

## Project outcomes

- Successful procurement of a new outsourced ICT system for two Councils, an Arms Length Management Organisation and a Leisure and Culture Trust
- Major six figure cost savings without loss of jobs
- Contract implemented on time and within budget
- Successful partnership working between four public sector organisations
- Full competitive dialogue process undertaken



The Metropolitan Boroughs of Bolton and Wigan between them cover huge geographic areas and have a joint population of over 550,000 people. This procurement of an ICT outsourcing arrangement was a 'marriage' between four public sector organisations: Bolton Council, who had an existing outsourced ICT contract which was due for re-tender; Wigan Council, which had a traditional in-house ICT system but was to be outsourced and at the same time make qualified savings; Wigan and Leigh Housing, which received its ICT services from Wigan Council; plus, Wigan Leisure and Culture Trust, a registered charity with leisure contracts, not only in Wigan, but nationwide and which also receives ICT services from Wigan Council.

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### Bringing four parties' interests together

Best Practice Group (BPG) was instructed to help all parties through a complex and rigorous Competitive Dialogue procurement process to secure a robust, bespoke and fit-for-purpose outsourced ICT contract. This contract needed to deliver the benefits and cost savings demanded by the collective parties.

Alison Hughes, Head of Strategic ICT Partnerships at Wigan Council explains: "As a joint venture with Bolton Council, we were looking for assistance with the procurement of an ICT outsourcing arrangement. In addition to Bolton Council, we were also joining forces with Wigan and Leigh Housing and Wigan Leisure and Culture Trust. Collectively we were searching for a new IT provider to deliver a great IT service, reduce costs and maximise opportunities for sharing services wherever possible. Historically,

Wigan had always kept its IT provider in-house, so outsourcing was new territory for us."

### A different approach to procurement

There were eleven initial bidders for the contract, including Agilisys who ultimately secured the contract. BPG implemented a key theme from the outset and this was a thread that ran from the very beginning of the process right through to the actual signing of the contract. All parties had to adhere to this theme throughout the process.

Chris Browne, from BPG says: "A key theme was inclusion, communication and co-operation between the partners. Wigan Council's motto is 'Progress Through Unity' and this procurement was a solid and true example of that moral code." Alison Hughes agrees: "As four organisations working together, we



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#### **Building a strong governance structure**

All involved were unanimous in recognising the mammoth operation ahead of them and right from the start BPG put in place a project governance structure with a steering group including representatives from each department - ICT, legal, finance and procurement.

Sue Johnson is Assistant Director of Financial Services and Corporate ICT at Bolton Council and says: “From analysing our business objectives to keeping things, and the team, focused throughout the bidding process, BPG’s knowledge of technology, procurement contracts and its methodical approach filled us with confidence. BPG created a framework for the system specification documentation and ensured all our interests were fully protected.”

BPG implemented a complete programme of regular board and steering group meetings which all parties agreed was invaluable in ensuring the smooth running of the operation.

Sue adds “All parties had a meetings planner spreadsheet expertly drawn up by BPG which meant we knew where we needed to be at what time on what day. Because things moved quickly, it was an ever-evolving spreadsheet, but it resulted in efficient communication throughout the whole process. This regularly updated planner definitely formed the backbone of the project. It really was an invaluable tool.”

#### **Following the competitive dialogue process**

With these mechanisms in place, all parties were guided through all the various stages of the Competitive Dialogue process by BPG, including a pre-contractual due diligence exercise, before the signing of a single partnership-wide contract at the end of January 2013.

Alison elaborates: “Fundamentally important was the advice given by BPG on how to manage the tenderers’ presentations and how to confidently and constructively ask direct and focused questions to secure a successful procurement. BPG’s advice was completely objective and BPG’s knowledge of technology and contracts enabled us to make rapid progress. They



were very much 'hands on' and a pivotal lynch pin for everyone to gravitate to. They were a fresh pair of eyes that brought their wealth of experience that we couldn't have found elsewhere."

An additional innovation introduced by BPG was the way the requirements documentation and evaluation tools were designed. Chris Browne says: "We wanted to align the documentation with the final contract so it would be easier to navigate and utilise for everyone concerned, including the bidders. Everything followed a 'standard' format with a strong document design. Everyone was unanimous in agreeing this made the evaluation process much clearer and therefore easier."

Sue Johnson agrees: "By using BPG's methodology, we only had to follow the structure laid out for us at every stage of the procurement process. The procurement of a new ICT system was a massive project in terms of expense and workload and it could have been easy to become overwhelmed at times, but BPG's streamlined system kept everything in perspective and invariably carried the load for us. One of the most valuable aspects of the approach by BPG was the optimisation of the flexibility available under the Competitive Dialogue process to carry out a pre-contractual due diligence exercise. Furthermore, once in place, a binding warranty was embedded into the contract from the service provider." She continues: "Because IT is a fast moving, ever changing medium, BPG's

guidelines and expertise also helped us consider what we would need a further 10 years down the line - which gave us that all important peace of mind." And Sue adds: "Our agenda was different today than it was 10 years ago, especially with the ever increasing pressures to optimise operational efficiencies."

#### **An inter-authority agreement**

On the day of the contract signing, all parties signed an Inter-Authority Agreement which had been jointly developed as a paradigm as to how the parties would operate and work together throughout the full term of the contract. The outcomes were manifold. Four different organisations and their respective cultures were formed into a cohesive, long lasting relationship.

The partnership shared the costs of one expert advisor (BPG) and its procurement advice, thus achieving delivery of a sizeable contract (c £45m over seven years) through a complex process in a highly cost-effective way. With the onus on time being paramount, BPG met the critical procurement timescales and, in turn, allowed all parties to meet their transitional, operational and cost saving requirement deadlines.

Alison Hughes concludes: "They delivered a bespoke service that took into account all aspects of outsourcing. Wigan Council, Wigan Leisure and Culture Trust and Wigan and Leigh

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Housing went live with the new service on February 1, 2013 and, following the successful procurement, Wigan Council alone has a saving of £950,000 per annum."

Sue Johnson resonates: "We began looking to procure a new IT provider because our current contract was ready for renewal. We turned to BPG after they came recommended by a trusted and reliable team member who had been involved with them on a previous occasion. With the help of BPG, Bolton Council achieved savings of half a million pounds per annum without having to lose any jobs." Bolton Council will go live with the new service on July 1, 2013. ■

### Summary:

By following BPG's procurement methodology, the four parties were able to:

- Navigate through a highly complex procurement process and achieve delivery of a £45m 7 year contract value in a highly cost effective way
- Meet their transitional, operational and cost saving requirement deadlines
- Take a methodical and diligent procurement process pathway, ensuring it was not open to challenge
- Build a cohesive long-term working relationship between the parties, with clearly defined roles and responsibilities and strong governance
- Follow clear evaluation criteria, ensuring the right vendor was selected
- Negotiate a highly competitive price with far less risk than under traditional procurement methods
- Achieve all budget, operational efficiency and time objectives.

### 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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