

KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

Peter Oakford, Deputy Leader, Cabinet Member for Finance, Corporate and Traded Services

DECISION NO:

20/00101

For publication**Key decision: YES**

The decision will result in savings or expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000).

Subject Matter / Title of Decision

Oracle E-Business Suite Support

Decision:

As Cabinet Member for Finance, Corporate and Traded Services, I agree to:

- award a contract and the permitted contract term extensions to Rimini Street for the support of the Council's Oracle E-Business Suite (November 2020 to April 2021);
- delegate authority to the Strategic Commissioner, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to activate the permitted contract term extensions; and
- delegate authority to the Strategic Commissioner to take other relevant actions, including but not limited to entering in contracts and other legal agreements, as required to implement this decision.

Reason(s) for decision:

The Council's support from Oracle for its E-Business Suite (EBS) expires on 5th April 2021. EBS is used for critical business processes in finance, human resources and procurement, including payroll and accounts payable. Oracle will stop providing its "Premier Support" for the version of EBS the Council uses in December 2021. Should the Council wish to retain this support from Oracle it would have to make a long-term commitment to them and undertake a programme of expensive and disruptive upgrades. Third-party support in terms of service levels is directly comparable to that from Oracle, but significantly lower cost.

The term of the contract will be November 2020 to April 2021 with options to extend for up to two further years in one-year increments. The value of the contract is £491,207 with the options to extend priced at £515,767 and £541,555 respectively (£1,548,529 in total).

Cabinet Committee recommendations and other consultation:

No public consultation has been undertaken.

The Policy and Resources Cabinet Committee considered and noted the preferred option to use third-party support as an Exempt Item (no. 230) on 29th July 2020 (link below).

<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=750&MId=8527>

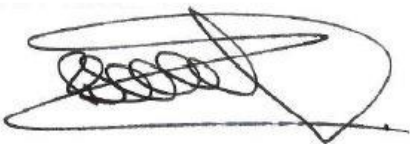
Any alternatives considered and rejected:

Two alternatives were considered and rejected:

1. Continuing with Oracle's Premier Support for an "on-premise" instance beyond December 2021 requires the Council to upgrade to a new version (12.2.8). This is the last significant upgrade of EBS planned by Oracle. This option was discounted because it requires a fundamental and costly change in middleware (the software that lies between the operating system and the applications running on it), with limited opportunity to achieve functional and feature improvement. Ongoing costs will be significantly higher than those for third-party support.
2. Adopting a new Software-as-a-Service (SaaS) alternative to EBS was also considered; often referred to as a "cloud-based solution". Transition to cloud, even an Oracle Cloud, is a substantial undertaking. The Council would be forced to "adopt" different business processes because SaaS offer little opportunity to "adapt" the software to the way the Council works. Whilst this may be desirable in the longer-term it is considered too disruptive in the near term. The associated implementation costs will run to millions of pounds and the ongoing costs are higher than those for third-party support. Given the context of the Council's strategic reset and financial constraints this option was rejected but will be revisited as the strategic reset progresses.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

None.



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signed

20 November 2020

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date