

# Cabinet

14 November 2019

## New Highways Management Information System

### Recommendations

That Cabinet:

- (1) Approves the use of G-Cloud to procure a new Highways Management Information System, with a view to replacing the existing system by April 2020.
- (2) Authorises the Strategic Director for Communities the authority to award and enter the final contract on terms and conditions acceptable to the Strategic Director for Resources.

### 1.0 Background

- 1.1 Over recent years the primary highways system has limited WCC's ability to effectively manage Warwickshire's biggest asset (highway network) and maximise Department for Transport funding. The system has not allowed the service to take advantage of efficiency and productivity gains from mobile technology and has held back improvements to the customer experience. Highways has other systems that supplement the primary system as well as using spreadsheets and manual paper-based processes. The procurement of a new Highways Management Information System is an opportunity to rationalise suppliers, systems and processes to increase efficiency and support evidence-based decision making at both operational and strategic levels.
- 1.2 A review was undertaken earlier this year and completed this summer with a recommended outcome of moving to a new supplier. This review gathered high level requirements, uncovered experiences and models implemented by peer authorities and assessed the market place for replacing our system with potential system and supplier consolidation for highways systems, to support current and emerging business needs, to improve the customer journey and the ability to integrate with wider Council infrastructure and our Highways Contractor system whilst supporting corporate and digital objectives.

- 1.3 The project is looking to procure a new single supplier/system contributing towards the WCC corporate objective of Supplier Consolidation and may provide further opportunities for consolidation of other asset management systems providing further benefits for Warwickshire.
- 1.4 The full business case has been approved by Corporate Board. Approval is being sought from Cabinet due to the financial cost of implementation and annual charges and the opportunity to demonstrate working towards the transformation agenda.
- 1.5 The estimated costs are the maximum amount envisaged and were compiled from significant soft market testing and engagement with suppliers. Total implementation costs are estimated at a maximum of **£348,000** with new annual running costs of approximately **£209,000** a year which is £17,000 more than Highways pay for current systems, but the benefits identified outweigh this additional cost.

## **2.0 Proposal**

- 2.1 WCC to procure and implement a new solution in order to:
- To implement advances in technology such as mobile working, reporting and integration.
  - To integrate deeply with the outcome of the Customer Experience Programme in order to improve customer self-service.
  - Contribute to WCCs ability to maintain maximum DfT funding in the future.
  - To ensure DfT/Legislative compliance
  - To consolidate several Highways systems into one system

## **3.0 Benefits**

- 3.1 Mobile working is key to the success of a new system implementation for Highways and provides the opportunity to implement end-to-end electronic processes from safety inspections, defect management, works ordering to works delivery and enquiry management. Several benefits are associated with this include improved efficiencies for both client and contractor staff as well as improved back office processes and improved customer service.
- 3.2 There are opportunities to significantly improve the overall customer self-service experience in reporting faults online encouraging a channel shift from phone to online. The two-way flow of information back to the customer, in the form of updates on progress, would keep the customer informed and reduce

the number of follow up calls. Other expected benefits include a reduction in duplicate fault reporting, reduction in phone calls to the Customer Service Centre, improved usability, elimination of fault reports on non WCC roads and appropriate signposting. This is not possible with Warwickshire's existing systems.

- 3.3 If a new system is not procured and WCC remain with our current system as its core highways system, then it is envisaged that WCC may struggle to maintain the maximum funding from the DfT Incentive funding (or its replacement). Dropping back down to a lower level will have a significant financial impact on WCC and Highways ability to maintain our road network of up to £3m over three years.

## **4.0 Procurement Approach**

- 4.1 A new system must be implemented by 31<sup>st</sup> March 2020 for the following reasons:
- To ensure WCC Street Works activity meets Department for Transport (DfT) statutory obligations that come into place on 1st April 2020
  - Cost avoidance of £141,000 for the existing system (annual subscription)
  - To ensure WCC are in the best position to maintain maximum funding from DfT (Incentive Fund).
- 4.2 The supplier of the existing highways system is not keeping their product up to date to meet the needs of highways and legislative changes. This means that the existing primary Highways system is not fit for purpose for example:
- Suppliers notice of decision to not develop/provide TMA/Street Works functionality in their new product.
  - Suppliers notice of decision to not integrate with DfT's Street Manager for the coordination of street work, seriously impacting WCCs ability for income generation in this area.
  - Suppliers decision to not to seek UKPMS accreditation (a DfT requirement)
- 4.3 The review of the marketplace over the summer has given Warwickshire a clear understanding of each supplier's offerings. A number of procurement options have been investigated considering procurement options, associated costs and both short term and long term contract lengths. The outcome from these investigations and to ensure procurement compliance, it is recommended that WCC embark on procurement process via the G-Cloud, a national framework set up by central government to provide government and local authorities with access to software system.

4.4 The review also highlighted that the marketplace is fast moving and several suppliers are investing heavily in their products. The G Cloud contract length of 2 years + 1 + 1 is seen as positive as, at the end of the 4-year period, Warwickshire would have the chance to review the marketplace and take advantage of advances in technology rather than being fixed in a long term contract. Depending on the outcome of this review, there would be an opportunity to either go back to G Cloud to re-procure or embark on a full procurement exercise.

## 5.0 Financial Implications

5.1 The estimated costs associated with the procurement of a new highways system are £348,000 implementation costs and annual operating costs of £209,000. A breakdown of these costs and the source of funding is shown in the tables below. given below and are the maximum envisaged.

<b>Project/Work</b>	<b>Estimated Costs £</b>	<b>Funded By</b>
Procure, implement new highways system and integrate with corporate and highways contractor systems. Cost includes data migration and training and covers street Lighting	293,000	ICT Transformation Fund
Extract data from current system	14,000	ICT Transformation Fund
Procure Mobile Phones (85x£450)	38,000	ICT Transformation Fund
Upgrade Coleshill Link	3,000	ICT Transformation Fund
<b>Total Implementation Costs</b>	<b>348,000</b>	

<b>Annual Costs</b>	<b>Estimated Costs £</b>	<b>Funded By</b>
Cost of annual subscription for new system	200,000	Highways
Mobile replacement fund & tariff	9,000	Highways

5.2 The above costs are based on findings from Highways Review. The costs are estimates and will be different for different suppliers. The actual cost will be agreed during procurement.

5.3 Under their delegated authority Corporate Board have agreed that the implementation costs can be met by ICT Transformation Fund. The on-going annual costs will come from within existing Highways budgets.

## 6.0 Timescales

### Phase 1 - November 19 – March 20

- Procurement
- Data Migration
- Highways Implementation
- Street Works Implementation
- UKPMS Implementation

### Phase 2 - April 20 – December 20

- Street Lighting Implementation
- Mobile Working Process Implementation

### Phase 3 - 2021 – 2022

- Implement systems fully: Street Works, UKPMS, Strategic Asset Management
- Other Assets

## 7.0 Background Papers

7.1 None

	<b>Name</b>	<b>Contact Information</b>
Report Author	Shail Chohan	01926 738980 shailchohan@warwickshire.gov.uk
Assistant Director for Environment Services	Scott Tompkins	01926 412422 scotttompkins@warwickshire.gov.uk
Chief Executive	Monica Fogarty	01926 412514 monicafogarty@warwickshire.gov.uk
Portfolio Holder	Councillor Jeff Clarke	jeffclarke@warwickshire.gov.uk

This report was circulated to the following members prior to publication

Councillor Clarke, Councillor Butlin and Councillor Cockburn