



Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

Contact: Maureen Fitzpatrick Ext. 76406

Item 7

27th February 2025

**The Provision of a Back-Office Software Solution for
Enterprise Resource Planning**

Tender Reference GCC006000CPU

Purpose of Report:

To submit details of the tenders received for the provision of a back-office software solution for enterprise resource planning and recommend acceptance of the most economically advantageous tender as detailed in this report.

Recommendations:

The Contracts and Property Committee is requested to approve the award of a contract for the provision of a back-office software solution for enterprise resource planning to the supplier listed below:

Oracle Corporation UK limited
Companies House Number - 01782505

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1 Background and Tender

- 1.1 Glasgow City Council (“the council”) has a requirement for the provision of a back-office software solution for enterprise resource planning (ERP).
- 1.2 The back office ERP software solution is required to protect and ensure ongoing delivery of the services supported by the current back-office software solution, SAP ERP, which reaches the end of support in 2027. The scope of the new ERP system sought by the council was specified to futureproof the council’s Strategic and Operational requirements and its ambition to adopt and not adapt the solution to replicate current working practise.
- 1.3 The current ERP software solution suite has been used across the council and associated ALEOs extensively to provide core HR, Payroll, and Finance functions. The council’s aim is to secure a fully integrated cloud hosted Software as a Service Solution (SaaS) that provides the most suitable strategic fit for future service delivery needs.
- 1.4 The back office software solution, to be adopted, is required to provide capacity for the core ERP, Human Capital Management, Financial Accounting, Procurement, Reporting, Integration Software, Workflow Technologies, Content Services, and Service Portal. It is anticipated that the existing systems will be decommissioned once the ERP software solution has been implemented/configured and agreed data from the existing system migrated.
- 1.5 An interdisciplinary team consisting of stakeholders from across the council departments including Finance, Strategic Information, Innovation and Technology (SIIT), Customer Business Services (CBS), Human Resources (HR), Legal and Corporate Procurement Unit (CPU) was formed to develop the functional and non-functional requirements to create the ERP contract documentation and support development of the sourcing strategy.
- 1.6 In line with the effective and efficient objective within the council’s Sustainable Procurement Strategy 2023-2027, which can be located [here](#), and to support the national agenda in utilising national collaborative frameworks, it was agreed that a mini competition process from Crown Commercial Services’ framework agreement (framework) for Back Office Software, reference RM6194, would be the most appropriate method to deliver this contract.
- 1.7 The opportunity was facilitated via Public Contracts Scotland.
- 1.8 The contract duration is 10 years, as per the maximum contract period available from the CCS framework and aligns with industry standard contract duration. The contract will be awarded following committee approval, and standstill period, with the operational start date to be agreed.

2 Evaluation

- 2.1 All 29 suppliers on the CCS framework were invited to bid; however, the framework includes a wide remit of suppliers that cover standalone systems and

smaller suppliers which are unable to meet the council's requirements. Of the 29, 2 suppliers submitted a bid. Of the 27 suppliers that failed to respond, 3 cited the reasons for not competing. 1 supplier stated the service requirements are not aligned with its core business, 1 stated that it lacked resource and 1 stated that it was not best placed to provide the required services.

2.1 The award evaluation was based on the following criteria and weightings: -

Price	Quality	Quality Sub Criteria
30%	70%	<u>Quality - 33%</u>
		<ul style="list-style-type: none"> Finance and Procurement 14% HR and Payroll 13% Reporting and Analytics 2% Desirable requirements – 4%
		Technical Merit 27%
		After Sales services 5%
		Fair Work First 5%
		Community Benefits - Mandatory Pass / Fail
		Essential requirements – Mandatory Pass / Fail

2.2 The evaluation of award scoring and award value of the supplier which has been recommended for award is shown in the table below:

Description	Supplier	Total Evaluation Score	Total Value (Contract Duration)	Rank
Back-office software ERP	Oracle Corporation UK limited	92.80%	£6,610,949	1

2.3 The contract operational requirements were split into three separate criteria; Essential, Desirable and Optional. The commercial evaluation and award is based on the most economically advantageous tender based on the quality score and the commercial score with the price of the Essential requirement forming the commercial evaluation. .

2.4 As part of the tender process the council also sought pricing for the desirable and optional elements for the contract period. These requirements could improve functionality, efficiency of process, user experience or customer satisfaction. The pricing will be utilised as a baseline to inform future discussions should these requirements be deemed appropriate in future years of the contract.

2.5 Optional requirements will only be undertaken on a business case basis and the budget will have to be agreed and signed off by the relevant department.

Any optional or desirable requirement will be taken up in line with the council's Standing Orders relating to Contracts 2022 and in compliance with the requirements of the Procurement Regulations. This process will be managed by the program team inclusive of CPU and legal services.

- 2.6 A summary of the unsuccessful tender evaluation results can be found at Appendix A.

3 Contract implementation and Supplier Management

- 3.1 The outcome of our Contract Management Assessment Tool (CMAT) has deemed this contract to be categorised as requiring a high level of management.
- 3.2 The contract will be managed by the program team, including the CPU. The supplier will be monitored in line with our contract and supplier management process which includes tracking the suppliers performance against the key performance indicators and working collaboratively to identify opportunities of improvement and innovation.
- 3.3 The implementation of the ERP software solution will be facilitated via an ERP System Integrator partner. The procurement of the System Integrator partner/service provision will be undertaken post award of this contract; for a back office ERP solution . The recommended supplier, Oracle Corporation UK limited, will support the activity required to set-up and prepare environments, networks, and other relevant elements in preparation for the agreed implementation partner start date and thereafter work with the implementation partner to deliver the anticipated outcomes.
- 3.4 The agreed community benefits outcomes commitments will be monitored via Cenefits which is a web-based monitoring tool. We will also capture sustainable commitments within the CPU Sustainable Register.

4 Policy and Resource Implications

Resource Implications:

Financial: The estimated value of the contract, over the 10 years period, will be £6,610,949.

As set out in paragraphs 2.3 - 2.5, the estimated value relates to the essential evaluated elements of the commercial pricing schedule submitted by the bidder.

Legal: The report raises no new legal issues

The Director of Legal and Administration will be responsible for concluding the contract.

<i>Personnel:</i>	No direct personnel implications.
<i>Procurement:</i>	A mini competition as detailed within section 1.6.
Council Strategic Plan:	<p>The contract will support Grand Challenges 2 and 4 in the council's Strategic Plan.</p> <ul style="list-style-type: none"> • Fight the climate emergency in a just transition to a net zero Glasgow • Enable staff to deliver essential services in a sustainable, innovative, and efficient way for our communities
Equality and Socio-Economic Impacts:	
<i>Does the proposal support the Council's Equality Outcomes 2021-25</i>	Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.
<i>What are the potential equality impacts as a result of this report?</i>	An EQIA was not required for this contract as there is no impact/ The EQIA, in summary, does not detail any negative impacts by implementing this contract this will be reviewed as part of the system implementation procurement exercise.
<i>Please highlight if the policy/proposal will help address socio economic disadvantage.</i>	<p>Fair Work First was included as part of the award criteria with a weighting of 5%.</p> <p>The supplier recommended for award, Oracle Corporation UK limited, has confirmed the following policies within its tender submission;</p> <ul style="list-style-type: none"> • Provide appropriate channels for effective worker's voice • Investment in workforce development • No inappropriate use of zero hour contracts • Action to tackle the gender pay gap and create a more diverse and inclusive workforce • Offer flexible and family friendly working practices for all workers from day one of employment <p>Community Benefit was included as part of the tender process at a value of 150 points. The supplier recommended for award, Oracle</p>

corporation UK limited, has confirmed the following outcomes which equate to 625 points;

- MCR Pathways x 25

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Yes, Recommendation 51 - the new City Development Plan presents a vision for a low carbon city that can guide the development of proposals and planning decisions that help our city respond to the climate challenge.

Carbon reduction action is supported via the CCS framework all on this framework have committed to comply with the Procurement Policy Note 06/21:and have taken account of Carbon Reduction Plans in the procurement of major government contracts.

What are the potential climate impacts as a result of this proposal?

These may include supporting reduction of energy consumption through new technology

Will the proposal contribute to Glasgow's net zero carbon target?

The recommended supplier's Carbon Management Plan includes the following key mitigations:

- To achieve net zero emissions by 2050, and to halve the greenhouse gas emissions across all operations and supply chain by 2030
- To reduce its Carbon Footprint to 0% by 2050.
- Oracle corporation UK limited has a 100% Renewable energy target across our Clean Cloud (OCI) footprint. Currently OCI is powered with 56% renewable energy globally. For the 3rd year, the EU is 100% renewable energy powered.

Privacy and Data Protection impacts:

A DPIA was completed no data protection impacts were identified

5 Recommendations

The Contracts and Property Committee is requested to approve the award of a contract for the provision of a back-office software solution for Enterprise Resource Planning to the supplier listed below:

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Appendix A – Unsuccessful supplier results

Supplier	Company Registration Number	Rank	Total Evaluation Score
SAP (UK) LIMITED	02152073	2	79.18%