

OFFICER DELEGATED DECISION – 6 OCTOBER 2021

Report title: Variation to Oracle Cloud Service Support Contract

Wards: All

Portfolio: Cabinet Member for Finance and Performance: Councillor Andy Wilson

Report Authorised by: Fiona McDermott: Strategic Director for Finance and Investment

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REPORT SUMMARY

Oracle is the Council's Enterprise Resource Planning (ERP) tool, used to manage business critical functions, including billing and income collection, paying staff and suppliers. The Council has a contract with Evolutionary Systems (Evosys) to provide essential third-party support for this key Council application which runs to 31 March 2023.

A variation to the existing contract with Evolutionary Systems (Evosys) is required to enable implementation of three new essential Council requirements within Oracle Cloud;

- Social Care Forecasting Solution
- Oracle Cloud Recruitment - Workforce Management and Forecasting and Establishment snapshot control functionality
- Contract Management integration with Oracle

FINANCE SUMMARY

The cost of the variation totals £245,000. The additional works set out in the report are part of the Digital Lambeth Strategic Programme.

RECOMMENDATIONS

1. To approve a variation to the contract with Evolutionary Systems (Evosys) to enable enhancements to the Council's Oracle Cloud systems at a cost of £245,000 over the period 1 October 2021 to 31 March 2023.

1. CONTEXT

- 1.1 Oracle is the Council's Enterprise Resource Planning (ERP) tool used to manage business critical functions such as paying staff and suppliers. Lambeth implemented Oracle Cloud in April 2018 with all Finance, Payroll, Procurement and HR activity undertaken on the Cloud.
- 1.2 Lambeth have recruited to an internal maintenance and support team that is in the process of taking responsibility for most of the Oracle Cloud maintenance and support. However, even with the new team in place and fully up to speed it is necessary to continue to employ third party Oracle Cloud expertise to provide specialist maintenance and support to this key Corporate Application.
- 1.3 The current contract with Evolutionary Systems (Evosys) to provide essential third-party support ensures the efficient operation of the Oracle Cloud Service Financial, HR and Payroll modules which enables the Council to comply with its legislative requirements including:
 - Every council, by law, must prepare, have audited and then publish a set of annual financial statements.
 - Section 3 of the Accounts and Audit Regulations (2016) requires that the council 'must ensure that it has a sound system of internal control'. This system should ensure that the financial and operational management is effective, including the management of risk.
- 1.4 The current contract with Evolutionary Systems (Evosys) was procured through the Crown Commercial Services (CCS) G-Cloud Digital Marketplace and runs to 31 March 2023.
- 1.5 This is a Procurement Gateway 3 report.

2. PROPOSAL AND REASONS

- 2.1 This report proposes a variation to the Oracle Cloud maintenance and support contract with Evolutionary Systems (Evosys) to enable the implementation of three new requirements on the Council's Oracle Cloud tool.

Social Care Forecasting Solution
- 2.2 The ability to use Social Care information to forecast financial spend over any given period and to help the organisation use its resources more effectively.
- 2.3 Improved forecasting and more efficient production of forecasting would support the Finance function in being more efficient but provide greater insight to service as to where the money is being spent and to easily compare cost effectiveness.

Oracle Cloud Recruitment (ORC)
- 2.3 Enabling Workforce Management and Forecasting by improved control of the Establishment data therefore allowing budget managers to see movement in vacancies and people that could be impacting budgets. In addition to workforce forecasting, ORC will be a user-friendly interface for applicants wishing to join to Lambeth.

Contract Management integration with Oracle

- 2.4 The proposed amendments to functionality will integrate with the Council’s Planning and Budgeting Oracle platform (ePBCS) on Oracle with the Corporate electronic contract management system (eCMS). This functionality ensures that the Council is able to effectively manage both Contract and Budget spend in an integrated manner.

Contract Management

- 2.4 The contract will be managed by the Lambeth ICT Applications Manager. Contract management will continue to be carried out as detailed below.

Weekly	<ul style="list-style-type: none"> Operational Support Status meeting including Evosys Support Manager, Lambeth Applications Support Manager and key users. Open tasks progress review. Discuss critical ongoing issues and action plan.
Monthly	<ul style="list-style-type: none"> Support Status Review meeting including Evosys Support Manager, and Service Delivery Manager, Lambeth Applications Support Manager and ICT Contract Manager. KPI Reporting against Service Level Agreement. Discussion of improvement areas. Feedback from both teams.
Quarterly	<ul style="list-style-type: none"> Quarterly Status Review meeting including Evosys Support Manager, and Service Delivery Manager, Lambeth Applications Support Manager, ICT Contract Manager and managers from key business user areas. KPI Reporting against Service Level Agreement. Quarterly improvement programme updates and roadmap. Quarterly review of required support level going forward and optional agreement to reduction in support level. Billing and Payments review.

3. FINANCE

- 3.1 The total cost of the variation is £245,000, the breakdown is detailed below:

Functionality	Cost (approx.)
Social Care Forecasting Solution	£150,000
Oracle Cloud Recruitment	£65,000
Contract Management Integration	£30,000
Total	£245,000

- 3.2 These works will be funded from the capital allocation approved by Cabinet in March 2021 for the Digital Lambeth Strategic Programme.
- 3.3 Approved spend to from September 2021 to August 2022 on the current Oracle Cloud third party support and maintenance contract with Evolutionary Systems (Evosys) totals £546,000 over the contract period 2 November 2020 to 31 March 2023.

4. LEGAL AND DEMOCRACY

- 4.1 The authority to enact this report's recommendation is delegated to the Strategic Director for Finance and Investment. Before exercising that authority, this paper should be reviewed by a category board.
- 4.2 The Public Contracts Regulations 2015 allow for the modification of contracts (which would include contracts called off a framework) without a new procurement procedure where, due to circumstances which a diligent contracting authority could not have foreseen, additional services have become necessary and where a change of contractor cannot be made for technical reasons such as requirements of interchangeability or interoperability with existing equipment without causing significant inconvenience or substantial duplication of costs for the contracting authority. The modification must not alter the overall nature of the contract and any increase in price must not exceed 50% of the value of the original contract.
- 4.3 The Council's Constitution requires that all key decisions, decisions which involve resources between the sums of £100,000 and £500,000, and important or sensitive issues, must be published on the website for five clear days before the decision is approved by the Director or Cabinet Member concerned. Any representations received during this period must be considered by the decision-maker before the decision is taken.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 Relevant internal consultation has been conducted as part of the project, this has included officers from Finance, Procurement and relevant service area teams.

6. RISK MANAGEMENT

- 6.1 The main risks that impede on the successful delivery of this procurement and contract are:

Risk Register

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Failure of Lambeth in-house team to take over majority of support service.	1	4	4	Very close monitoring of use of third-party provider services and local uptake of service support.
2	Risk exposure of service provider	1	4	4	Appropriate insurance requirements are part of Framework agreement.
3	Financial robustness of service provider	1	4	4	D&B reports obtained. Overall business risk score low to moderate.
4	Business Continuity (including any Brexit and Covid-19 impacts)	1	8	8	Evosys Business Continuity Policy has been obtained

Key

Likelihood	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
Impact	Major = 8	Serious = 4	Significant = 2	Minor = 1

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 An Equalities Impact Assessment has been completed and approved by Gary Jamieson, Head of Service (ICT). The assessment determined there is no adverse impact and no change required.

8. COMMUNITY SAFETY

- 8.1 Not applicable.

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 Not applicable.

Health

- 9.2 Not applicable.

Corporate Parenting

- 9.3 Not applicable.

Staffing and accommodation

- 9.4 Not applicable.

Responsible Procurement

- 9.5 Good Quality Jobs with Fair Pay and Decent Working Conditions.
Evosys have confirmed that:
- Evosys pay the Living Wage for any UK employees and UK sub-contracted staff.
 - Evosys comply with the Modern Slavery Act 2015.
 - Evosys UK employees are free to join a trade union and not be treated unfairly as a consequence of belonging to one.
 - Evosys employment policies address equalities, diversity and inclusion including protections based on gender, ethnicity, disability, sexual orientation.
- 9.6 Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group.
Evosys have an apprenticeship programme in the UK.
- 9.7 Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030.
Not relevant to this contract.
- 9.8 Single Use Plastics.
Not relevant to this contract.
- 9.9 Positive Health and Wellbeing
Evosys confirm that they will gain accreditation to the London Healthy Workspace Charter or equivalent.
- 9.10 Innovation
Value based analytics (VBA) advisory service is being provided free of charge.

Provision of detailed reports based on agreed KPIs to highlight where Lambeth is utilising the solution effectively and where additional focus is required.

10. GDPR

Oracle Cloud is used to manage Lambeth's business critical functions, including collecting debt, and paying staff and suppliers. In doing this the Oracle Cloud Application holds the personal data of Lambeth employees and some suppliers and Lambeth citizens.

Data on the Oracle Cloud Service is created, manipulated and deleted by Lambeth staff with access to the application.

When there are issues with the application that cannot be resolved by Lambeth internal support staff a support call is logged with Evosys for expert third-party assistance. While providing support Evosys staff may have view access to the personal data identified above.

For any support activity undertaken, which shall be limited to Configuration, Testing, Data Migration, Report and Interface Developments, the data will only be able to be viewed, with any operations taking place via servers based in the UK. Those individuals will not be able to manipulate the data in any way. Evosys offshore teams are prevented from being able to copy/print screen/email Lambeth' data to their local machines (offshore) or any 3rd party

11. TIMETABLE FOR IMPLEMENTATION

The table below details the stages and deadlines for implementing the recommendations:

Activity	Proposed Date
Publication on Decisions online	28.09.21
Officer Decision	06.10.21
Execution of Variation	06.10.21

Audit Trail				
Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Andrew Wilson	Cabinet Member for Finance and Property	21.09.21	24.09.21	
Fiona McDermott, Strategic Director	Finance and Investment	12.09.21	17.09.21	
Nisar Visram, Finance	Finance and Property	11.08.21	24.08.21	
Michael O’Hora, Legal Services	Legal and Governance	10.08.21	11.08.21	
Marianna Ritchie, Democratic Services	Legal and Governance	01.09.21	01.09.21	
Malcolm de Vela, Category Manager	Finance and Property	04.08.21	04.08.21	
Paul Keenlyside, Climate Change and Sustainability – Technical Lead	Finance and Property	08.09.21	08.09.21	

Report History	
Original discussion with Cabinet Member	21.09.21
Report deadline	Not applicable
Date final report sent	24.09.21
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	Not applicable
Key decision reasons	Not applicable.
Background information	Award of Oracle Cloud Service Support Contract
Appendices	eCMS EIA Oracle Cloud Maintenance and Support

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Hamant Bharadia
Assistant Director of Finance

I approve the above recommendations:

Signature: _____ **Date:** _____

Post: Fiona McDermott
Strategic Director for Finance and Investment

Any declarations of interest (or exemptions granted): Not applicable

Any conflicts of interest: Not applicable

Any dispensations: Not applicable