
COMMITTEE	Strategic Transformation Committee
DATE	4 October 2017
REPORT TITLE	Procurement of Digital Partner
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1. PURPOSE OF REPORT:-

- 1.1 The purpose of this report is to seek committee approval for the approach to procuring a business digital partner.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- a. Notes that procurement for the business digital partner is underway as per the timescales in appendix 1;
 - b. Agree the allocation of up to £4.5m from the Transformation Fund to procure the business digital partner over the next two years; and
 - c. Delegates the appointment of a business digital partner to the Chief Executive.

3. BACKGROUND

- 3.1 The Council's Target Operating Model Report set out three objectives to deliver:
- Up to £125 million of benefits realisation (or savings) over five years (2018/19 to 2022/23).
 - The Council's digital strategy.
 - The Council's Target Operating Model by 2020/21.
- 3.2 The Target Operating Model depends on accessing the digital business change and technology capability and capacity. The report recommended procuring a business digital partner to support this transition over a two year period. The business digital partner will be required to:

- Provide evidence of leading the migration of a traditional organisation to a digital organisation.
- Demonstrate how your proposed approach will support the Council's agreed new target operating model.
- Provide examples of delivering digital solutions that have released savings.
- Define relevant programme and project delivery frameworks, methodologies, and their inclusion within wider (traditional) Council delivery frameworks.
- Provide evidence and experience of delivering a wider business change programme that addresses communications, skills and culture.
- Be able access to right skills and capability to support extensive digital transformation.
- Identifying and specifying new innovative, customer-centric digital services, specifying how the Council will use technology and information.
- Knowledgeable around relevant regulations and compliance constraints, e.g. GDPR.
- To act as an umbrella supplier and propose an approach to sourcing the right skills and capability from the market.
- To work with the organisation to develop a sustainable digital organisation.
- Knowledgeable and experienced in digital technologies. Cloud, Big Data, Integration, Business Intelligence (BI) /Machine Learning (ML) /Artificial Intelligence (AI).

3.3 It is recommended that the UK Government Procurement Framework – Crown Commercial Services - Digital Outcomes and Specialists 2 Framework is used in order to procure a business digital partner. This framework provides access to a wide market of suppliers and, as it is based on outcomes rather than specific requirements, gives the Council flexibility in how the supplier is used.

3.4 It provides clear templates for requirements, shortlisting and evaluation. **Appendix 1** provides details on timescales, selection criteria and process. The evaluation criteria will be based on three areas:

- a) Technical competence: How well the supplier meets the technical requirements.
- b) Cultural fit, for example how the supplier will work in your organisation
- c) Price of the proposal.

4. FINANCIAL IMPLICATIONS

£4.5m has been allocated to fund the business digital partner over the next two years. The use of these funds will be on a call off basis and subject to approval through the new transformation programme governance structures.

5. LEGAL IMPLICATIONS

The use of this procurement framework provides the Council with a flexible route to market engagement that is fully compliant with EU Procurement Law and the Council's Procurement Regulations.

6. MANAGEMENT OF RISK

All significant change carries risks and it is essential that the Council has strong change management and governance arrangements in place to identify, assess and control risks in the relationship with the partner. The partnership will be managed through the existing transformation governance structures.

7. IMPACT SECTION

Economy

The digital partner will act as an umbrella supplier and will be encouraged to use SMEs and engage with, if possible, local suppliers.

People

The digital partner will be a key enabler to transforming Council services to ensure that they are customer focussed and provide a number of channels through which customers can engage and do business with the Council.

Place

Technology is a theme within the Local Outcomes Improvement Plan and it is expected that the partner would bring additional expertise and resources to help deliver the LOIP technology aspirations.

Technology

The digital partner will be a key enabler to realising the ambitions of the Being Digital Strategy.

8. BACKGROUND PAPERS

9. APPENDICES

Appendix 1: Procurement approach, selection criteria and timescales.

10. REPORT AUTHOR DETAILS

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Appendix 1: Procurement Approach

Approach

It is recommended that the Crown Commercial Services Digital Outcomes and Specialists 2 framework is used to procure a business digital partner. Digital Outcomes and Specialists is a dynamic style framework with the specific aim of helping the public sector buy, design, build and deliver digital outcomes using an agile approach.

Process

	Activity	Estimated completion date.
1	Prepare requirements using online platform	Draft
2	Publish requirements	26 th September 2017
3	Suppliers have one week to ask questions	3rd of October 2017
4	Suppliers apply	10th of October 2017
5	Request proposal form shortlisted suppliers	11th October 2017
7	Supplier provide full proposal	20 th October 2017
8	Evaluation panel completes evaluation.	27 th October 2017

Selection Criteria

The first stage is to shortlist suitable suppliers. This will be based on their technical capability to meet the following requirements:

- Provide evidence of leading the migration of a traditional organisation to a digital organisation.
- Demonstrate how your proposed approach will support the Council's agreed new target operating model.
- Provide examples of delivering digital solutions that have released savings.
- Define relevant programme and project delivery frameworks, methodologies, and their inclusion within wider (traditional) Council delivery frameworks.
- Provide evidence and experience of delivering a wider business change programme that addresses communications, skills and culture.
- Be able access to right skills and capability to support extensive digital transformation.
- Identifying and specifying new innovative, customer-centric digital services, specifying how the Council will use technology and information.
- Knowledgeable around relevant regulations and compliance constraints, e.g. GDPR.

- To act as an umbrella supplier and propose an approach to sourcing the right skills and capability from the market.
- To work with and, where required, support training of the workforce to develop a sustainable digital organisation.
- Knowledgeable and experienced in digital technologies. Cloud, Big Data, Integration, Business Intelligence (BI) /Machine Learning (ML) /Artificial Intelligence (AI).

Once suppliers have been shortlisted they will be requested to submit a more detailed proposal and a presentation to the evaluation panel based on the above criteria. They will be asked to present a written proposal in the following format:

1. Digital solution suggested.
2. Approach and methodology.
3. How the approach or solution meets user need.
4. How the approach or solution meets your organisation's policy or goals.
5. How they've identified risks and dependencies and offered approaches to manage them.
6. Team structure.
7. Value for money.

The shortlisted supplier will also be scored against their cultural fit with the organisation, for example:

1. Challenge the status quo.
2. Work as a team with our organisation and other suppliers.
3. Share knowledge and experience with other team members.
4. Be flexible and agile in their approach.
5. Be transparent and collaborative when making decisions.

Evaluation Panel

The proposed selection panel will be drawn from senior officers with representation from across the transformation programme.

- Angela Scott (Chair of Transformation Management Board)
- Gayle Gorman (Director of Education and Children Services)
- Judith Proctor (Chief Officer, Health and Social Care Partnership)
- Derek McGowan (Sponsor of Business Change Programme)
- Eric Owens (Chair of Design Authority)
- Simon Haston (Chair of IT Control Board)
- Gordon McMullan (Chair of IT Delivery Board)
- Steve Whyte (Chair of Finance & Procurement Control Board)
- Craig Innes (Chair of Commissioning Delivery Board)
- Richard Lundie Sadd (Transformation Consultant)