

REPORT TO:	CABINET MEMBER FOR FINANCE & RESOURCES
SUBJECT:	My Resources Oracle Cloud ERP system third line support services
LEAD OFFICER:	Strategic – Jacqueline Harris Baker Executive Director of Resources and Monitoring Officer, Operational - Vicki Richardson – Head of HR & Finance Service Centre/
CABINET MEMBER:	Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON The provision of services to support the Oracle system supports the council priorities to create a seamless system of information, engagement and service delivery supporting finance, HR, recruitment across the organization.	
FINANCIAL IMPACT There will be a cost to the Council for the provision of this service over the contract period of two years. These costs are within the departmental budgets.	
KEY DECISION REFERENCE NO.: not a key decision	

1. RECOMMENDATION

The Leader of the Council has delegated to the nominated Cabinet Member the power to make the decisions set out in the recommendations below.

- 1.1 The Cabinet Member for Finance and Resources in consultation with the Leader of the Council is recommended to approve the award of a My Resources support services contract in accordance with Regulation 28.4(c) of the Council's Tenders and Contracts Regulations to Evolutionary Systems Company Limited for a period of two years for a maximum contract value of £624,500.

2. EXECUTIVE SUMMARY

- 2.1 The Council has recently implemented Oracle Cloud ERP technology, branded locally as My Resources.

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- 2.2 The Council has an ongoing requirement, over and above what Oracle provide as part of their standard cloud services for the highest quality of support for the solution in order to ensure there is no risk to business continuity.
- 2.3 This report recommends that a new contract is let to Evolutionary Systems Company Limited for a period of two years following a single source procurement exercise in accordance with the Contracts and Commissioning Board approved RP2 How we Buy report (ref: CCB1513/19-20)
- 2.4 There has been no departure from the strategy approved by CCB [CCB1513/19-20] or additional risk identified since approval of said strategy and there is budget available for this contract award
- 2.5 The contents of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1530/19-20	27/11/2019

3. DETAIL

- 3.1 The Council has invested in upgrading its ERP system to latest technology implementing the Oracle cloud solution, locally branded as My Resources which successfully went live in May 2019. This system is critical to the business continuity of the Council as it enables the payment of staff and suppliers, the collection of income and management of the Council's finances and employees.
- 3.2 In 2017 the Council selected Evolutionary Systems Company Limited as its implementation partner for Oracle Cloud.
- 3.3 The Council has an ongoing requirement, over and above what Oracle provide as part of their standard cloud services for the highest quality of support for the solution in order to ensure there is no risk to business continuity. There is a small in-house support team but at the present time the skills and capacity does not exist in house to provide the level of technical support required to maintain the solution.
- 3.4 There is a significant risk to the ability of Council to operate effectively if it does not have effective support arrangements in place for its ERP system, impacting on paying staff and suppliers, collecting income, managing the Council's accounts, managing Council employees and recruiting staff. Service failure in this area will lead to financial loss, reputational damage and impact the Council's ability to achieve statutory responsibilities
- 3.5 The support services required include third line functional support to assist in the prompt resolution of system errors or bugs and configuration management. As this is a cloud solution there is a requirement to adopt

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quarterly upgrades and the Council requires support to understand the impact of those upgrades on the cloud configuration and to gain an understanding of any new features that may be taken advantage of.

- 3.6 The longer term intention is to build the skills and capacity in house to be able to provide a greater level of support internally for Oracle cloud. Therefore the requirement also includes a number of pre-paid days to facilitate training and knowledge transfer to Croydon staff.
- 3.7 In addition, during the implementation of Oracle cloud a number of tools and customisation developed by Evolutionary Systems Company Limited were agreed and deployed as part of the solutions, support for these is also needed. As outlined in the response to tender for implementation services, Evolutionary Systems Company Limited deployed their integration platform to convert files provided by 3rd parties into a format accepted by Oracle cloud. This eliminated the need for changes to be made by 3rd parties, reducing both cost and dependency on those 3rd parties. In addition a number of changes and customisations were agreed by the My Resources Executive Programme board in order to enhance usage and improve efficiency of the solution.

Process

- 3.8 A waiver under Regulation 19 of the Council's Tenders and Contracts regulations to adopt a single source approach for the proposed contract was requested in the RP2 How we Buy report and approved by CCB.
- 3.9 A change in provider would have a greater financial implication for the council for the reasons set out below.
- service take on costs associated with the new supplier developing knowledge of the Council's use and configuration of Oracle cloud.
 - replacement of a number of tools and customisations developed by Evolutionary Systems Company Limited agreed and deployed as part of the solutions.
- 3.10 A detailed set of requirements was sent to the supplier who was invited to submit a proposal addressing how they would meet the requirements via the London tenders portal. The proposal was evaluated against the requirements using the standard council scoring methodology where 0 is not met, 1-2 partially met, 3 met, 4-5 exceeds requirements. Scoring was undertaken by the subject matter experts in the Project team with guidance and support from the Procurement Category Manager.

3.11.1 Evaluation outcome

The evaluation scoring and comments are set out in the following table.

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Requirement	Score	Comments	Pass / fail
Functional application support	3	The approach fully covers the documented requirements	PASS
Technical application support	3	Resources are provided to cover the Technical support of all interfaces and forms.	PASS
Service Management	3	Bi weekly calls with account manager. Quarterly reviews , incident analysis, consumption of days. Portal to manage requests and provide MI is included. Support Manager for Critical SRs and Escalations.	PASS
Service levels	3	SLAs detailed in line with requirements	PASS
Knowledge Transfer	3	Proposal includes structure and resources for on-site Knowledge Transfer and defined subject matters and timetable for delivery of sessions	PASS
Change and requests	3	Templated process with resources based on Rate Card as requested, with management via portal	PASS
Social Value	1	Small cash donation offered to support a council event	PART
TOTAL	19		PASS

3.11.2 The supplier does not wish to participate in the early payment scheme for this agreement.

3.12 Value for Money

3.12.1 The proposal is based on assigned FTE resources providing support for functional and technical areas of the solution.

3.12.2 To establish value for money, day rate pricing was compared with similar services available via the government marketplace and intelligence from another Council who has a similar contractual arrangement. Day rates were compared to similar roles on the G Cloud framework using the definitions provided by the Skills for Information Age (SFIA) rate roles and rates to ensure comparable and were found to be lower or similar for onshore and lower for offshore. Note that most delivery will be offshore.

Comparison set out in the table below.

Role	Supplier Onshore day rate £	Supplier Offshore day rate £	G cloud supplier day rate £	G cloud supplier day rate £	G cloud Supplier day rate £	Comment
Project Manager	800	350	850 to 1000	900	740	SFIA Ensure no offshore rate
Functional consultant	550	225	600 to 800	650	525	SFIA Enable no offshore rate
Technical Consultant	550	225	600 to 800	650	525	SFIA Enable no offshore rate

3.12.3 The contract will include mechanisms to ensure transfer of skills and knowledge (for example linking delivery of knowledge transfer workshops and documentation to acceptance for payments.

3.13 The overall level of service required and costs associated will be reviewed on quarterly basis at supplier review meetings.

4. CONSULTATION

4.1 Consultation has taken place with colleagues in legal, ICT, finance and procurement.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

Details	Internal Capital	Revenue	Period of funding	Period of funding
My resources support services	£418,450	£0	Oct 2019 – Sep 2020	1 year
My resources support services	£0	£103.025	Oct 2020 – Mar 2021	6 months
My resources support services	£0	£103,025	Apr 2021 – Sep 2021	6 months
TOTAL	£418,450	£206,050		

5.2 The effect of the decision

The contract award commits the Council to contract expenditure of £624500 over the next two years which is variable dependent upon the quarterly review

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of services to be undertaken (and therefore includes a contingency of £125k.)

5.3 Risks

A financial health check was performed on Evolutionary Systems Company Limited, no concerns were identified.

5.4 Options

Options were considered during the procurement strategy but as identified in this report the most economically advantageous option is to recommend Evolutionary Systems Company Limited

5.5 Future savings/efficiencies

Savings and efficiencies will come from building the skills and capacity in house to be able to provide a greater level of support internally for Oracle cloud which this contract award will allow

Approved by: Kate Bingham, Head of Finance on behalf of Ian Geary, Head of Finance, Resources

6. LEGAL CONSIDERATIONS

- 6.1 The Director of Commissioning and Improvement has delegated powers to approve contract awards under regulation 28.4(c) of the Tenders and Contracts regulations.

Approved by: Sonia Likhari, Solicitor, on behalf of the Director of Law and Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 There are no immediate HR implications that arise from the recommendations in this report for Croydon Council employees or staff.

Approved by: Gillian Bevan, Head of HR Resources, on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 An Equality Analysis has been undertaken which demonstrates that the policy is robust and that the evidence shows no potential for discrimination and that all opportunities to advance equality have been taken.

Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

9.1 There are no environmental impacts arising from this award.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no environmental impacts arising from this award.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The software and services described in this report are key to the support of the Council's ERP system. This system is critical to the business continuity of the Council as it enables the payment of staff and suppliers, the collection of income and management of the Council's finances and employees.

12. OPTIONS CONSIDERED AND REJECTED

12.1 Options that were considered were detailed within the approved strategy report of carrying out an open tender or using a framework. However these were discounted as the requirements of the My Resources system as detailed within this report.

13. DATA PROTECTION IMPLICATIONS

13.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

YES

Employee records
Financial transaction data
Purchase order data
Accounts Payable data
Accounts Receivable data

13.2 **HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

YES

The Executive Director of Resources comments that Information Management have reviewed the DPIA and a number of issues and risks have been identified, which the implementation of the project will need to mitigate through processes and the contract terms and conditions .

Approved by: Jacqueline Harris-Baker Executive Director Resources

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APPENDICES TO THIS REPORT:	None
BACKGROUND PAPER:	Data Protection Impact Assessment