

Report of ICT Infrastructure Services Manager

Report to Chief Information Officer, ICT

Date: 24th March 2014

Subject: Report to seek approval to waive Contract Procedure Rules 8.1 and 8.2 and enter into contract with Mandant Solutions Limited for the provision of SAP DBA support for the ESS/MSS project.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

- 1 There is a requirement for DBA support for the ESS/MSS project and the original plan was to use the Council's ESS/MSS implementation partner, Accenture. The Accenture contract commenced on 23rd Dec 2010, for an initial term of 3 years, with an option to extend for another 1 + 1 years. Unfortunately Accenture declined to extend the contract beyond December 2013.
- 2 The ESS/MSS project requires DBA support to apply SAP enhancement packs within a tight 9 month window, commencing April 2014. As such, there is not enough time to run a procurement exercise before the work is required.
- 3 As Mandant Solutions Limited are already familiar with the Council's ICT systems, processes and configuration, the most appropriate option would be to enter into contract with Mandant for a short term period.

Recommendations

- 4 The Chief Officer, ICT is recommended to approve the waiver of Contract Procedure Rules 8.1 and 8.2 and enter into a 6 month contract, with an option to extend for a further 6 months, with Mandant Solutions Limited for the provision of SAP DBA support.

1. Purpose of this report

- 1.1. This report seeks approval from the Chief Officer, ICT to waive Contract Procedure Rules 8.1 and 8.2 and enter into a contract with Mandant Solutions Limited for the provision of SAP DBA support for the ESS/MSS project.

2. Background Information

- 2.1. The Council has previously had a contract with Mandant Solutions Limited to provide patching and day-to-day DBA support for the SAP Basis service. This provided regular monitoring of the SAP environments and also included the application of software updates to these environments. The contract also enabled ICT to call upon Mandant for expert SAP advice, as and when required. The service received was considered to be excellent and enabled ICT to provide high levels of availability for the SAP service.
- 2.2. There is now a requirement for DBA support for the ESS/MSS project and the original plan was to use the Council's ESS/MSS implementation partner, Accenture. The Accenture contract commenced on 23rd December 2010, for an initial term of 3 years, with an option to extend for another 1 + 1 years. Unfortunately Accenture declined to extend the contract beyond December 2013.
- 2.3. The ESS/MSS project requires DBA support to apply SAP enhancement packs (software upgrades) within a tight 9 month window, commencing April 2014. As such, there is not enough time to run a procurement exercise before the work is required. In addition, due to the increased complexity of the SAP environments and the need for LCC DBA staff to help with the enhancement pack work, there will be increased resource pressures within the DBA team. As such, ICT also need to bolster the day-to-day DBA support offering by establishing a short term agreement with an external SAP support organisation.
- 2.4. As Mandant are already familiar with the Council's ICT systems, processes and configuration, the most appropriate option would be to enter into contract with Mandant for a short term period.
- 2.5. Separate to this, a procurement exercise will be undertaken to establish a longer term contract for the provision of on-going SAP DBA support.

3 Main issues

- 3.1. Pre-requisites of the ESS/MSS project are that enhancement packs must be applied, in advance, to the SAP system(s). Feedback from another SAP customer (EDF Energy) and Accenture indicates that this is not a simple process and requires expert SAP DBAs to undertake the work. LCCs SAP environments also tend to be more complex than some other organisations and, until work commences, it is difficult to accurately estimate how long it will take. Due to SAP year end processing taking place between January and March each year, this leaves just 9 months (April 2014 through December 2014) to undertake this work.
- 3.2. It should also be noted that not all of the enhancement pack activities can be completed as one contiguous piece of work, as there is a dependency on other resources (ICT and business) undertaking other elements of work during this process. For example, enhancement packs will be applied to the 'sand-box' environment, the business and the SAP development team will then apply changes to the 'sand-box' before enhancement packs can be applied to the development and UAT environments.

- 3.3. The enhancement pack work will also require involvement from an already 'stretched' LCC DBA team, with them overseeing the process to enable future upgrades to be applied in-house. This will impact on the teams' ability to provide normal day-to-day support of the SAP system. This therefore means that additional SAP DBA resources will also be needed to support the day-to-day activities. Due to the intricacies involved of upgrading and maintaining SAP environments at the same time, resources for both the enhancement pack work and the day-to-day support will need to be sourced from the same supplier. Also, due to the complexity of the work involved, it is vital that work on applying the enhancement packs commences in April 2014.

Options

- 3.4 Option 1: Undertake a procurement exercise for a contract to supply suitable SAP DBA resources.
This is not considered to be a viable option as this would prevent work from commencing in April 2014.
- 3.5 Option 2: Recruitment of contractor resource.
A review of the current contractor market indicates that the average daily rate for a SAP Basis resource is £550 per day. A minimum 6 month contract would be required at a cost of £66,000. This option is not considered viable due to:
- Higher overall cost compared to option 3.
 - Lack of continual work available throughout that time period to keep the resource fully utilized.
 - High risk – the time required to recruit and the uncertainty of the quality and actual knowledge of the resource once in post.
 - Would take several weeks for a contract resource to become familiar with the Council's ICT systems, processes and configuration.
- 3.6 Option 3: Formulate a short term contract with Mandant Solutions Limited.
Advantages:
- Mandant have supplied similar services to the Council and have proven ability.
 - They are already familiar with the Council's ICT systems, processes and configuration providing significant advantage over other suppliers.
 - They are also experienced in applying SAP enhancement packs.
 - The daily rate provided by Mandant Solutions is comparable to that offered by other providers for similar skilled SAP DBA professionals. The analysis of costs undertaken in 2011 also demonstrated that Mandant were able to offer more flexible arrangements than Accenture, which resulted in significant cost savings.

The estimated cost of Mandant's offering is £36,000, to cover an initial period of 6 months (for both ongoing day-to-day support, and applying the ESS/MSS enhancement packs), An optional extension of a further 6 months, to cover just day-to-day support, would cost £12,000. This optional extension could also be used to cover any slippage in the enhancement pack work.

Reason for Contracts Procedure Rules Waiver

- 3.7 Option 3, approaching one supplier and formulating a short term contract with Mandant Solutions Limited, is considered the only viable and cost effective option to enable work to commence in April 2014.

Consequences if the proposed action is not approved

- 3.8 Based on feedback received from 3rd parties, the process is not straight forward and it is estimated that applying the enhancement packs to all LCCs SAP environments could take 7 months duration (not continual effort). However, until work commences it is not possible to accurately estimate how long it will take. There is a 9 month window available to apply these updates, commencing April 2014, which gives little leeway for slippage. If these updates are not applied by December 2014, this will prevent ESS/MSS development commencing in April 2015 and will delay the project.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Andrew Tate (Executive Manager (Projects), PPPU), Liz Woodhead (Head of Development, BSC) and Suzanne Hopes (Head of Customer Services & Support, BSC) have all been consulted regarding the scope of this work, and agree that this work needs to take place prior to December 2014. The recommendation to use Mandant has also been endorsed by BSC.

- 4.1.2 BSC are also in the process of recruiting an ESS/MSS project manager, and this resource would be used to co-ordinate activities between Mandant, ICT and the business.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no Equality and Diversity / Cohesion and Integration issues associated with this decision.

4.3 Council Policies and City Priorities

- 4.3.1 ESS/MSS will introduce more efficient ways of working and supports the Best Council Plan.

4.4 Resources and Value for Money

- 4.4.1 The cost of the service provided by Mandant Solutions is comparable to that offered by other providers.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The value of the work is below the threshold at which the Public Contract Regulations apply. This decision is not subject to call-in.

4.6 Risk Management

- 4.6.1 Failure to approve the waiver and enter into contract with Mandant Solutions Limited will have a major impact on the overall ESS/MSS project (ref 3.8 above).

5 Conclusions

- 5.1 To ensure that pre-requisite work is undertaken to enable the ESS/MSS project to deliver to the agreed timetable, the contract should be awarded to Mandant Solutions Limited.

6 Recommendations

- 6.1 The Chief Officer, ICT is recommended to approve the waiver of Contract Procedure Rules 8.1 and 8.2 and enter into a 6 month contract, with an option to extend for a further 6 months, with Mandant Solutions Limited for the provision of SAP DBA support.

7 Background documents

- 7.1 None.