



Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

Contact: Maureen Fitzpatrick

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Item 3

17th September 2026

**The Provision of a SAP 3rd Party Support and
Pay and Grading technical Implementation services**

Tender Reference: - GCC006720CPU

Purpose of Report:

To submit details of the Direct Award of Contract for the provision of a SAP 3rd party support including Pay and Grading Structure technical implementation services 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 Direct Award of a contract for the provision of a SAP 3rd party support including Pay and grading structure technical implementation services to the consultancy listed below.

Deloitte LLP
Companies House Number - OC303675

Ward No(s):

Citywide: ✓

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

1 Background and Tender

- 1.1 Glasgow City Council's ("the council's") budget for the provision of a 3rd party SAP support including pay and grading structure technical implementation services is £2,500,000.
- 1.2 The council's Enterprise Resource Planning (ERP) client-side adviser, Civiteq, SAP, and a key supplier currently delivering comparable services to the public sector and local authorities helped identify the estimated contract value, which was also informed by the pre-market engagement process, taking account of system specifications, anticipated volumes and service requirements based on previous usage.
- 1.3 The council is progressing an Enterprise Resource Planning (ERP) Replacement Programme to transition from SAP ERP to Oracle Cloud ERP by 2028. As the current SAP ERP system reached the end of mainstream vendor support on 31 December 2025, SAP Customer Specific Maintenance and third-party support arrangements are in place to maintain regulatory compliance and resolve issues until replacement.
- 1.4 To support implementation of the new Pay and Grading Structure (PGS) by April 2027, SAP must be upgraded to enhance the current functional capability and support arrangements. The upgrade and PGS implementation requires to be delivered and supported by a partner with relevant experience in delivering PGS in large public sector organisations.
- 1.5 The council therefore requires the provision of Ongoing SAP Support Arrangements including Pay and Grading Structure technical implementation.
- 1.6 An interdisciplinary team consisting of stakeholders from across the council departments including Finance, Legal and the Corporate Procurement Unit (CPU) was formed to develop requirements and support development of the sourcing strategy. Pre-market engagement confirmed that capacity within specialist SAP support and migration is limited.
- 1.7 In line with the effective and efficient objectives 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 Direct Award of contract process, would be followed under Lot 3 Cloud Support, Government Commercial Agency (GCA) framework agreement G-Cloud 14 Services, reference RM1557.14, would be the appropriate route to market to deliver the contract. This framework has been set up to deliver off the shelf systems, support and service contracts, and the evaluation and process is detailed in section 2.
- 1.8 The duration of the contract is 27 months to December 2028.

2 Direct Award of Contract with Competition Process

2.1 The Direct Award of contract process aligned with the conditions of the G-Cloud framework as set out below:

2.1.1 Scope Definition

A concise scope document (maximum of two pages in line with framework buyers guide) was prepared to outline the key requirements. This document served as the basis for evaluating potential consultancies' published service offerings.

2.1.2 Keyword-Based Longlist Review

The appointed list of consultancies on the framework were assessed against keywords derived from the scope, including:

- SAP ECC RISE
- Migration
- Implementation
- Integration

2.1.3 Shortlisting via desktop exercise

The shortlisting generated 2 service offerings from the same consultancy and the evaluation panel carried out a desktop exercise evaluating each offering against the scope. Justifications were provided for excluding one of the offerings based on their misalignment with the requirements.

2.1.4. Supplier Capability Confirmation

The consultancy was contacted via email to confirm its resource capacity and ability to deliver the required services within the specified timescales.

2.1.5 Clarification Process and Commercial Offer

Clarification documents were issued to the consultancy to verify specific elements within their published service offerings correspond to the council's scope of requirements. A pricing schedule was provided to capture detailed cost information, including:

- Annual SAP maintenance fees
- Upgrade costs following the end of vendor support
- Costs associated with any support gaps
- Costs for self-support scenarios
- Skills Framework for the Information Age (SFIA) rate card was also requested

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

Price	Quality	Quality Sub Criteria
50%	45%	SAP ECC to RISE Expertise 10%
		Data Migration Expertise 8%

		Implementation delivery approach 8%
		Evidence of ongoing SAP support model 8%
		Resource Capability and Certifications 6%
		Public Sector and Local Government familiarity 5%
		Fair Work First (Social Value) 5%
		Community Benefits (Mandatory) - Pass/Fail

- 2.3 The evaluation of award scoring and award value of the consultancy which has been recommended for award is shown in the table below:

Description	Supplier	Total Evaluation Score	Total Value (Contract Duration)	Rank
3 rd party SAP Support including Pay and Grading Structure technical implementation services	Deloitte LLP OC303675	100	£2,300,000	1

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 a medium. The consultancy will be monitored in line with our contract and supplier management process which includes tracking the supplier's performance against the key performance indicators and working collaboratively to identify opportunities of improvement and innovation.
- 3.2 The agreed Community Benefits outcome 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 award value over the duration of the contract is £2.3 million. This will be called off as a monthly subscription and using the rates provided within the evaluation exercise.

The contract value will be met by a combination of Capital and Revenue Budgets.

<i>Legal:</i>	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 direct award of contract as detailed within section 1.7.
Council Strategic Plan:	The contract will support Grand Challenges 2 and 4 in the council's Strategic Plan.

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.
<i>Please highlight if the policy/proposal will help address socio economic disadvantage.</i>	Fair Work First (social value) was included as part of the award criteria with a weighting of 5%. The criteria were aligned to Government Commercial Agency social value policy in line with the framework buyers guide. The consultancy recommended for award, Deloitte, has confirmed the following policies within its service offering; • Fighting climate change • Pay Real Living Wage • Tackling economic inequality & Equal Opportunity Community Benefits are calculated based upon spend with the consultancy. The anticipated spend value as per this report indicates that the council shall seek delivery of outcomes to the value of 130 points over the lifetime of the

contract. Discussions with the consultancy will begin upon contract award.

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 suppliers have committed to comply with the Procurement Policy Note 06/21: 'Taking account of Carbon Reduction Plans in the procurement of major government contracts.

Privacy and Data Protection impacts:

A Data Protection Impact Assessment (DPIA) is currently underway and will be completed with the supplier as part of the contract mobilisation process.

5 Recommendations

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