlines the selection process that is ongoing for the Performance Management system, the shortlisting of suppliers to date and the fit with the planned business case.

As discussed earlier in this document, the selection process of the Performance Management system is for the Council and PCT. This differs from the other selections which have been for the Council only in the first instance. This resulted in a need for a longer consultation and requirements gathering phase to ensure that all of the requirements of both organisations are fully understood and reflected in the documentation issued to suppliers.

The Selection process is following the timeline outlined below:

- w/c 1st Sept – Qualification of long list of suppliers and finalise reqts

- w/c 8th Sept – Agree list of suppliers (4-6)

- w/c 15th Sept – Publish Requirements

- w/c 22nd – Supplier Briefings

- 3rd Oct – Supplier responses due

- w/c 6th Oct – Evaluate responses and short list (3). Issue Demo scripts.

- w/c 20th Oct – Demonstrations (24th & 25th)

- w/c 27th Oct – Evaluation

- w/c 3rd Nov – References visits/calls

- w/c 10th Nov – Results of evaluation to Programme Board

This is also a more fragmented market place, with many competing organisations and so less clarity around market leaders. For this reason a wider number of suppliers were invited to participate in the selection process; SAP, InPhase ltd, Triangle Computer Services, Hitec Laboratories Ltd, Actuate, Covalent Software Ltd, Cognos, CACI Ltd and Microsft.

6.1 Progress to date

The qualification questionnaire was issued to all suppliers. Microsoft and CACI Ltd did not respond within the requested timescales. Responses were received from all of the other suppliers. The responses were evaluated and a shortlist created; Actuate, Covalent, SAP, Triangle and InPhase.

Detailed specification documents were issued to each supplier and responses received on Friday Oct 3rd. These are being evaluated currently.

At this stage of the evaluation all proposals are within the budgets estimated in the Business Case presented in the Cabinet Report of July 31st 2008.