

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4128
Author:	Lisa Ward
Department:	Commercial and Operations
Contact:	Lisa Ward (Job Title: Business Engagement Officer for Children & Families, Email: lisa.ward@nottinghamcity.gov.uk, Phone: 01158762618)
Subject:	Oracle Financial and HR Systems Support and Maintenance Renewal
Total Value:	£137,000 (Type: Revenue)
Decision Being Taken:	<ol style="list-style-type: none">1) To authorise a contract extension to obtain further database support from Oracle for the Council's current HR and Finance systems (Oracle E-Business Suite) for 2021.2) To renew software support and maintenance for the current HR and Finance systems (Oracle E-Business Suite) up to August 2021.3) To grant dispensation from Contract Procedure Rule 4.1.2, in accordance with Financial Regulation 3.29, to enable a direct purchase of the support arrangements via the current contract with Oracle.
Reasons for the Decision(s)	<p>The Council will be moving to a new Finance and HR system in 2021. As part of the transition, the Council will need to retain access to the current Finance and HR systems (Oracle E-Business Suite) for a period of time after go live, and this will need to include appropriate maintenance and support for the period. Currently, Oracle E-Business support and maintenance is provided by Oracle, at an annual value of £333,000. For 2021, the Council will incur an additional charge of around £40,000 for 'Market Driven Support', as the database version is going out of support. Additionally a short term extension of the support and maintenance is required to ensure the software is supported until the Fusion system go live, the cost of the short term support is £97,000 up to 21 August 2021. There is not enough time to procure an alternative supplier to provide this support, so support will need be purchased from Oracle through the existing contract. The cost of the extended support of £137,000 to be met from the 'Fit for the Future' Programme Budget.</p>

Other Options Considered: 1) To renew the support arrangements with Oracle as the current supplier on a short-term basis up to 21 August 2021, at a cost of £97,000 plus the extended database support cost of £45,000. 2) To renew the support arrangements with Oracle, as the current supplier, at the existing cost of £333,000 for 12 months plus the extended database support cost of £45,000, which is rejected due to cost. 3) To procure a new supplier, where Rimini St provided a quote for £103,000. This option is rejected due to work required to set up a new contract.

Background Papers: None

Published Works: None

Affected Wards: Citywide

Colleague / Councillor Interests: None

Dispensation from Financial Regulations: Yes

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: None.

Equality: EIA not required. Reasons: This decision does not include proposals for a change to a policy, service or function.

Social Value Considerations: Not applicable.

Any implications affecting IT: Yes

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date:

03/03/2021

Advice Sought:

Legal, Finance, Procurement, IT

Legal Advice:

The Oracle Licence and Services Agreement grants the Council a perpetual licence of the software and permits technical support for the software to be renewed on an annual basis. Dispensation from Contract Procedure Rule 4.1.2 is required under Financial Regulation 3.29

Advice provided by Sarah O'Bradaigh (Senior Solicitor) on 03/12/2020 (reviewed and updated 16/02/21).

Finance Advice:

This decision seeks approval for a short-term extension to the Oracle support and maintenance contract for the period up to 21 August 2021 at cost of £97,000, as well as approving additional spend of £40,000 for the Council's element of the required database support. The total value of this decision therefore equates to £137,000.

The funding for this decision will be met from the Fit For The Future budget and has been accounted for in the total programme costs. This decision is deemed critical to ensure system continuity and provide the necessary access to system information once migration to the new system is complete.

Dispensation from Contract Procedure Rule 4.1.2 in accordance with Financial Regulations 3.29 is sought to make a direct award of the contract to the current supplier to ensure system support continuity.

Advice provided by Philip Gretton (Strategic Finance Business Partner) on 15/02/2021.

Procurement Advice:

This report seeks approval, using clause 3.29 of the financial procedure rules on grounds of operational issues for a value below key decision level, to dispense with the requirement under clause 4.1.2 under the contract procedure rules. If dispensation is granted, then the requirements of the contract procedure rules will be satisfied and there will be no procurement concerns. Having discussed the background and the desired outcomes of the project with the service area, Procurement supports this proposal.

Advice provided by Mabs Karim (Procurement Officer) on 12/11/2020 (reviewed and updated 15/02/21).

IT Advice:

The IT Service supports the proposal made in this decision. The Oracle EBS used by the Council for Finance and HR information management will require retention and support beyond its replacement by the Oracle Fusion system. This is to ensure the system's maintenance and to protect the information that it holds. The support solution identified by the Fit for the Future programme will provide this support.

Advice provided by Paul J. Burrows (IT Change, Projects and Strategy Manager) on 09/11/2020 (reviewed and confirmed 16/02/21).

Signatures

Sam Webster (PH Finance, Growth and City Centre)

SIGNED and Dated: 24/02/2021

Clive Heaphy (Chief Finance Officer)
SIGNED and Dated: 22/02/2021
Clive Heaphy (Chief Finance Officer) - Dispensation from Financial Regulations
SIGNED and Dated: 22/02/2021
Chief Finance Officer's Comments: