



**Innovation in Technology Procurement Project**  
Housing Management Procurement Workshop 3 - 09.12.20



LOTI\_LDN |



medium.com/loti

#LOTI

# What we discussed in Workshop #2

# Review: A common set of objectives

We've defined a set of objectives that would add business value to guide the procurement exercise and assessment of suppliers.

## **Key objectives agreed** (many discussed in January 2020 [workshop](#))

1. Interoperability to enable data openness and system integrations (without charges)
2. Improved core product -- e.g. better customer journey or front-end interoperability
3. Improved performance -- e.g. to avoid systems running slowly through KPIs and service credits
4. Improved flexibility -- e.g. ability for system to evolve, particularly to changes in statutory responsibility
5. Ability to deploy in the cloud, either as a SaaS or PaaS solution
6. Improved maintenance -- e.g. announce releases in advance and ensuring they are properly tested
7. Improved management -- e.g. more responsive account management
8. Pricing and roadmap transparency at the procurement stage

# Review: Mapping shared User Needs gaps

Whose user needs do we need to better understand?

User Group (As a...)	What are they trying to do and what barriers do they face?	What research can we do to assess needs?
Residents	Poor customer journey in: (i) applications process (ii) onboarding new tenants	Conduct ethnography to assess key process preferences, e.g. resident applications. Can we utilise any user insights from prior housing repairs user research?
Vulnerable people	Poor tracking of their interactions with council services: (i) adult social care (ii) homeless services.	Engage councillors to understand priorities.
Leaseholders	Poor information is provided to external leaseholders, and internal management team struggle with workflow.	Qualitative workshop to capture pain points.
Tenancy Management Officers	Need better processes for: (i) identifying residents with financial difficulties (e.g. voids)	Qualitative workshop to capture pain points.
Wider services related to housing	There are a range of internal (e.g. environmental officers) and external users (e.g. repairs and maintenance contractors, construction companies, housing associations) that are digital service users	Identify stakeholders and conduct qualitative workshops to capture pain points. Potentially could run a short survey to gather needs from a range of stakeholders.
Finance directorate	Need better processes for: (i) integrations and workflows vary across key payments and financial irregularity processes (e.g. tenants on benefits)	Conduct interviews across the business and directorates



**Work to share  
- for discussion**

**loti**

# Recommended: Work Packages

These are the work items we recommend taking forward to rapidly progress a joint procurement.

Work Item	Key Activities	Deliverable	Timeline?
Conduct user research	(i) Fully map key users (ii) Conduct user research with staff and citizens (iii) Assess user needs (iv) Prioritise needs	Statement of user needs; User journey maps; User problem statements; User personas.	Jan-Feb?
Define common outcomes	(i) Turn user research into solution outcomes (ii) Map significant outcome divergence	Short outcomes specification, per service line	Jan-Feb
Define necessary functional, technical and performance requirements	(i) Discuss best practice (ii) Identify shared requirements (iii) See if a divergent requirement can be resolved in a shared outcome (iv) Individually identify bespoke requirements (e.g. core modules, system integrations, Cloud SLAs)	Functional & Technical specification; KPIs and service credit schedule	Feb
Analyse market solutions	(i) Supplier engagement to assess whether HMS' provide key solution outcomes (ii) Map outcomes met by HMS providers (iii) Map outcomes unmet by core HMS solutions, but available through other providers	HMS assessments; Additional Capability Needs	Feb-Mar
Agree tender route <b>(for discussion later)</b>	(i) Collate user needs, outcomes and key requirements into a specification (ii) include addition (iii) review commercial approaches (iv) agree common contract design	Tender options assessment; Common contract design	Mar

# Recommended: Way of Working

This is up to boroughs to decide, supported by LOTI - but we recommend a clear path forward.

1

## Leaders (procuring next year)

### Lead on:

- Conduct user research
- Define common outcomes
- Define necessary requirements spec
- Analyse market solutions
- Agree tender route

### Ways of working:

- Conduct weekly / fortnightly planning meetings
- Lead monthly status reviews
- Set up in shared collaboration tool (e.g. Basecamp, or Teams)

2

## Supporters (procuring 2022 & 2023)

### Co-lead:

- Agree tender route

### Contribute to:

- Define necessary requirements spec
- Analyse market solutions

### Ways of Working:

- Attend monthly status reviews
- Participate in shared collaboration tool (e.g. Basecamp, or Teams)

# Procurement approaches - for review



# What are we discussing in this session?

Next, we'll explore options of how to execute the procurements of a HMS, and any additional tech capability

## **Valuable joint procurement approaches for a HMS** ([see guidance](#) on 'joint procurements')

- Given that we believe we will purchase a HMS, what approaches can best maximise our value and objectives?

## **How do we ensure to maximise value in the contract?**

- A few recommended approaches to review and direct toward specific guidance

## **What are the procurement approaches relevant for procuring additional, innovative housing solutions?**

- An overview of the key things to consider when engaging innovative technology providers

# Joint procurement approaches for a HMS

There are a few realistic options for Boroughs to secure their HMS requirements jointly

1

## Use an existing framework

### Range of CCS routes to market

**APPROACH:** Utilise the clear commercial tools already available to public buyers (e.g. Northgate are on a number of frameworks, including G-Cloud 12 and DOS 4).

**PROS:**

- (i) Clear route to market & contract
- (ii) Fast, particularly if you have a preferred supplier
- (iii) Can be competitive, or restricted

**CONS:**

- (i) Limited flexibility to negotiate some contract terms (e.g. length)
- (ii) Limited ability to provide certainty of a truly 'joint procurement'

2

## Set up a Framework and Catalogue

### Specific to subset of London boroughs

**APPROACH:** Award a new framework through a single procurement, enabling buyers to 'call-off' the agreed services. Typically, run by a lead contracting authority.

**PROS:**

- (i) Introduces new competitive tension & enables negotiation of better value.
- (ii) Enables some flexibility between each buyer's call-off contract.
- (iii) Can be multi- or single-supplier

**CONS:**

- (i) Value is achieved only if buyer's speak with a 'single voice'.
- (ii) Frameworks are static, so no new suppliers can be added.

3

## Set up a Dynamic Purchasing System

### Specific to subset of London boroughs

**APPROACH:** Pre-qualify a set of suppliers onto a dynamic framework based on agreed criteria. Later, any eligible supplier can be added.

- e.g. Must have a council customer
- e.g. Must be cloud-enabled

**PROS:**

- (i) Enables new eligible suppliers to be onboarded on a rolling basis
- (ii) Requires less upfront assessment by the contracting authority
- (iii) Maintains competitive tension, & threat of new entrants

**CONS:**

- (i) Contracts can only be awarded through mini-competitions.

# Maximising value in a contract

How can we design a contract to get the most value out of a large incumbent supplier?

**Interoperability-by-design.** Interoperability is key to 'future-proofing' your HMS and enabling additional services to be built around it flexibly.

- We recommend you utilise the contract terminology created by LOTI [on Data Access and API Availability](#).
- We recommend you assess your interoperability requirements fully - our [guidance on interoperability](#) can help.
- You could an enforcement clause that penalises suppliers for not enabling integration with suppliers.

**Capturing pan-London demand.** Large suppliers will provide better value if demand is aggregated in a clear commercial construct.

- We recommend you insert a clear clause to stipulate that a contract can be replicated by authorities pan-London

**Unified Performance Standards.** There are a range of performance management approaches and standards - see our basic [overview here](#).

- We recommend establishing common 'best practice' performance standards and KPIs, and co-creating them with suppliers (particularly for standardised cloud-based services, as unrealistic service credit schedules will simply be priced in as 'risk'.

**Embed continuous improvement.** Formal continuous improvement clauses can be agreed and embedded, though may increase price. An informal approach enables more flexibility, though is less outcomes oriented. See [our guidance](#) on this topic.

- If formally, we recommend you negotiate a continuous improvement plan, and insert it into the contract.
- If informally, we recommend you require an allocation of 'developer days' to prioritise common feature development.

**Manage collectively.** If you procure collectively, you can manage suppliers together too. This can enforce better accountability.

- We recommend contracts require suppliers set up a dedicated London-based User Group - [our guidance](#) provides advice.

**Social value.** Social value is incredibly important, but presents additional cost to suppliers and can dissuade suppliers from bidding.

- We recommend you assess whether your social value drivers are likely to be shared by suppliers.

# Approaches to future innovation procurement

There are a range of commercial tools available to support procurement of innovative housing products and services around a HMS, all included within the [Innovation in Procurement Toolkit](#).

## Consider innovation procurement approaches:

- **Dynamic Purchasing System** (recommended): Useful for flexibly pre-qualifying innovative housing suppliers.
- Can be multi-lot to enable a range of solution types.
- Can set custom eligibility criteria, with rolling admission.
- Requires a mini-competition to procure.
- Will enable greatest flexibility to add capabilities as they emerge over the next 3 years.
- Can be used in tandem with either Options 1, 2 & 3 for your HMS provider.
- **Design Contests:** Useful for piloting solutions, ahead of a formal tender e.g. Network Rail recently used to source innovative 'crowd management' tools
- **Innovation Partnerships:** Useful for R&D with a supplier, with a clear option to procure at the end.
- **Competitive Dialogue:** Two phase process, where negotiation with each supplier informs assessment criteria.

## Tips:

- **Advertise broadly**, publishing pipeline early (use [Thirty3](#) or [LocalGovPipeline](#)), and distributing PINs, ITTs, etc widely ([see our list](#) of accelerators, trade bodies, media, GovTech communities).
- **Start with a clear statement of users**, user needs and user research done-to-date. (See example from Digital Marketplace, incl. [recent housing tender from Hackney](#))
- **Use outcomes** wherever you can, and only make technical specifications where you have to.
- **Consider the tender's 'look' and 'feel'**. Is it something that tech companies would want to apply for?
- **Ask for presentations, decks and product demos**, instead of long written answers.
- **Leverage the HMS as a strategic partner** to engage the market collaboratively - SMEs will be attracted to the opportunity to scale ([see our guidance here](#))

**Thanks for participating!  
Please leave comments  
with your views.**

 **LOTI\_LDN**

 **medium.com/loti**

**#LOTI**

**loti**