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Award

SaaS Services Contract

Notting Hill Genesis

F15: Voluntary ex ante transparency notice

Notice identifier: 2024/S 000-001994

Procurement identifier (OCID): ocds-h6vhtk-042eb1

Published 19 January 2024, 4:38pm

Section I: Contracting authority/entity

I.1) Name and addresses

Notting Hill Genesis

Bruce Kenrick House, 2 Killick Street, London, N1 9FL

London

N1 9FL

Contact

John Carey

Email

John.Carey@nhg.org.uk

Country

United Kingdom

Region code

UK - United Kingdom

Companies House

Companies House

Internet address(es)

Main address

www.nhg.org.uk

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

Housing and community amenities

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

SaaS Services Contract

II.1.2) Main CPV code

- 72000000 - IT services: consulting, software development, Internet and support

II.1.3) Type of contract

Services

II.1.4) Short description

A Contract for the provision of a self service platform and associated ICT services.

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £12,800,000

II.2) Description

II.2.2) Additional CPV code(s)

- 72000000 - IT services: consulting, software development, Internet and support

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

The Contract is for the provision of a self service platform and associated ICT services. This platform is known as WorkWise. The services to be provided under the Contract are as follows:

- Self Service tool for use by residents
- On-line payments
- Repairs module integrated with repairs marketplace
- Arrears Management
- Customer Relationship Management
- Task management for Housing Management Staff
- Reporting and Management Information
- ICT support services

The Contract is to be awarded by Notting Hill Genesis (NHG) to a newly created entity , which is to be incorporated shortly and is to be named Neo Prop Tech Ltd. For convenience, in this Notice this entity is referred to simply as "NewCo". Neo Technology Limited will be the majority shareholder in NewCo, with NHG having a minority shareholding.

The Contract will last for an initial period of 5 years, following which it will be terminable by NHG or NewCo upon giving 6 months notice to the other.

II.2.11) Information about options

Options: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Negotiated without a prior call for competition

- The works, supplies or services can be provided only by a particular economic operator for the following reason:
 - absence of competition for technical reasons

Explanation:

NHG intends to award the Contract to NewCo pursuant to Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015 (PCR) for the reasons set out below:

In 2019 Neo Technology Limited (Neo Tech) were engaged via NHG's managed service provider for temp staff to provide individuals to support the development of NHG's Arrears and WorkWise Repairs software product (WorkWise).

In February 2022 NHG awarded an ICT consultancy services contract to Neo Tech for the further development of WorkWise. This was awarded through the CCS G-Cloud Framework and is set to expire in August 2024.

In October 2022 NHG entered into a separate contract with Neo Tech for the provision of support and managed services in respect of WorkWise. This was also awarded through G-Cloud and is set to expire in October 2024.

NHG owns the IPR rights in WorkWise. In late 2022 / early 2023 NHG began to explore its options for the future use, support and roll out of WorkWise. NHG sought expressions of interest from organisations that are active or looking to be active in the PropTech marketplace. Following a review of the proposal submitted, Neo Tech was identified as the preferred organisation given its detailed commercial proposal and experience with NHG technology mitigating concerns around technical risk.

The following overall transaction structure has now been agreed in respect of the future use, support and roll out of WorkWise:

- A new company will be created by NHG and Neo Tech (ie NewCo). The IPR in WorkWise will be transferred to NewCo
- The existing contracts between NHG and Neo Tech referred to above will be terminated

and the new "SaaS" services Contract will be entered into between NHG and NewCo under which NewCo will provide NHG with access to WorkWise and various ICT support services in relation to it (further described in section II.2.4 of this Notice)

NHG 's view is that it is entitled to award this Contract to NewCo under Regulation 32(2)(b)(ii) of the PCR for the following reasons:

(i) The WorkWise product was designed specifically for NHG's needs and requirements. Neo Tech have been heavily involved in the development of the product and have been providing support services in relation to it since 2022, pursuant to the contracts awarded through G-Cloud. Accordingly, Neo Tech have an in depth understanding and knowledge of the product and of NHG's service and business requirements. NewCo will be majority owned and resourced by Neo Tech so will, by extension, have the benefit of this knowledge, expertise and experience. No other ICT providers in the market will have this

(ii) Given that WorkWise was designed specifically for NHG and is fully embedded within its business, it is realistically not an option for NHG to undertake an open market procurement for a new / different product for the delivery of the same type of service. The reality is that any such product would be very unlikely to "match up" to WorkWise in terms of required functionality and interoperability with NHG's wider systems and business

(iii) Given that use of an alternative ICT product to WorkWise is not a realistic option for NHG, and given Neo Tech's, and by extension, NewCo's unparalleled knowledge and understanding of the product, if NHG were to put the Contract out to competitive tender in accordance with the PCR it is likely that genuine competition for it would be absent because it would be very difficult for another service provider to compete with NewCo's tender proposals for the opportunity, and thereby provide a reasonable alternative

(iv) The above circumstances have not come about as a result of an "artificial narrowing down of the parameters of the procurement" by NHG. On the contrary, they have come about as a result of Neo Tech's, and by extension, NewCo's knowledge, understanding and experience of the WorkWise product and NHG's business requirements which it gained from its performance of the contracts awarded to it through G-Cloud

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

Section V. Award of contract/concession

Contract No

Title

SaaS Services Contract

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

19 January 2024

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

NewCo

London

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

Companies House

The contractor/concessionaire is an SME

Yes

V.2.4) Information on value of contract/lot/concession (excluding VAT)

Initial estimated total value of the contract/lot/concession: £12,800,000

Total value of the contract/lot/concession: £12,800,000

Section VI. Complementary information

VI.3) Additional information

The Contracting Authority intends to enter into this contract following a minimum 10 day calendar day standstill period starting on the day after this notice is published in the UK Find a Tender Service. The Public Contracts Regulations 2015 (SI 2015 No 102) (as amended) (the Regulations) provide for aggrieved parties who have been harmed or who are at risk of harm by a breach of the Regulations to bring proceedings in the High Court. Any such proceedings must be brought within the limitation period specified by the Regulations according to the remedy sought.

VI.4) Procedures for review

VI.4.1) Review body

High Court

The Strand

London

Country

United Kingdom

VI.4.3) Review procedure

Precise information on deadline(s) for review procedures

In accordance with Part 3 of the Public Contracts Regulations 2015