

Project outcomes

- Successful procurement of a complex Revenues and Benefits system.
- Lower cost procurement process than under traditional methods.
- Stronger relationship between customer and supplier forged.
- System implemented on time and on budget.



Durham County Council is one of the UK's largest local authorities, with annual expenditure of more than £1 billion. It was created in 2009 through the merger of the existing county council and seven district councils, leaving it with numerous legacy systems administering 220,000 council tax accounts and 63,000 benefits claimants. The Council therefore needed to procure a Revenues and Benefits system that could drive efficiencies and create a consistent approach across the county.

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A case for change

The proposed system's scope was broad, encompassing revenue, benefits, document processing, workflow management, cash receipting, income management and fraud prevention. It was also just one of many strategic projects across the Council. With such a wide-ranging challenge on its hands, the Council could not risk a failed procurement.

“We needed something better than the traditional procurement approach,” says Ian Ferguson, Durham's Revenues and Benefits Manager. “We didn't want to base our decision on suppliers telling us how wonderful their products were. We needed something more technical, which would allow us to hold our supplier to account. We were looking for a different way of doing it.”

A different approach to procurement

Durham turned to BPG to help it procure its new Revenues and Benefits system. With many years' experience of helping organisations to fix or exit failing

contracts, BPG has a deep understanding of the factors that go into a robust and workable agreement. BPG's procurement methodology is based on this insight. The cornerstone of the BPG process is for the buyer to first contract for expert advice from the supplier, through a detailed scoping exercise. That expert advice is then enshrined in a robust contract of supply, ensuring that both the buyer and the supplier know exactly what has to be delivered.

“That's what particularly appealed to us,” says Ian. “By using BPG's process we knew what we were going to get before we signed the contract and the software company knew what was expected of them. Nothing was hidden and we all knew where we stood. This meant we were all very focused on delivering what was in the contract.”

Building the foundations of a successful procurement

BPG kicked off the procurement process by running workshops with Durham's team. These sessions helped the client's staff understand the way the



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procurement would work and started the process of gathering Durham's requirements and expressing them in the right way. This meant creating descriptions of Durham's processes and building a comprehensive understanding of the Council's aspirations for the service. This in turn allowed the creation of an output-based specification for the new system, couched in everyday business language rather than using confusing technical terms.

While these workshops were running, BPG started to assemble the procurement documentation, drawing on its library of templates. Durham was procuring through a Buying Solutions framework, so BPG configured its templates to ensure they were compatible. Further workshops with Durham made sure the documentation was complete and correct.

The next stage was to design the evaluation process. "This was critical," explains Chris Browne of BPG. "If you don't run the evaluation correctly and transparently, then disappointed suppliers can challenge you and potentially blow your procurement out of the water. We made sure everyone was trained in how it worked. We ran workshops to decide which areas were going to carry the most weight, how those scores would be awarded, how that would translate into the final percentage and so on. We agreed that evaluation

method with Durham's programme team and its audit, legal and procurement teams."

Launching the procurement – the indicative stage

The first launch was the indicative stage, analogous to the well-known 'Request for Information'. This involved sending the Council's requirements to prospective suppliers and asking for an indicative response. This required an overview of how the supplier would approach the project, an outline of the solution it would propose, a rough costing and a likely timeline.

Durham received two indicative responses. When they were evaluated, the suppliers were so close that both proceeded to the next stage – the detailed scoping.

The scoping exercise

With a programme of this size and complexity, BPG's method is to split the scoping exercise into two parts. The first phase captures the 'big picture' – a definitive commercial proposal for the system, a project plan, a capped price and confirmation that the solution will fit the client's processes, requirements and business and operational objectives.

"We gave each vendor four to six weeks to visit sites and conduct workshops, interviews and fact finding," says Chris



Browne. “They did this under a specific letter of engagement and were paid to act as expert consultants while carrying out the work. Being expressly elevated to the level of experts in this way ensured heightened levels of care and skill on the part of the suppliers, with all the associated duties to the client.”

The first scoping phase allowed Durham to select a single supplier to proceed to a detailed technical scoping. This explored all the technical areas such as integration, interfacing and data conversion, to ensure the method was fully thought through and the solution was robust. There was then an opportunity for a final round of clarifications as the programme proceeded to contract.

Constructing the contract

BPG was closely involved in constructing the contract, to ensure it properly reflected Durham’s specifications. “This was a significant piece of work in its own right,” says Chris Browne. “We made sure that all the material documents – from Durham’s requirements, to the documents that controlled the expert scoping, to the subsequent responses from the supplier - were expressly bound in the contract and in the right order of precedence.” BPG liaised with Durham’s procurement and legal teams during this process, ensuring everyone

was fully on board.

BPG’s methodology was instrumental in achieving a successful procurement. “It took a lot of effort but it was worth it,” says Ian Ferguson. “We got an excellent product at an excellent price and it ensured we had an open and honest relationship with our supplier. That’s borne out by the fact that we’re still pro-actively working with our supplier and working on a whole range of new sub-projects aimed at optimising our use of the system and delivering major benefits and efficiencies to the Revenues and Benefits service.”

From procurement to implementation

With the procurement completed, BPG’s role should have come to an end. However, the need for two change controls and some contractual realignment, to cater for hosted cash receipting and revisions to the programme timescales, meant that Durham reintroduced BPG to act as programme manager.

“BPG knew what was in the contract and they knew what was expected,” says Ian Ferguson. “They also had a good working relationship with the supplier. It made sense to use BPG because they had that intimate knowledge.”

“We needed to make sure the programme hit its new timescales,” says

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Chris Browne, “so we installed MSP-style project governance, managed the workstreams accordingly, and had very rigorous and frequent dialogue at team, steering group and programme board levels, both with the client and the supplier. Fostering that communication and engagement between all the stakeholders was key.”

The outcome was a programme that came in on budget and hit its deadline. “BPG was very good,” says Ian. “Very approachable, very honest. We could have an open discussion with them. They fitted in very well and worked well with all parts of the Council. When you follow their procurement process, you know what you’re buying and there’s no dispute. It’s either in the contract or it’s not. There are no surprises.” ■

Summary:

By following BPG’s procurement methodology and involving BPG in the implementation, the County Council was able to:

- Replace and decommission a mixture of seven legacy revenues and benefits systems
- Save on licensing and maintenance costs
- Consolidate and unify operational processes and methods council-wide
- Successfully procure a large and complex system that met its needs and specifications
- Achieve a highly competitive price with far less risk than under traditional procurement methods
- Build a stronger working partnership with its supplier, leading to more opportunities to reap valuable business benefits from the system
- Implement the programme effectively, to hit both budget and time deadlines.

About Best Practice Group:

Best Practice Group (BPG) is an independent business advisor that helps you reduce the cost of working with major outsourcing, technology and shared service providers, whilst ensuring you gain maximum benefit from the solutions they provide to you in a much shorter timeframe. At BPG we make strategic service provider partnerships work...

A proven track record

The reputation we have achieved for delivering high quality organisational efficiency improvements, whilst producing direct cashable savings, is based upon a proven track record of working in close collaboration with you. With over 500 previous project successes, all of our clients, in both public sector and commercial organisations, are directly referenceable.

We help clients in 3 ways:

- Creating new strategic service provider relationships
- Improving existing service provider relationships
- Service provider transition and exit management

What makes BPG unique and what does this expertise mean for your organisation?

The principals of BPG – Allan Watton, Richard Kerr and Chris Browne – and their specialist team of advisors have combined operational and contractual expertise which helps to align contractual terms to the business outcomes and operating relationships expected of service providers. They take a proactive, hands-on approach in executing work programmes and projects. They remain totally committed to working in close partnership with you towards the achievement of your corporate objectives, whilst protecting your commercial interests. In effect, BPG’s expertise means your organisation will benefit from:

- Significantly reduced project costs
- Business outcomes achieved twice as fast
- Excellent operating relationships forged with your service providers – working in true partnership
- Working to our strengths, we deliver excellent outcomes in half the time of other practices
- By our helping to coach your own people, you can achieve these benefits for your own organisation.

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