

	Officer Key Decision
	Report from the Corporate Director Partnerships, Housing and Resident Services
	Deputy Leader and Cabinet Member for Finance and Resources
AUTHORITY TO AWARD CONTRACT FOR THE PROVISION OF ORACLE LICENCES	

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
List of Appendices:	Appendix 1 – Exempt
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Name: Amin Jan Job Title: Assistant Category Manager, Shared Technology Services Email: amin.jan@brent.gov.uk

1.0 Executive Summary

- 1.1. This report concerns the provision of Oracle Licences for the London Borough of Brent. This report requests authority to award contracts as required by Contract Standing Order 88. This report summarises the process undertaken in procuring a contract and recommends to whom the contract should be awarded.

2.0 Recommendation(s)

That the Corporate Director Partnerships, Housing and Resident Services in consultation with Deputy Leader and Cabinet Member for Finance and Resources:

- 2.1 Approves the pre-tender considerations set out in paragraph 3.7.
- 2.2 Approves the award of the contract for Provision of Oracle Licences for the London Borough of Brent to Oracle Corporation UK Limited for 24 Months with a commencement date of 1 June 2025 to 30 May 2027 in the sum of £1,756,850.

3.0 Detail

Contribution to Borough Plan Priorities & Strategic Context

- 3.1 Oracle Cloud fits within the context of the council's overall priorities by providing a solution which provides a robust and innovative Oracle Cloud Service, by Supporting and Enabling Services which aligns to the Borough Plan.
- 3.2 Some of the relevant priorities of the application and associated service are outlined below.

Key activities	Milestones
Ensure calls are closed in a timely fashion for users and customers in line with established service level agreements. Review key performance indicators and reports which will show the effectiveness of the service.	Monitor performance information on a monthly basis and report this to the Oracle Improvement Board
	Highlight functional areas where user queries may be high to resolve any underlying issues
	Contract management of L3 Support partner to ensure contract terms are being met and the organisation is receiving the best value for money.
Create a Roadmap of continual service improvement projects and enhancements which sets out short, medium and longer term priorities and is regularly reviewed and maintained and feeds into wider organisational improvements	Oracle to Hornbill Integration to streamline starters and leavers processes
	Implementation of Oracle's new "Redwood" user interface for HR Manager and Employee self-service pages
	HR Data and Dashboards review
	Payroll Improvements Project
	Supplier Set-up improvements
Ensure the organisation receives value for money with respect of spend on Oracle Cloud licencing and associated support costs	Review licencing arrangements to ensure within budget and maximise value for money
	Continually review options to reduce the number licences required across all Oracle modules
Act on Audit recommendations and put procedures in place to	Review Administrator roles to ensure privileges are only given to relevant users, where it is essential for their role

ensure these are met going forward	Support services to ensure their audit recommendations are met where there is a link with Oracle Cloud
------------------------------------	--

Background

- 3.3 The council requires the provision of Oracle Licences for the London Borough of Brent. Oracle licenses are required for using Oracle software, including databases, enterprise applications, cloud services, middleware, and hardware.

Oracle Cloud is a key line business system, used across all areas in the Council and is critical in the delivery of the following functional areas:

- Core HR
- Payroll
- Core Finance
- Accounts Payable/Receivable
- Procurement
- Employee and manager self service

The current contract expires on 30 May 2025 and it is therefore mandatory to put new contract in place for provision of oracle licences. Council officers have undertaken a procurement exercise by calling off from the Lot 1 of the Crown Commercial RM6194 Back Office Software Framework (the “Framework”). Officers have identified a contractor providing the most economically advantageous offer in accordance with relevant criteria set out in the Framework and therefore recommend award of a contract for Provision of Oracle Licences for the London Borough of Brent (the “Contract”).

The Procurement Process

- 3.4 The Contract will be called off from the Framework, using the form of award and standard call off terms and conditions prescribed under the Framework.
- 3.5 The Framework permits award by way of a further competition and by way of direct award and sets out rules for the identification of the most economically advantageous contractor under both procedures. Officers consider that identification of the most economically advantageous contractor using the Framework’s direct award procedure is most appropriate for the procurement of the Contract as;
- Awarding the contract directly to Oracle eliminates the 3% markup which we need to pay to oracle resellers, ensuring better value for money.
 - Recent changes in council requirements for Oracle licenses mean the new contract structure allows for easier adjustments to the number of licenses needed
 - The new contract provides greater adaptability, enabling councils to scale their licensing in line with actual usage, reducing costs. The pension

licences since the outsourcing of Pension payroll to the pensions provider LPP by approximately 7,500 licences and reducing the EPM licences from 290 to 25. By going direct billing with Oracle via this contract also bring further saving of 3% as opposed to using the reseller.

- 3.6 In compliance with the Framework guidance, Officers have reviewed the framework information for all contractors on the Lot 1 of the Framework as set out at Appendix 1. Officers have identified Oracle Corporation UK Limited as the most economically advantageous contractor. The Contract is for 24 Months in the sum of £1,756,850.
- 3.7 The contract will commence on 1 June 2025 for 24 Months with expiry date of 30 May 2027.

Pre-tender Considerations

- 3.8 The pre-tender considerations relevant to the Contract are as follows:

Ref.	Requirement	Response	
(i)	The nature of the services / supplies / works.	As detailed above	
(ii)	The value.	£1,756,850 (Ex VAT)	
(iii)	The contract term.	24 Months	
(iv)	The tender procedure to be adopted.	Direct Award from a Framework	
(v)	The procurement timetable.	Stage in Procurement	Indicative dates
		Review Proposals	Jan 2025
		Decision on Contract	Feb 2025
		Contract start date	1 June 2025
(vi)	The evaluation criteria and process.	N/A – Direct Award	
(vii)	Any business risks associated with entering the contract.	No specific business risks are considered to be associated with entering into the Contract.	
(viii)	The Council's Best Value duties.	For the reasons set out in Section 3, it is considered that Direct Award will result in the Council achieving best value.	
(ix)	Consideration of Public Services	Officers have had regard to the Public Services (Social Value) Act 2012.	

Ref.	Requirement	Response
	(Social Value) Act 2012	
(x)	Any staffing implications, including TUPE and pensions.	There are no implications for Council staff arising from the procurement.
(xi)	The relevant financial, legal and other considerations.	Financial – See Financial Implications at Section 4.
		Legal – See Legal Implications at Section 5.
		Other – N/A
(xii)	Sustainability	Given the nature and value of the Contract, it is not possible to include specific sustainability requirements.
(xiii)	Key Performance Indicators / Outcomes	Appropriate Key Performance Indicators / Outcomes will be included in the Contract.
(xiv)	London Living Wage	Given the nature of the Contract it is not appropriate to include provision requiring payment of the London Living Wage.
(xv)	Contract Management	A contract manager will be appointed and appropriate contract management provisions will be included in the Contract.

4.0 Stakeholder and ward member consultation and engagement

4.1 Relevant Stakeholders have been consulted in the procurement of this contract.

5.0 Financial Considerations

5.1 Part 3 of the Council's Constitution states that the Corporate Director of Resident Services and Housing has delegated authority to approve the award of contracts for services at less than £2 million. The estimated value of the Contract is "under this threshold"

5.2 The cost of the Contract will be funded from Brent ICT Budget

5.3 Cost breakdown per annum is;

Year 1	Year 2	Total
£878,425 (ex.VAT)	£878,425 (ex. VAT)	£1,756,850 (ex. VAT)

6.0 Legal Considerations

- 6.1 The estimated value of the Contract over its lifetime is in excess of the Public Contracts Regulations 2015 (the “PCR 2015”) threshold for Services and the award of the Contract is therefore governed by the PCR 2015.
- 6.2 Officers recommend the use of a framework to procure the Contract. The PCR 2015 allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full procurement process. Call offs under the framework agreement need to be carried out in accordance with the framework rules, to include using evaluation criteria specified in the framework agreement and utilising the terms and conditions set out in the framework agreement.
- 6.3 The Council’s Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority, where call off under the framework agreement is approved by the relevant Corporate Director or Director and provided that the Corporate Director, Governance has advised that participation in the framework is legally permissible. The Corporate Director, Governance has confirmed that participation in the Framework is legally permissible.
- 6.4 The award of the Contract is subject to the Council’s own Standing Orders in respect of Medium Value Contracts. The Corporate Director has delegated power to award Medium Value Contracts in accordance with paragraph 9.5 and paragraph 9.7 of Part 3 of the Constitution.
- 6.5 The decision to award the contract will be subject to call-in as provided for in the Council’s Constitution. As the procurement of the Contract is from a framework, there is no requirement for the Council to observe a 10 day standstill period under the PCR 2015. Subject to no challenge preventing award, Officers will seek to implement the decision to award.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

- 7.1 Pursuant to s149 Equality Act 2010 (the “Public Sector Equality Duty”), the Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,
- 7.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender

reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 7.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 7.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 7.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications

8.0 Climate Change and Environmental Considerations

- 8.1 Brent Council is committed to reducing its environmental impact and aligning its services with sustainability goals. There are no adverse climate and environmental implications.

9.0 Human Resources/Property Considerations (if appropriate)

- 9.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from procuring the Contract

10.0 Communication Considerations

- 10.1 Consistent and proactive engagement has been undertaken with both internal and external stakeholders to ensure effective communication, address key concerns, and facilitate a smooth progression of activities in the provision of the Oracle Licences for the London Borough of Brent

Report sign off:

Peter Gadsdon

Corporate Director of Partnerships, Housing and Residents Services