

Delegated Decision Report

21 May 2025

Title: Microsoft Solutions Provider Contract Award – Connect to Work
Report of: Alan Reiss
Directorate: Operations
Portfolio: All

Report Summary

The report recommends the appointment of a supplier for the build and maintenance of a customer relationship management solution using a Microsoft Power Platform solution, to record, manage and report on participant information as part of the Connect to Work Programme, and maintenance of wider Microsoft Power Platform products, following an open procurement process.

Recommendations

The Chief Executive is recommended to approve the award of a contract of up to £87,470 to Node4, for the development and maintenance of a customer relationship management (CRM) solution using a Microsoft Power Platform solution, and maintenance of wider Microsoft Power Platform products.

A. Context

1. Connect to Work

- 1.1. Connect to Work is the first major element of the Get Britain Working Strategy. It will take a collaborative, locally led approach to tackling 'Hidden Unemployment'. It will help connect local work, health and skills support. The funding provides a coherent, systematic and joined up approach to maximise the benefits available for individuals and local communities.
- 1.2. The North East Combined Authority (North East CA), on behalf of the Department for Work and Pensions (DWP), is Accountable Body for the Connect to Work Programme in the North East and as such is responsible for the commissioning, implementation and management of Connect to Work delivery.
- 1.3. The North East CA is in process of commissioning delivery partners to provide Connect to Work Supported Employment to residents. The first participants are expected to start the programme in the summer of 2025, with peak volumes reaching 4,500 participants per year. Additional participant information will be collected but will be subject to suitability and eligibility criteria.
- 1.4. As part of the Grant Funding Agreement between DWP and the North East CA, there is a requirement to provide regular reporting to the DWP on programme activity, and to collect and manage information which supports the North East CA to comply with audit and assurance standards. DWP encourage all Accountable Bodies to use digital and automated systems for this purpose.
- 1.5. The Connect to Work delivery plan specifies that the North East CA will develop, procure and implement a CRM system specifically for Connect to Work. This will support management of participants on the programme and underpin process for providing regular performance reports to DWP.
- 1.6. Minute number C481124 of the Cabinet meeting held on 26 November 2024 delegated authority to the Chief Executive to take decisions to:
 - Authorise the Director of Finance to accept the grant offer from DWP with respect to Connect to Work on behalf of the Authority, subject to the terms and conditions set out by DWP.
 - Authorise the Chief Executive, in consultation with the Director of Finance and relevant Cabinet Member, to approve the commissioning approach set out in 3.2 of this report, including the Delivery Plan and Grant Cost Register.

2. Microsoft Solutions Provider

- 2.1 To align with the corporate approach of 'Microsoft First' to digital solutions, it was agreed that the CRM for the Connect to Work programme would utilise the Microsoft stack, specifically, the Power Platform.
- 2.2 The North East CA currently has several PowerApps in the Power Platform which support the delivery of programmes across the Operations and Economic Growth and Regeneration directorates. The support contract with our existing supplier is due to end in June 2025.
- 2.3 In line with our ambitions of having interoperable data and connected systems, the BTPI team made the decision to package the development of the new CRM and our existing maintenance needs into one contract following discussion with the Connect to Work and Procurement teams.
- 2.4 Functional and non-functional requirements for the development of the CRM for Connect to Work programme and further details about the maintenance of our existing systems is set out in the specification linked below.

3. Procurement Approach

- 3.1 Following discussions with the Procurement team it was agreed that the most appropriate procurement route for appointing a supplier for this contract was to run a mini-competition through an existing framework.
- 3.2 A shortlist of three potential frameworks (Bloom, YPO and Crown Commercial Services G-Cloud) was identified by the procurement team and reviewed by the Business Transformation, Performance and Insights (BTPI) team to determine which framework was the best fit for this procurement activity.
- 3.3 Due to the diversity of the lots and volume of suppliers signed up to the framework, the Crown Commercial Services G-Cloud framework was determined to be the best fit for this procurement.
- 3.4 To identify the suppliers invited to take part in the mini-competition the BTPI team worked closely with Microsoft who conducted a partner matching exercise which matched the North East CA with three new potential suppliers (ANS Group, HSO and Node4). These three suppliers, alongside Hitachi Solutions (our existing supplier) were invited to take part in the mini-competition.
- 3.5 The mini-competition opened on the G-Cloud framework on 19 March, with the four suppliers listed above invited to submit a response. The mini-competition ran until 15 April.

4. Appointing a supplier

- 4.1 Two suppliers submitted responses to the opportunity. These tenders were reviewed by a panel of three evaluators from the North East CA and Newcastle City Council's ICT team on 22 April.
- 4.2 Hitachi Solutions scored 73.6% in the quality questions and 6.52% on pricing, bringing their total score to 80.12%. Node4 scored 60.80% in the quality question and 20% on pricing scores, bringing their total score to 80.80%. Overall, Node4 were therefore the highest scoring bidder.
- 4.3 Following the consensus meeting the panel agreed a good response was received from Node4 on all questions. The response is relevant to the requirement and demonstrated a clear ability to satisfy the delivery requirements.
- 4.4 Node4 have outlined a clear timeline to deliver the solution from inception to go-live within nine weeks. The timeline will consist of discovery workshop, build and deploy, testing and training phases.
- 4.5 During the discovery phase the North East CA and Node4 will confirm requirements and agree customisations needed to adapt Node4's out of the box solution to ensure it meets the requirements of the Connect to Work Programme.

B. Impact on North East Combined Authority Objectives

The development of a new CRM and maintenance of existing PowerApps underpin delivery programmes across the North East CA, largely Connect to Work, The Growth Hub and Made Smarter, to deliver the missions set out in the Corporate Plan.

C. Key risks

At project level, appropriate risk management processes are in place to identify and mitigate risks with escalation requirements embedded.

The greatest risk to the delivery of the Connect to Work CRM is the time available to build the CRM ahead of participants joining the programme. Node4 have confirmed that they can meet the deadlines set out in the ITT and have designed a nine week programme to ensure that all deliverables are met ahead of the

programmes launch in early August. To ensure the build remains within the timeframe, allocated risk factors and mitigation strategies will be identified and agreed during the inception meetings.

D. Financial and other resources implications

The contract will last three years, with an option to add a two year extension, and has an estimated total value of £87,470, excluding VAT.

The Connect to Work programme has allocated £200,000 for the initial build of the CRM and a further £50,000 each year to support with maintenance. The BTPI team have ringfenced budget in 2025/26 for maintenance.

The appropriate procurement processes have been completed. Budget for this activity has been ring fenced in the Connect to Work and BTPI team budgets.

E. Legal implications

N/A

F. Equalities implications

The North East CA adheres to the Public Sector Equality duty and is conscious of the need to achieve these requirements set out under s149 of the Equality Act 2010. In June 2024 the North East CA adopted 12 equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader. This proposal is clearly aligned with several of these objectives including those which focus on evidence, data, systems and funding. We have committed to working with the equalities team to align the details of this proposal with the organisational equality objectives and to assess the impact of this proposal on equalities, which may include a formal equality impact assessment.

G. Consultation and engagement

The North East CA Senior Leadership Team and Senior Management Forum have been engaged in the Microsoft First approach to the development of digital solutions.

Microsoft have been involved in the development of framework for the development of the data and digital strategy and selection of potential suppliers invited to take part in this process.

H. Appendices

None

I. Background papers

[CRM and Maintenance Support ITT specification](#)
[Cabinet Agenda Pack - 26 November 2024.PDF](#)

J. Contact officers

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K. Glossary

BTPI – Business, Transformation, Performance and Insights

CRM – Customer Relationship Management

DWP – Department for Work and Pensions

L. Sign-off

1) Cabinet Member:	2) Director/Head of Service:	3) Director of Finance and Investment:	4) Monitoring Officer:
Yes	Yes	Yes	Yes

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