



**Havering**  
LONDON BOROUGH

## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	Extension of Evosys Contract for Oracle Fusion Implementation and managed service support.
<b>Cabinet Member:</b>	Cllr Ramsey – Finance Cabinet Member
<b>SLT Lead:</b>	Jane West, Chief Operating Officer
<b>Report Author and contact details:</b>	Sean Cloake, Head of Systems. <a href="mailto:Sean.Cloake@onesource.co.uk">Sean.Cloake@onesource.co.uk</a>
<b>Policy context:</b>	Efficiency
<b>Financial summary:</b>	<i>A G Cloud contract at a cost of £360,000 over 2 years with a subsequent option of 2 x 1 year extensions at a cost of £138,510 per annum</i>
<b>Relevant OSC:</b>	
<b>Is this decision exempt from being called-in?</b>	Yes,

**Non-key Executive Decision**

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	X <input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

***Place an X in the [] as appropriate***

## Part A – Report seeking decision

### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

To agree to award a contract to Evolutionary Systems Ltd for the managed service support of the Oracle Fusion ERP application via call off from the G Cloud framework commencing on 1 July 2021 for an initial term of 2 years with the option to extend for 2 periods each of a maximum of 12 months as set out in this report at a total initial cost of £360,000.

### **AUTHORITY UNDER WHICH DECISION IS MADE**

The Chief Operating Officer (s151) is capable of taking the recommended action detailed in this report under Part 3 Responsibility and Functions of the Councils Constitution at Paragraph 3.3 Powers of Members of the Senior Leadership.

### **STATEMENT OF THE REASONS FOR THE DECISION**

The Council's main operational processes including payroll, procurement, HR and transactional finance operate through the Oracle Fusion enterprise resource planning (ERP) system. Ongoing system availability in order to run those processes now and in the future are dependent on the support of the Oracle ERP system. Support is provided by an in house team but they do not currently possess all requisite skills and knowledge to support the system, without reference to a managed service partner. This service is currently provided by Evosys. The Evosys contract expires on 30 June 2021. A further contract for provision of managed support partner services is required.

It is proposed that the new contract is called off via the G Cloud framework. The G Cloud framework contains multiple available contractors providing specialist Cloud Support Services which makes it the most appropriate for this service and ensures competition between qualified providers. A G cloud assessment has shown Evosys to be the most cost effective based on the Skills for the Information Age rate cards. . The other providers considered in the process were Namos Solutions Ltd, Version 1 Solutions and Moore Stephen Insight Ltd.

There is an objective to reduce the reliance on a managed service partner and increase the in-house team skills and knowledge to do that. The proposed Evosys contract provides for flexibility to be able to reduce the costs and service from Evosys over the term.

The proposed G Cloud call off contract with Evosys delivers a reduction in costs against the current cost of £211,500 per annum in year 1 to £180,500, a 15% reduction.

This contract also reduces the risk of change, as in the event of change of supplier it will be necessary to replace the system interface engine which is provided by Evosys. Options to replace this will be investigated during the term to reduce future reliance on Evosys.

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### **OTHER OPTIONS CONSIDERED AND REJECTED**

Providing all services in house and terminating support with a managed service provider were considered but the in house team are not yet sufficiently skilled to achieve this position.

Running a full tender outside of G Cloud with alternative suppliers was considered but rejected, due to the objective to reduce reliance on a managed service partner and the risks of change at this point in time of the application lifecycle, as well as the timescales that would be required to replace the interface application provided by Evosys.

### **PRE-DECISION CONSULTATION**

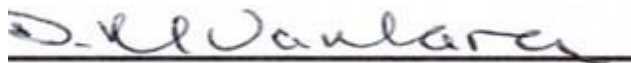
There is a service support steering board that sits monthly to review the Oracle Fusion service and support. The options in relation to the service support contract were discussed on the 28<sup>th</sup> April at that meeting. It was agreed that a G Cloud exercise should be run and that the risk of change at this point of time should be considered in any decision taken.

### **NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Dave McNamara

Designation: Interim Finance Director, One Source

Signature:



Date: 18<sup>th</sup> June 2021

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### Part B - Assessment of implications and risks

#### LEGAL IMPLICATIONS AND RISKS

The Council has power to procure the contract under the general power of competence contained in section 1 of the Localism Act 2011 which allows the Council to do anything that an individual may do subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision.

As a local authority, the Council may call off from the G Cloud framework. Provided that the call off contract complies with the G Cloud call off procedure, the call off contract will comply with the requirements of the Public Contracts Regulations 2015. Officers have confirmed that the call off process complies with the G Cloud requirements.

The Council has a fiduciary and best value duty. It must be satisfied that the extension represents best value to the Council. As set out in this report, officers have confirmed that they consider the proposed contract represents best value.

For the reasons set out above, the Council may enter into this contract.

#### FINANCIAL IMPLICATIONS AND RISKS

Costs and funding for the 4 years are set out below.

##### Costs

Item	21/22 £m	22/23 £m	23/24 £m	24/25 £m	25/26 £m	Total £m
Service Support (July 21 to June 26)	£0.138	£0.154	£0.139	£0.139	£0.035	£0.604

##### Funding

Source	21/22 £m	22/23 £m	23/24 £m	24/25 £m	25/26 £m	Total £m
BAU ICT non-shared Licencing and Hosting budgets	£0.138	£0.154	£0.139	£0.139	£0.035	£0.604

*Note: 25/26 costs are for 3 months only due to contract dates, hence the lower amount.*

##### Risks

The risks associated with not approving this contract is that Havering will not have managed service support for the Oracle Fusion ERP system which will have a serious impact on system stability and development.

The financial model under this contract has a flexible element in relation to the number and criticality of incidents raised. The business case estimations are based on actual incident numbers and categories during early life and through end of year activity where there were a number of payroll changes required which drove a number of incidents. It

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is unlikely that incident volumes will be higher during other periods although some contingency could be planned.

**HUMAN RESOURCES IMPLICATIONS AND RISKS  
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

No impact.

**EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The award of a contract to Evosys would not cause any changes to the current position and there is therefore not any impact.

**HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

The award of a contract to Evosys would not cause any changes to the current position and there is therefore not any impact.

**BACKGROUND PAPERS**

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**Part C – Record of decision**

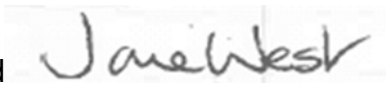
I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

*Delete as applicable*

**Details of decision maker**

Signed 

Name: Jane West

Cabinet Portfolio held:  
CMT Member title: Chief Operating Officer  
Head of Service title  
Other manager title:

Date: 21.06.21

**Lodging this notice**

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_