

**Report for:** Cabinet 13 October 2020

**Item number:** To be added by the Committee Section

**Title:** Variation to the SAP Hosting and Support contract

**Report authorised by :** Richard Grice, Director of Customers, Resources and Transformation

**Lead Officer:** Paul Dooley, CIO, [paul.dooley@haringey.gov.uk](mailto:paul.dooley@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Key decision

**1. Describe the issue under consideration**

This report seeks approval from Cabinet for the implementation of Contract Standing Order 10.02.1 b), which provides that variations to contracts valued at £500,000 (five hundred thousand pounds) or more may only be varied by the Cabinet.

**2. Cabinet Member Introduction**

I concur with the recommendations of this report. This recommendation is based on cost efficiency and service delivery.

**3. Recommendations**

- 3.1. For Cabinet to approve, under Contract Standing Order (CSO) 10.02.1b), a variation to the contract with Support Revolution Ltd for SAP Hosting and Support in order to confirm an option for the Council to request consultancy services to support work on the Council's ERP Improvement Programme between 01/10/2020 to (est.) 22/12/2021, at a value of a total of up to £272,000 (calculated based on pre-agreed rates) and to be ordered by issue from time to time of one or more purchase orders.
- 3.2. For Cabinet to approve, under Contract Standing Order (CSO) 10.02.1b) and pursuant to the variation referred to in paragraph 3.1 above, an initial order for a tranche of consultancy services valued at £130,000.

**4. Reasons for decision**

- 4.1. The Council is undergoing an ERP Improvement programme. ERP is a software platform at the core of Haringey's Finance, HR and other complex processes. It allows those processes in separate functions of the organisations to share data – co-ordinating the organisation. It is provided by a company called SAP and supported by an SAP partner organisation called Support Revolution.
- 4.2. The programme will deliver:
  - A platform for insourced permanent recruitment by April 2020

- Process, policies, and technology solution for strategic procurement activity
- Significant improvements to our HR, Finance and other functions of ERP so that users can work faster and easier
- Fundamental changes to Finance, HR and other reporting making it more easily accessed and more effective

4.3. The programme requires access to planned resources which are within the scope of both the contract with our ERP support partner, Support Revolution, and the project scope and budget, to deliver.

4.4. The programme will allow decision making at an appropriate level for minor increases to and requests under the contract.

## **5. Alternative options considered**

- Do nothing – we will be unable to deliver the ERP Improvement Programme.
- Insourcing talent – It will not be possible to recruit an in-house expert SAP team and have them operational in time to deliver the project.
- Open market tender – rejected as would have to onboard a new SAP support partner which would involve purchasing support days from existing partner in any case and unlikely to lead to reduced price/unit.

## **6. Background information**

6.1. Variations are provided for under the terms of the contract with the SAP support partner to allow for these instances where support for unexpected projects is required.

6.2. The Cabinet decision taken on 8th October 2019 to award the SAP support contract to Support Revolution at a saving of £330k, securing a low-cost base of professional support for a key organisational platform. This award had two key goals:

- Resourcing security i.e. advance notice of and availability of resources with a key partner.
- Stable cost base i.e. secure, costed expertise for assured delivery of the ERP Improvement Programme.

6.3. Furthermore, stability and security/availability of SAP platform is core to future savings activities that rely on large scale automation and data availability across the organisation.

6.4. The full value of the consultancy services available under the proposed variation will not be awarded at one time but in tranches of work during the ERP Improvement Programme as and when required. The instruction to proceed with the provision of service will be by the issue of purchase orders for specific days and at day rates offered by the supplier in the original contract and to be confirmed in the proposed variation.

## **7. Contribution to strategic outcomes**

The ERP Improvement Programme delivers both insourced recruitment technology and strategic procurement technology. Stability of our core ERP platform delivers key activities in Finance, HR and Accounts Payable as well as providing a platform for significant activities associated with process automation across the authority.

## **8. Statutory Officers comments**

### 8.1. **Finance**

The ERP Improvement programme will deliver critical enhancements to the Council's core HR, Finance and Procurement systems that will result in improved processes and opportunities for future savings from standardisation and automation.

The Council's approved General Fund Capital Programme 2020/21-2024/25 includes a budget allocation of £3m within the Your Council priority for the ERP Improvement Programme (Scheme 607: Financial Management System Replacement). The delivery support days, costing up to £272,000 have been fully budgeted for within that allocation.

### 8.2. **Strategic Procurement**

CSP 10.02.1 provides that Cabinet authorise a variation to contract with a cumulative value of £500,000 or more.

The variation of contract is compliant with Public Contract Regulations 2015. Strategic Procurement support the variation as it will secure value for money and meets the best value criteria

### 8.3. **Legal Commnets**

The report is seeking approval firstly for a variation to the contract as awarded by Cabinet. The variation is to confirm the option for the Council to request consultancy services over a specified timeframe in one or more tranches up to a maximum value based on rates offered by the supplier in the contract.

Approval is also sought for the exercise of that option in the form of an initial order for a tranche of services in the amount specified in paragraph 3.2 of this report.

Pursuant to CSO 10.02.1.b) read subject to CSO 3.01d), Cabinet must approve a variation where the aggregate value of the contract including the variation is in excess of £500,000 and the value of the variation was not included in the original Cabinet contract award approval.

The Assistant Director of Corporate Governance confirms that there are no legal reasons preventing Cabinet from approving the recommendations in paragraph 3 of the report.

### **Equality**

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

This report seeks a decision linked to the Council's SAP ERP system:

- To bulk purchase support days from the Council's SAP partner, Support Revolution

The recommendations in the report are not anticipated to have a negative impact on any groups with protected characteristics.

This expenditure associated with the recommendations is expected, acceptable within the terms of the SupportRevolution contract and is necessary for delivery of the ERP Improvement Programme. The ERP programme will have a positive impact on user experience both internal and external.

**9. Use of Appendices**

None

**10. Local Government (Access to Information) Act 1985**

Report fr Cabinet 8 October 2019, title Award of Contract for SAP Hositng an Support Services.

<https://www.minutes.haringey.gov.uk/documents/s111633/SAP%20October%20Cabinet%20Report%20Clean%20copy.pdf>

### **Important Additional Guidance on Accessibility**

- Documents must be available for Councillor Hearn at the **same time** as for all other Councillors
- The council's primary typeface, Helvetica, should be used for all reports and accompanying documents, size 12 preferred (Arial font is also acceptable)
- Text should be as plain as possible with no boxes around it, Microsoft Word is preferred, not PDF, and no abbreviations (such as Cllr.) and try to keep symbols to minimal use
- Roman numerals are not suitable for a person using a screen reader so please use normal paragraph numbering/ lettering and bullet points where necessary
- Reports should be written without images, however, where images are used, report authors must provide a text alternative in all cases (a short paragraph explaining what the graphs, table, pictures etc are showing). Detailed examples can be provided by contacting [ayshe.simsek@haringey.gov.uk](mailto:ayshe.simsek@haringey.gov.uk)
- Appendices
  - All of the above applies for appendices and report authors should avoid including lengthy PDF documents as part of the report
  - In some cases an executive summary could be more appropriate if Councillor Hearn is on the committee
- Presentations – if Powerpoints are to be used then a Word version must be submitted in advance of the meeting (and at the same time it is made available to all other members)
- The Democratic Services Team will not accept reports which are not in an accessible format.
- In the rare event that a documents is not in a fully accessible format the report author must submit, by the same report deadline, an accessible version for Councillor Hearn (if she is on the relevant committee)
- Plain text documents should be saved with document names including "DATE TITLE COUNCILLOR HEARN PLAIN TEXT"

## Categories of Exemption

Exempt information means information falling within the following categories:

### Part 1

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)
4. Information relating to any consultations or negotiations or contemplated consultations or negotiations in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes – (a) to give under any enactment a notice under or by virtue of which requirements are imposed upon a person; or (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

### Part 2

Qualifications to the above exempt information:

(a) Information falling within paragraph 3 above is not exempt information under that paragraph if it is required under – (a) the Companies Act 1985 (b) the Friendly Societies Act 1974 (c) The Friendly Societies Act 1992 (d) The Industrial and Provident Societies Acts 1965 – 1978 (e) the Building Societies Act 1986 (f) The Charities Act 1993.

(b) Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.

(c) Information which – (i) falls within any of paragraphs 1-7 above; and (ii) is not prevented from being exempt under (a) or (b) above is exempt information if and so long as, in the opinion of the Monitoring Officer, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.