

REPORT TO: CABINET

DATE: 28 JANUARY 2016

TITLE: AWARD OF CONTRACT - UPGRADE OF FINANCIAL MANAGEMENT SYSTEM, PROJECT NO. 15/029

PORTFOLIO HOLDER: COUNCILLOR MIKE DANVERS

LEAD OFFICER: SIMON FREEMAN, HEAD OF FINANCE (01279) 446228

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This is a Key Decision.

It is on the Forward Plan as Decision Number I004482

This decision may be subject to Call-in procedures.

This decision will not affect any wards specifically.

RECOMMENDED that (subject to formal contract) Authority is delegated to the Chief Operating Officer, in consultation with the Portfolio Holder for Resources, to approve the award of separate contracts for the following services:

- (i) Full Implementation of Upgrade from Agresso v5.4.5 to Milestone 5, and implementation of Budget Planner.
- (ii) Project management expertise and advice to oversee and manage the full implementation of Milestone 5.

REASON FOR DECISION

A To allow sufficient time for the tenders to be evaluated for the supply and installation of the finance modules and to enable the procurement of an Implementation Manager to immediately follow this process. This is necessary to achieve the completion of the upgrade by 31 October 2016, and a Go Live date of 30 November 2016.

BACKGROUND

1. The Council's existing Financial System, provided by Unit 4, called

“Agresso” (v 5.4.5) was implemented in 2006 and is currently operating several versions behind the latest version of Agresso (Milestone 5). The version that the Council is operating is no longer supported by the supplier, with the Council receiving only essential critical support. The longer this position continues, the greater is the Council’s exposure to critical system failure.

2. The Council has an approved budget of £200,000 to deliver all aspects of the implementation.
3. The Council is obliged to appoint an implementation partner through one of Unit 4’s accredited partners, this requirement is to ensure that Unit 4 provide ongoing support for the system. Therefore, the Council has published the availability of the tender to all accredited partners, of which there are eleven.
4. There are many strands to the implementation, including establishing user groups, user acceptance testing, reporting to project board, scheduling training, keeping the project to time and budget and ensuring sign off at each milestone of the project. This requires an independent project manager, with significant knowledge and experience. They will work with and support the Council’s management team, and ensure that the supplier’s project manager is working to quality, cost and time.

PROCUREMENT PROCESS

5. Eleven Unit 4-approved suppliers have been given the opportunity to bid for the supply and installation of the finance modules. One supplier has declined to tender and the closing date for the receipt of tenders is noon on 18 January 2016.

TENDER EVALUATION – FINANCE MODULES

6. An analysis of the tenders will be undertaken on the basis of 70% quality and 30% price. The three stage evaluation process will incorporate the following:
 - Stage 1: Qualitative evaluation
 - Stage 2: Price evaluation
 - Stage 3: Moderation exercise
7. The qualitative assessment will be measured against a series of questions raised within the tender documents that cover the following themes:
 - a) Similar commissions
 - b) Project manager and resources
 - c) Training

- d) Business continuity and constraints
 - e) Project plan and methodology.
8. For ease of assimilating the scores, a rating system for assessment of the bids has been established. The response to each question will be marked out of 0-5 and weighted according to its relative importance.
9. The moderation exercise will highlight areas that may require further clarification before the tender evaluation scores can be calculated, in order to identify the most economically advantageous tender.

PROCUREMENT OF AN IMPLEMENTATION PROJECT MANAGER

10. The procurement of a Project Manager will immediately follow the award of the supplier contract to ensure that the implementation of the software will not be delayed. The two exercises need to be performed in this order, to ensure that there is no overlap and full clarity of responsibilities between the two roles.
11. The level of Council specific project management will in part be dependent on the delivery model of the preferred supplier. It is anticipated that this could be in the region of £50,000, but the actual requirement will depend on the outcome of the tendering process.

IMPLICATIONS

Place (includes Sustainability)

None specific.

Author: Graeme Bloomer, Head of Place

Finance (Includes ICT)

The replacement of the Council's existing financial system is essential to guarantee the provision of a fit for purpose and fully supported financial and management reporting system for the future. The budget for the replacement project has been included within the Council's Non Housing Capital Programme.

Author: Simon Freeman, Head of Finance

Housing

None specific.

Author: Andrew Murray, Head of Housing

Community Wellbeing (includes Equalities and Social Inclusion)

None specific.

Author: Jane Greer, Head of Community Wellbeing

Governance (includes HR)

By following a proper and transparent procurement process the Council will be in a position to refute any challenges that may be made.

Author: Amanda Julian, Legal Service Manager on behalf of Brian Keane, Head of Governance

Background Papers

None