

**NORTH LINCOLNSHIRE COUNCIL
OFFICER DECISION NOTICE AND RECORD
(PUBLISHED)**

1. DECISION TAKEN			
To approve the award of a contract to MHR International UK Ltd for the implementation, support and maintenance of a HR and Payroll system.			
EXECUTIVE	√	NON-EXECUTIVE	(Please tick either)
IS THIS A 'KEY DECISION' ? (see definition overleaf)			No
DOES THIS DECISION RELATE TO EXEMPT INFORMATION?			No
EXEMPT PARAGRAPH REFERENCE (NOT TO BE PUBLISHED)			

2. OFFICER DECISION TAKER	NAME: Helen Manderson POSITION: Director, Business Development SIGNATURE: <u>H. Manderson</u> DATE: <u>15-10-19</u>
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3. REASONS FOR THE DECISION (Please ref to any report/minute/background documents attached)	MHR International UK Ltd identified as preferred provider following open OJEU tender process (ref: 2019/S 158-390823). See attached report
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4. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED (BY DECISION TAKER(S))	To not award the contract and continue with existing systems – rejected as this option will not enable the council to deliver organisational and business change required.
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TO BE COMPLETED BELOW - ONLY WHEN A DELEGATED OFFICER DECISION REQUIRES PRIOR CONSULTATION WITH A MEMBER (LEADER OF THE COUNCIL, CABINET MEMBER/CHAIRMAN OF A COMMITTEE) IN ACCORDANCE WITH THE 'SCHEME OF DELEGATIONS TO OFFICERS' OR DECISION/MINUTE OF COUNCIL/COMMITTEE OR DECISION/MINUTE OF CABINET/CABINET MEMBER.

5. DECISION REQUIRED TO BE TAKEN IN CONSULTATION WITH RELEVANT MEMBER	COUNCILLOR POSITION SIGNATURE DATE
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6. ANY CONFLICT OF INTEREST DECLARED BY ANY EXECUTIVE (CABINET) MEMBER (S) CONSULTED, WHICH RELATES TO THE DECISION, OR (NON- EXECUTIVE) – ANY MEMBER OF THE COMMITTEE THAT	
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<p>DELEGATED THE DECISION TAKEN</p>	
<p>7. WITH REFERENCE TO 6. ABOVE - HAS ANY DISPENSATION BEEN GRANTED TO THE EXECUTIVE (CABINET) MEMBER? (ONLY APPLIES TO EXECUTIVE)</p>	

PLEASE REMEMBER TO ATTACH ANY ACCOMPANYING REPORT.

WHEN COMPLETE, PLEASE SEND TO SERVICE MANAGER: DEMOCRACY FOR PUBLISHING.

(The definitions of a key decision **are when an executive decision is likely -**

(i) to result in the Council incurring expenditure or the making of savings (including the receipt or loss of income) over £350,000 in any one financial year; or

(ii) to be significant in terms of its effect on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority).

NORTH LINCOLNSHIRE COUNCIL

DIRECTOR OF BUSINESS DEVELOPMENT

**APPROVAL FOR DECISION TO AWARD CONTRACT
FOR HR & PAYROLL (HRP) SYSTEM**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To seek approval of the Director, Business Development to award the contract for the HRP system to MHR International UK Ltd following the conclusion of the OJEU tender process and identification of a preferred tenderer.

2. BACKGROUND INFORMATION

- 2.1 The council currently uses i-trent via a contract with East Riding of Yorkshire Council (ERYC) for payroll purposes with a contract end date of June 2021. For HR purposes, the council utilises FMP HR Professional and engages the supplier on an annual rolling maintenance and support basis. Running business processes across two systems is a significant obstacle to the service's ability to drive progressive and sustainable approaches to the management of the employment lifecycle and support future digital ways of working.
- 2.2 In order to streamline business processes and transform digital ways of working to support the council's goals of being progressive, enabling, commercial and sustainable, an integrated HRP solution is required.
- 2.3 The council has now concluded a joint open OJEU process (ref: 2019/S 158-390823) with North East Lincolnshire Council that invited tenders for a provider to implement a HRP system and provide ongoing licensing, hosting and support. The implementation will commence on 1 February 2020, with completion by April 2021 - the contract duration is seven years from 1 April 2021.
- 2.4 Three providers responded. One submission was deemed non-compliant due to being incomplete and rejected from the evaluation process prior to the evaluation of quality and cost. Tenders were evaluated on Most Economically Advantageous Tender (MEAT) criteria. The award criteria was 50% cost, 50%

quality, with quality being assessed via essential and desirable criteria, method statements and supplier demonstrations.

2.6 The scores awarded to the two compliant bids were as follows:

Tenderer	Quality	Cost	Total
Tenderer A	47.43%	36.13%	83.56%
Tenderer B	50.00%	50.00%	100.00%
Tenderer C	Not scored	Not Scored	Not scored

The preferred provider (Tenderer B) is Midland HR, Ruddington Hall, Ruddington, Nottingham, Nottinghamshire, NG11 6LL – the HRP solution is i-trent.

3. OPTIONS FOR CONSIDERATION

- 3.1 Do nothing: There is the option to not award a contract and continue with existing systems.
- 3.2 Award the contract: The council has the option to award the contract to the preferred provider and commence with implementation of i-trent from February 2020 onwards.

4. ANALYSIS OF OPTIONS

- 4.1 Do nothing: If the council does not award a contract and the service continues to run the existing systems, it will not be possible to deliver the organisational and business change required. The council will continue to have to work within the limits of the existing, separate systems. Additionally, the preferred provider has demonstrated its ability to meet the specification and contractual requirements without any major reservations.
- 4.2 Award the contract: The current contract with ERYC expires in June 2021 so there is a requirement to undertake a procurement exercise in preparation for this - the option set out in 3.2 above satisfies this. The specification and subsequent evaluation has tested the ability of HRP solutions to meet our organisational and business transformation requirements. By awarding the contract to the preferred provider and commencing implementation in February 2020 for go live of the new system in April 2021, this provides sufficient time for implementation.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

- 5.1 **Financial:** The whole life cost of the system is £898,000. Capital funding has been allocated for the implementation of the new HRP system, with existing revenue budgets for systems utilised for ongoing licensing costs.
- 5.2 **Legal:** Due diligence has been completed by procurement and the council's legal team will continue to advise and support with regard to agreement and signing of the contract between the council and preferred provider.
- 5.3 **IT:** There are significant IT implications in implementing a new HRP system and a dedicated IT Business Partner has been part of the evaluation team and will continue to support the project through implementation. It is anticipated that the Innovation Team within Business Development will also be involved in the project to support data migration and business process mapping.
- 5.4 **HR:** In order to ensure a successful implementation delivering innovation and change, it is crucial that the service releases technical leads to work on the project and that it is project-managed appropriately. This places the knowledge and expertise of key officers at the centre of the project, providing significant opportunities to build a self-sufficient skills and knowledge base internally in readiness for the future when supplier resources have withdrawn at the post go-live stage. Therefore, it will be necessary to establish an implementation team and backfill those posts to ensure that operational service delivery is maintained during the implementation period. Spend on resourcing which directly contributes to bringing the solution into use will be funded through the capital budget.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

- 6.1 **Council Plan:** The implementation of a new HRP system will result in the introduction of a best in breed solution which will bring significant change to the organisation's systems and processes through enhanced functionality and self-service provision. It will enable the council to adopt sustainable and progressive ways of working for HR and OD practitioners, managers and employees and will enable agile working in the widest sense.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 7.1 Not applicable

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1 All members of the HRP evaluation team have been required to complete a 'Declaration regarding any conflict of interest and confidentiality undertaking'. The team have not declared any conflicts of interest.

9. RECOMMENDATIONS

9.1 To approve the award of the contract for the implementation, support and maintenance of a HRP system to the preferred provider, MHR International Ltd.

HEAD OF ORGANISATIONAL DEVELOPMENT & INTERIM STRATEGIC HR LEAD

Church Square House
High Street
SCUNTHORPE
North Lincolnshire
DN15 6NL
Author: Debbie Searles
Date: 11 October 2019

Background Papers used in the preparation of this report – None