

<b>Committee:</b>	<b>Date:</b>
Finance Committee	17 February 2015
<b>Subject:</b> Report of a decision made by the Chamberlain - Urgent approval of a Waiver over £50k - Oracle Functional Consultancy - Square One Resources Ltd	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>

### Summary

The Oracle ERP Programme commenced in January 2014 and is due to be completed in May 2015, with the technical Go Live in February 2014.

In order to deliver the Programme within the timescales it was agreed with senior stakeholders that skilled and experienced resources would be allocated to the programme as and when required.

Following a review of the Oracle ERP programme in Q3 2014 it was identified that an experienced functional consultant was required urgently to support the programme and retain the go live date at the end of February 2015. An initial internal search for resources was conducted and no candidates were identified through this or sourcing from our temporary labour contract supplier Comensura. In consultation with the Chamberlain and Oracle ERP Programme Manager it was agreed to secure the required resource directly through the external temporary market. A shortlist of candidates was obtained from a number of relevant agencies known for specialising in the provision of highly skilled Oracle E-Business consultants. The role was then filled having interviewed candidates, the successful candidate being put forward by Square One Resources Ltd.

The waiver was required to support the services provided by the 3rd Party supplier, Square One Resources Ltd, until 31<sup>st</sup> May 2015, for a total value of £72,000, which will enable us to deliver the Programme within the tight timescales that exist.

### Recommendations

Members are asked to:

- a) note the approval of the waiver of regulation 9.2 of the Corporation's Procurement Regulations by the Chamberlain under urgency on 26 January 2015; and
- b) note the approval of the award of the contract for Oracle Functional Consultancy to Square One Resources Ltd for a value £72,000 for the period from December 2014 to June 2015 made by the Chamberlain under urgency.

## **Main Report**

### **Background**

1. In November 2013 CoL commissioned a contract of services required for the implementation of an upgrade to Oracle R12 and the implementation of Oracle Business Intelligence Application, Advanced Collections, Oracle Property Manager and adoption of standard business processes.
2. The successful delivery of this high level, cross departmental programme requires appropriate resourcing. As the functional support model for the future Oracle system has not been finalised, there was an immediate need in December 2014 for recruitment of a temporary resource to maintain delivery of support to the Oracle ERP programme. The business case was presented to the Chamberlain and approved. Due to urgency and very tight timescales, the recruitment was carried out on the open market and a suitable candidate was appointed via Square One Resources Ltd, a consultancy leading the market in recruitment of Oracle specialists. The current corporate contract with Comensura for the recruitment of temporary labour could not meet the immediate needs within the required timescales.
3. The forecast cost of the appointed contractor is £72,000 inclusive of all agency costs. The funding for the Functional Consultant is being provided by the Chamberlain's Department.
4. It has been recognised that this additional resource is integral to the successful delivery of the Oracle ERP Programme. Critical activities need to be delivered to support the implementation of Oracle Release 12 and the transition to business as usual activity. In consultation with senior stakeholders and the Oracle ERP Programme Manager, the need for this additional experienced resource has been agreed.

### **Procurement Strategy**

5. The recruitment for the Functional Consultant on a temporary basis was undertaken in December 2014. Approval was granted by the Chamberlain in advance of the recruitment process to award a contract for an initial period of 6 months with the possibility to extend if required. Square One Resources, as well as other agencies, provided support with regard to finding a suitable candidate for the role, with City of London officers interviewing shortlisted candidates. Square One Resources has in-depth understanding of the Oracle Application and has proven record of providing skilled Oracle consultants.

### **Options**

6. Request a waiver - if granted the City of London Corporation will continue to transact with Square One Resources Ltd over the 5 months, through to planned programme closure in May 2015, with regard to the contract for the

role of Oracle Functional Consultant. This role is crucial to the delivery of the Oracle ERP Programme within the programme timescales.

Or

Request a waiver – if declined, the relationship with Square One Resources will be terminated within 30 days. Invoices for services already provided between December 2014 and January 2015 will, however, require payment. This would involve risk to the delivery of the programme on time due to insufficient appropriately skilled resources in the Oracle functional support team.

## Proposal

7. It was proposed that a waiver was granted under urgency by the Chamberlain for the continued support from Square One Resources in the provision of an Oracle Functional Consultant, the total cost of which is £72,000.
8. The advantage of this option was that the Oracle Programme is able to continue its delivery without disruption; the Oracle functional support team (CBIS Team) is integral to the delivery of the programme, undertaking detailed testing and reconciliation across all modules in advance of user acceptance testing. The role of this team is vital in ensuring that the technical solution deployed by the PWC development team is fit for purpose and meets the functional requirements of the business. There is considerable pressure on existing resources to meet the requirements of the programme whilst maintaining support for business as usual activity. Should this waiver be refused and the contract with Square One Resources be terminated, there is an increased risk that the programme will not be delivered on time.

At this time there are no legal risks associated with awarding a direct contract without the call for competition as this tender is below OJEU thresholds.

## Summary of Proposal

<b>Name of supplier/select list</b>	Square One Resources Ltd
<b>Length of contract:</b>	6 Months
<b>Contract start date:</b>	17 <sup>th</sup> December 2014
<b>Contract end date:</b>	31 <sup>st</sup> May 2015
<b>Total Contract Value:</b>	£72,000
<b>Annual Contract Value:</b>	£n/a
<b>Estimated Total Savings:</b>	£0
<b>Estimated Annual Savings:</b>	£0

## Reasons for Waiver

9. The waiver was required under urgency to continue the engagement of an experienced Oracle Functional Consultant, appointed from a shortlist of candidates put forward from a number of agencies. The Corporate supplier

for temporary staff was not able to field candidates with the necessary skills and experience to fill this niche role.

### **Subsequent Procurement following Expiry of Waiver**

10. Provided the Oracle Programme is delivered according to agreed timescales, it is anticipated that it will not be necessary to extend the contract with Square One Resources Ltd. After 31<sup>st</sup> May 2015, there will be a transition to business as usual functional support.

### **Responsible Procurement Implications**

11. There are no responsible procurement implications arising from the award of this contract.

### **Comments**

12. Legal Comments: No comments due to the waiver process
13. Financial Comments: The cost of this consultant will be met from existing resources, either from the Oracle Project budget if there is sufficient headroom or from the Chamberlain's cash limited local risk budget.
14. Head of Procurement comments: Little risk associated and assurance that this type of temporary labour recruitment would be done compliantly in future.

### **Conclusion**

15. The waiver under urgency was required to support the recruitment of an Oracle Functional Consultant via third party service provider Square One Resources Ltd. It is important to note that the recruitment was conducted within a very tight timescale and was crucial for a successful delivery of the corporate wide Programme.

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