



# Financial Systems Replacement

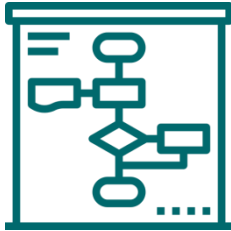
9th December 2021

Corporate Services Scrutiny Review Board

# Agenda



**Existing Arrangements**



**Case for Change**



**Benefits**



**Approach**

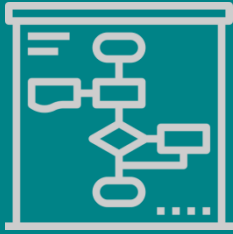




# Existing Arrangements

- Financial Management System has been in operation since 2007 with minimal development since the last major upgrade in 2012
- Short term support and maintenance arrangements were put in place in 2017 whilst a replacement solution was procured and implemented
- Current version of Oracle E-Business Suite will no longer be supported by Oracle plc from January 2022
- Financial resources can only be effectively managed with a significant amount of manual intervention outside of the core financial system.





# Case for Change

- A significant amount of non-value added work is being undertaken across the user base for a number of reasons including:
  - Existing solution does not effectively support the business outcomes, so compensating workarounds have been developed
  - Key information is buried in email correspondence or other key systems rather than the system where it is needed
  - Legacy solution is not intuitive and easy to use
- The existing solution will be out of support. The risk attached to the security of the system increases and the costs of applying compensating measures also increases whilst delivering no business benefit.





# Benefits

## Modern Finance System

- Reduction in the number of systems and workarounds that need to be maintained in order to provide key financial information for decision making purposes

## User and stakeholder experience

- System is intuitive and easy to use
- Portal technology for customers and suppliers to support self-service

## Improved Financial Intelligence

- Key FMS information will be pushed to users to act upon within the system
- Business Partnering conversations can be proactive rather than reactive.
- Support the delivery of the data strategy and Intelligence Led Council Project





# Benefits

Refocus resources on value added activities including:

- Business partnering including budget forecasting
- Debt recovery
- Efficient and prompt payment of invoices
- Streamlining the contract monitoring solution





# Approach

- Consultation with Key Stakeholders including schools
- Options Appraisal
- PMO Gateway 2 Approval of Outline Business Case in March 2021
- Negotiated Tendering Exercise covering
  - Price
  - Quality, including demonstration of the product
  - Contractual Arrangements (Legal Terms and Conditions)
- PMO Gateway 3 Approval of Full Business Case in December 2021 being sought





# Approach

Negotiated Tendering Exercise with a maximum budget of £1.5 million for initial supplier deployment and £180k per annum for the first 5 years operating costs

- 13 bids were received of which 5 were compliant
- A shortlist of 3 bidders were taken forward and have been invited to
  - Demonstrate their systems against 8 scenarios set by the project team
  - Clarify any outstanding points
  - Submit final bids by 26<sup>th</sup> November 2021

## Gateway 3

- Finalised Business Case incorporating the recommended bidder will be presented to the PMO Board on 13<sup>th</sup> December 2021

## Contract Award

- Council Cabinet (8<sup>th</sup> December 2021) have been asked to approve delegated authority to the Strategic Director of Corporate Resources, in Consultation with the relevant cabinet member, subject to Project Management Office (PMO) - Gateway 3 project approval.





# Questions?



Derby City Council