

# Report to Cabinet

**13 April 2022**

<b>Subject:</b>	Oracle E-Business Suite Software Licence renewal
<b>Cabinet Member:</b>	Cabinet Member for Finance & Resources Cllr Crompton
<b>Director:</b>	Director of Finance Simone Hines
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Rebecca Maher, Head of Finance <a href="mailto:Rebecca_Maher@sandwell.gov.uk">Rebecca_Maher@sandwell.gov.uk</a>

## 1 Recommendations

- 1.1 That the Director of Finance be authorised to renew and award a contract for the existing Oracle E-Business Suite software licences for the period 1 May 2022 to 30 April 2023 at a cost of £330,730.
- 1.2 That the Director of Law and Governance and Monitoring Officer is authorised to sign any contract documentation in relation to the renewal of the Oracle software maintenance and license agreement as referred to in 1.1 above.
- 1.3 That any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in 1.1 above to proceed.

## 2 Reasons for Recommendations

- 2.1 The council is currently progressing a large-scale project to migrate from the Oracle E- Business Suite to a cloud-based Enterprise Resource Planning (ERP) solution, Oracle Fusion.



- 2.2 The project commenced prior to the Covid-19 pandemic and was originally due to complete by October 2020. However, the impact of the pandemic and the need for the council to prioritise resources to focus on frontline services to support the community has delayed the implementation of this project. The project has also been affected by the need to procure a replacement implementation partner, the process for which is currently taking place. The project is continually reviewed, and risks mitigated with the go live date currently scheduled for the end of 2022.
- 2.3 An exemption report was signed off to extend the Oracle EBS licences from 1 November 2021 to 30 April 2022 at a total cost of £218,148. This included additional HR invoices of £54,000 which were subsequently not required and therefore the actual cost was approximately £164,000. There is now a need to further extend this until 30 April 2023 in order to allow sufficient time for the project to be completed whilst ensuring adequate cover for vendor support, software maintenance updates and license compliancy. The cost of this is £330,730 and the renewals would be directly with ORACLE Corporate Limited.

### 3 How does this deliver objectives of the Corporate Plan?

	Best start in life for children and young people
	People live well and age well
	Strong resilient communities
	Quality homes in thriving neighbourhoods
	A strong and inclusive economy
	A connected and accessible Sandwell



3.1 The successful migration to a modern cloud-based ERP will enable the council to deliver key functions such as Finance, Human Resources, Payroll, and Procurement to effectively and efficiently support frontline services to deliver corporate objectives.

## 4 Context and Key Issues

4.1 The key issues have been described in Section 2 of this report

## 5 Alternative Options

5.1 The migration to the Oracle Fusion solution cannot be completed before 30 April 2022 therefore the council will need to continue to operate with the Oracle E-Business Suite. The council could continue to use the E-Business Suite without renewing licences and maintenance. However, remaining on unsupported software is an unacceptable risk to the council due to the loss of service updates and support patches which are required to ensure that the software operates effectively and in accordance with appropriate legislation.

## 6 Implications

<b>Resources:</b>	The renewal of E-Business Suite licences at the value of £330,730 is will be met from existing resources within the funds set aside to implement Oracle Fusion.
<b>Legal and Governance:</b>	The renewal of licences and maintenance, if approved by Cabinet, meets legal and governance requirements. The Public Contract Regulations permits the award of contracts to a single supplier, in circumstances set out within the regulations.
<b>Risk:</b>	The continued use of an ERP system on an unsupported and maintained basis presents a very high risk to the council.



	The temporary renewal of licences and maintenance with the supplier, as requested by this report, mitigates this risk
<b>Equality:</b>	There are no equality implications presented in this report
<b>Health and Wellbeing:</b>	There are no health and wellbeing presented in this report
<b>Social Value</b>	There are no social value implications presented in this report

**7. Appendices**

None

**8. Background Papers**

None

