

Cabinet Member for Corporate Relations	Ref No: CR2 18-19
November 2018	Key Decision: Yes
Procurement of Support and Maintenance Contract for Mosaic software	Part I
Report by Director of Finance, Performance and Procurement	Electoral Division(s): n/a
<p>Summary This report seeks approval to commence a procurement process for the renewal of a support and maintenance contract for Mosaic.</p> <p>Mosaic is a social care case management system that is used by c3,500 people across Adults & Children Services and associated partner organisations. In 2009, the County Council acquired licencing in perpetuity for Mosaic (formally Frameworki) software. It is the principal IT platform providing strategic IT capability for the County Council’s Children Adults Families Health and Education (CAFHE) Directorate service delivery. The support and maintenance element of the contract is due to end in August 2019 and needs to be replaced.</p> <p>The Mosaic system meets the organisation’s needs and there is no intent to replace it. The only provider of the support and maintenance activity in both the current local on-premise system and the future hosted systems is the software and hosted service provider, Servelec Social Care. An early notification to Servelec-Corelogic of the Council’s intent to renew the support and maintenance contract has economic advantages for the cost of the support and maintenance and for the migration to the hosted systems.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The Mosaic software directly supports and enables a broad set of services in the CAFHE directorate. In doing so, it enables outcomes associated with “Best Start in Life” and “Independence for later life”.</p>	
<p>Financial Impact</p> <p>The net impact of this procurement can be managed within existing IT budgets. While the future cost of support and maintenance of Mosaic will be reduced, this will, in part, off-set an increased charge for the hosted managed service. Other costs associated with hosting will be managed within existing IT budgets as part of the agreed migration to cloud-based services.</p>	
<p>Recommendations:</p> <p>(1) That the Cabinet Member approves the commencement of a procurement process for renewal of a support and maintenance contract for the MOSAIC case management system; and that</p> <p>(2) authority is delegated to the Director of Finance, Performance and Procurement to enter into the contract, and to extend for 2 years as appropriate.</p>	

PROPOSAL

1. Background and Context

- 1.1 In 2009, the Council went to market for a new social care system resulting in the acquisition of licensing in perpetuity for Mosaic (formally Frameworki) provided by Servelec Social Care (formally Corelogic). This system is used by c3,500 users across Adults and Children Services and associated partner organisations. It is a critical IT platform that provides strategic capability that enables delivery of CAFHE Directorate services.
- 1.2 When the licenses were acquired, the Council also acquired support and maintenance services for them. These services provide software upgrades, fixes to problems and access to specialist third party software support. The current contract is provided by Servelec Social Care, the Mosaic software vendor. In line with agreed strategic intent, the Mosaic licences will be transferred to a managed hosted service provided by the software vendor and the new support and maintenance arrangements will apply to the current and future hosted system. The support element of the contract is due to end on 28 August 2019 and all available extensions have been invoked and used. The support and maintenance contract needs to be replaced. An early commitment to replacing the contract has economic advantage because it anticipates the advantage of migrating to a hosted managed service.
- 1.3 Frameworki was updated to Mosaic in July 2017 and there is no intention to replace the system. It will be used by the Council for at least the next three to five years. The Council has recently taken the decision to actively pursue a shift from the current locally hosted solution to one that is provided as an off-site fully managed service. This shift supports the Council's IT Strategy to take strategic advantage of cloud-based IT delivery that will enable improved service and value for money. It is intended that the migration to the hosted platform will be completed during the next 6 months. A fully managed support and maintenance service is an integral part of both the current on-premises system and the future managed service arrangement.
- 1.5 Given the intent to migrate to the managed service with a subsequent change in the way that support and maintenance is delivered, the software vendor (and provider of the managed service) has agreed a revised approach that applies to both the current and hosted environments. This is at a reduced cost compared to the existing arrangements and it is proposed that the new arrangements are procured before the natural end of the existing arrangements.

2. Proposal Details

- 2.1 It is necessary to provide a support and maintenance service to both the current on-premise Mosaic system and the future managed hosted service. Following a market review and discussion with the vendor of the Mosaic systems, it is evident that only the software vendor and current provider of the support and maintenance service is able to provide the service as required currently and into the future. It is proposed that the support and maintenance arrangements are renewed with the vendor through a single tender. The justification for the single tender has been reviewed and agreed

by the Director of Law and Assurance and the Director of Finance, Performance and Procurement.

- 2.2 The revised arrangements have been compared against that currently prevailing in the Council and with those of similar local authorities and represent value for money. Existing and future support charges are compared in the tables in Section 4.
- 2.3 While it is intended that there is an early commitment to replace the contract, the contract itself shall commence on the 29 August 2019 and will run for an initial period of 5 years, with an option to extend by another 2 years to a maximum period of 7 years. It is intended that the migration to the hosted managed service arrangement will be completed before August 2019 enabling a seamless transition between the current and future provision.

3. Consultation

- 3.1 The procurement approach has been agreed with the Director of Law and Assurance and the Director of Finance, Performance and Procurement.
- 3.2 The continued use of the Mosaic software for the immediate and foreseeable future has been discussed with the Directors and the Heads of Service that make most use of the system, in particular those delivering Adult and Children Social Care services.
- 3.3 The transfer of Mosaic to a hosted managed service and the consequent changes in support and maintenance have been discussed with the Council IT Outsourced partner, Capita. These changes are aligned to agreed strategic directions for IT and are supported by Capita. Note: The Mosaic licencing and associated support and maintenance was not novated to Capita and is not included in Capita core costs.

4. Financial (revenue and capital) and Resource Implications

- 4.1 Current costs for support and maintenance are £244k per annum, with the proposed future costs for support and maintenance are expected to be £163k.
- 4.2 The reduced cost is the result of migrating to the managed service. This migration simplifies support and maintenance as the delivery of the Mosaic system is based on the vendors preferred set of technologies. The current locally managed system is based on a platform, database and other elements of technology that are unique to West Sussex, creating a more complex technology environment for the support and maintenance provider.
- 4.3 The additional cost of a hosted service remains under negotiation but is estimated to be in the range of £80,000 to £100,000 per annum. In total, this would represent between a cost neutral financial outcome to an additional cost of c£20,000 per annum. However, as the migration to the hosted service is part of a broader strategic intent that should provide

opportunity for cost reduction elsewhere, it will be possible to absorb any additional cost within prevailing IT budgets.

	Current Year 2018/19 £	Year 2 2019/20 £	Year 3 2020/21 £	Year 4 2021/22 £
Revenue budget	383,000	383,000	383,000	383,000
Reduced Support and Maintenance cost		-46,667	-33,333	
Increase in hosting cost		46,667	33,333	
Remaining budget	383,000	383,000	383,000	383,000

5. Legal Implications

5.1 None

6. Risk Assessment Implications and Mitigations

6.1 The risk of not proceeding with the contract would mean that the Mosaic system was not supported which could result in a system failure. Changes in the legislative and regulatory frameworks related to social care are enabled through upgrades of the system software. Without an effective support and maintenance contract then these upgrades would not be readily available. Should these circumstances occur, then the Council would not be able to deliver effective statutory social care services.

7. Other Options Considered (and Reasons for not proposing)

7.1 Research was undertaken to attempt to identify alternative support and maintenance solutions. However, there are no providers of a similar service for the Mosaic software for on-premise solutions and no equivalent third-party service for supporting a hosted solution.

8. Equality and Human Rights Assessment

8.1 Not applicable

9. Social Value and Sustainability Assessment

9.1 Not applicable

10. Crime and Disorder Reduction Assessment

10.1 Not applicable

Katharine Eberhart

Director Finance Performance and
Procurement

Contact Officer:

Roland Mezulis, Chief Information Officer and Head of Information Technology

Tel: 0330 222 2103

Appendices

None

Background papers

None