

Cabinet

Report Title	Oracle Fusion Managed Service Provider
Date of Meeting	Wednesday, 15 October 2025
Report Author	Omer Zaman, Interim Oracle Services Project Lead
Lead Officer	Executive Director - Finance & Transformation
Lead Cabinet Member(s)	Cabinet Member for Finance & Resources and Deputy Leader
Why is this a key decision?	Expenditure of £1m or above
Wards Affected	(All Wards);
Identify exempt information and exemption category	Open Choose an item.
Is the report urgent?	No
Reasons for urgency (only where applicable)	N/A
Appendices (if any)	N/A

1. Executive Summary

- 1.1 The Council has a contract with a Managed Service Provider for services to support and maintain its Oracle Fusion system. The existing contract comes to an end on 31 December 2025. This report seeks approval to delegate authority to the Executive Director of Finance and Transformation to enter into a new Managed Service Provider contract, formally commencing on 1 January 2026, following the completion of a competitive tendering process.

2. Recommendations

The Cabinet is recommended to: -

- 2.1 Delegate authority to the Executive Director for Finance and Transformation (Section 151 Officer) to undertake a G Cloud 14 Framework call-off process to

appoint a Managed Service Provider for Oracle Fusion Support for a 3-year period with the option to extend for 1-year.

- 2.2 Delegate authority for the Executive Director for Finance and Transformation (Section 151 Officer) in consultation with the Cabinet Member for Finance and Resources to award and enter into a new contract and any associated documentation for the provision of a Managed Service Provider for Oracle Fusion for a period of 3 years with the option to extend services for 1 further period of up to 12 months, on terms to be agreed by the Executive Director for Finance and Transformation (S151 Officer).
- 2.3 Authorise the Service Director for Governance (Monitoring Officer) to execute any documents necessary to give effect to the above proposed recommendations.

3. Proposals – Reasons for the Recommendations

Background

- 3.1 The council currently receives Oracle Fusion support services from Infosys, its existing Managed Service Provider. Infosys has supported the council through the initial Oracle Fusion implementation programme, providing early-life support and helping to stabilise the Oracle Fusion system.
- 3.2 The current Managed Service Provider contract enables the provision of support and enhancements for the following Oracle Fusion modules: ERP, EPM, Procurement, HCM, Integrations, Reporting and Risk Management Cloud. Infosys initially provided tier 1 (low level), tier 2 (mid-level) and tier 3 (technical) support, however tier 1 and tier 2 support are now provided in-house within the council. Infosys continues to provide tier 3 support and aims to resolve 60-80 support 'tickets' (predominantly incidents) per month.
- 3.3 The current Managed Service Provider contract ends on 31 December 2025. To ensure optimum quality and effectiveness of Managed Service Provider support going forward, a process to re-tender the contract is being carried out, to allow all appropriate suppliers the chance to bid for the work. It is proposed that a new support contract will formally begin on 1 January 2026 for an initial term of three years, with the option to extend for a further one year. If, under the new contract, the appointed Managed Service Provider is any organisation other than the existing Managed Service Provider, it is proposed that the new contract will include a transition period from 3 November 2025 to 31 December 2025, to ensure a smooth handover of services from the existing provider to the new provider.
- 3.4 The Oracle Fusion platform is critical to the council's financial and operational systems. Continued support through a Managed Service Provider is essential to maintain service continuity, ensure system stability and support future upgrades or changes.

Procurement Approach

- 3.5 It is proposed that, following the appropriate procurement processes, a contract is awarded in accordance with the delegations set out in this report. The contract will be awarded to a Managed Service Provider following the completion of a competitive procurement process.

- 3.6 The contract to be let is for managed support relating to all of the Oracle Fusion modules that have been implemented at the council. The new contractor will be required to provide tier 3 support for incidents, change requests and reporting. They will also be required to manage the mandatory quarterly patching on behalf of the council and to provide strategic advice on the use of, and enhancements of, Oracle Fusion across the council. The council anticipates that the volume of 'tickets' to be resolved will be approximately 110 per month, made up of approximately 100 incidents, 5-10 change requests and up to 5 reports. The council has ambitions to work in collaboration with the winning bidder to work in a shift-left mentality which would enable increasing the first-time fix rate at tier 1 and 2 levels, therefore reducing the volume of tickets which would go across to the Managed Service Provider.
- 3.7 The council has identified potential Managed Support Provider suppliers through the Government's Crown Commercial Services (CCS) G-Cloud 14 framework. A total of seven suppliers have been shortlisted and are currently being evaluated. The evaluation process considers:
- Quality of service offering, including innovation and added value.
 - Supplier presentations demonstrating their capability and proposed approach.
 - Contribution to the council's social value commitments.
 - Cost proposals, to ensure value for money.
- 3.8 The new contract requires the supplier to deliver services in line with the industry standard ITIL (Information Technology Infrastructure Library) framework. This ensures a structured approach to service management, focusing on delivering consistent, high-quality support and continuous service improvement.
- 3.9 The tender evaluation incorporates a full value-for-money assessment, balancing cost against quality, supplier experience, and social value contributions. This approach aims to secure economy, efficiency, and effectiveness in the use of council resources.
- 3.10 The procurement timetable anticipates completion of evaluation by October 2025, allowing for contract award and mobilisation ahead of the transition period.
- 3.11 Delegating authority to the Section 151 Officer and Monitoring Officer to appoint a Managed Service Provider and to execute any necessary documents will allow the council to act swiftly once the evaluation is complete. This approach aligns with the council's governance framework and ensures appropriate oversight while enabling timely decision-making.
- 3.12 Governance relating to the contract will be managed by the Procurement team, with oversight from the Section 151 Officer and the Monitoring Officer. The recommendation seeks delegated authority for these officers to approve and sign the contract award once the evaluation is complete.

Policy Outcomes and Objectives

- 3.13 This procurement supports the council's Corporate Plan priorities by ensuring the delivery of efficient and modern services and maintaining value for money and good governance. Continuity and improvement in Oracle Fusion support directly contribute to the Council's ability to deliver statutory functions and meet its Improvement Plan objectives.
- 3.14 The appointment of a new Managed Service Provider aims to enhance the reliability and responsiveness of system support, enabling better service delivery to residents and council staff.

Rationale of Approach

- 3.15 The recommendation to delegate the contract award authority is supported by:
- Procurement documents and evaluation criteria aligned with council policy.
 - Identification and shortlisting of seven qualified suppliers through the CCS G-Cloud 14 framework.
 - Clear scoring frameworks assessing cost, quality, innovation, and social value.
 - Financial provision for the anticipated cost of the new contract within the Medium-Term Financial Plan.
 - The critical role of Oracle Fusion in council operations and the risks posed by service interruption.

4. Alternative Options Considered

- 4.1 Several alternative options were considered as part of the planning for this procurement:
- 4.2 **Option 1 - Extend the existing contract with the current Managed Support Provider.** The current Managed Support Provider also supported the Council through the initial implementation of Oracle Fusion and through the hypercare period. To evidence ongoing value for money it was important to enter a competitive process for further support requirements at the expiry of the current contract. This also provides the opportunity to review service levels, enable innovation and ensure alignment with the council's strategic goals.
- 4.3 **Option 2 - Bring the service fully in-house.** Managing Oracle Fusion support entirely in-house was considered but ruled out. The council does not have the specialist technical capability or capacity to manage the full service internally. Doing so would also carry significant risks to service continuity, performance and compliance.
- 4.4 **Option 3 - Procure via open market tender.** An open market procurement process was considered but not pursued. The decision to use the Government's G-Cloud 14 framework ensures a compliant, faster, and more efficient route to market. It also provides access to a wide range of pre-approved suppliers with relevant experience in the public sector and in managed service provision.

- 4.5 The selected approach — to procure through G-Cloud and appoint a new Managed Service Provider following a competitive evaluation — offers the best balance of value for money, service quality and risk mitigation.

5. Consultation

- 5.1 No public consultation is required as this is a renewal of an existing contract.

6. Financial Implications

- 6.1 The cost of the current one-year Managed Service Provider contract for the 2025 calendar year is £0.593m plus approximately £0.250m for changes which have been required above the day-to-day support to stabilise the system. £0.593m per annum base contract cost would equate to approximately £2.372m base contract cost over a four-year period.
- 6.2 The total base contract value for the four-year term, including the transition period, will not exceed £1.800 million. Proposals from the shortlisted 7 suppliers range from approximately £1.000m to £1.800m for the four-year period.
- 6.3 The annual budget for the Managed Service Provider contract is included within the Oracle Fusion Support Team's annual revenue budget.
- 6.4 Re-procurement of this contract is expected to generate savings ranging from £0.572m to £1.372m over the four-year period, depending on the chosen supplier. Estimated contract costs exclude the cost of variations for changes to the Oracle Fusion system which may be required over and above the baseline support.
- 6.5 Additionally, improvements in service delivery and innovation are expected to provide indirect savings and operational efficiencies over the contract term.

7. Legal and Governance Implications

- 7.1 The value of the proposed contract will exceed the threshold for services as set out in the Public Contracts Regulations 2015 (the 2015 Regulations) and the Procurement Act 2023 (the 2023 Act). The Council is therefore looking to call-off and award a contract for the services from an externally established Framework, the Crown Commercial Service (CCS) under the CCS Framework RM117.4 (G-Cloud 14). Since the Framework pre-dates the 2023 Act coming into force, in accordance with the transitional arrangements for the 2023 Act, the procurement will be governed by the 2015 Regulations.
- 7.2 The Council's Contract Procedure Rules (CPRs) authorises the Council to call-off framework agreements that are lawfully accessible to the Council and requires the Council to comply with the terms and conditions of the relevant framework agreement.
- 7.3 It is confirmed that the use of the CCS G-Cloud 14 Framework is the most efficient route to market to ensure a seamless provision of services and represents a compliant activity. Legal Services will continue to support the Finance and Transformation team with a G Cloud 14 Framework call-off

process and completion of documentation associated with the award of contract.

8. Risks

- 8.1 A risk assessment has been completed as part of the procurement planning process. The following key risks have been identified:

Risk	Impact	Mitigation
Service disruption during transition	Interruption to critical financial, HR and procurement services, affecting day-to-day Council operations.	A structured transition period is built into the contract (3 November – 31 December 2025). A joint transition plan will be developed with the outgoing and incoming suppliers. Internal technical teams will be involved to ensure continuity.
Failure to appoint a suitable supplier	Poor service delivery, lack of responsiveness, or inability to support Oracle Fusion effectively.	A robust evaluation process is in place, including assessment of experience, service model, innovation, and compliance with the ITIL framework. Only qualified suppliers from the G-Cloud 14 framework have been shortlisted.
Cost overruns or uncontrolled scope changes	Increased financial pressure on ICT budgets and potential non-compliance with MTFS allocations.	The contract will include clear pricing, scope controls, and governance mechanisms. All changes will follow formal change control processes. Regular contract reviews and budget monitoring will be conducted.
Loss of internal knowledge during supplier handover	Risk of reduced system understanding or gaps in service documentation.	Knowledge transfer will be a formal deliverable within the transition plan. Key council stakeholders will be involved throughout, and documentation requirements will be

Risk	Impact	Mitigation
		built into the new contract.
Non-compliance with regulatory or data standards	Legal or reputational risk to the council if supplier fails to meet compliance requirements.	Suppliers are being assessed for compliance with GDPR, public sector cyber security standards, and data management practices. Legal Services will review final contract terms.

8.2 All risks will be tracked through the council's standard contract and risk management procedures.

9. Equality and Diversity Implications (including the public sector equality duty)

9.1 There are no adverse equality or diversity implications arising directly from this procurement.

9.2 The Oracle Fusion managed service contract will support internal council operations and does not involve direct service delivery to residents. However, in line with the council's obligations under the Public Sector Equality Duty (Equality Act 2010), equality considerations have been embedded in the procurement process. As part of the tender evaluation, suppliers were assessed on:

- Their approach to equality, diversity, and inclusion within their workforce and service delivery.
- How they support fair access to employment and skills development.
- Their ability to align with the council's wider social value priorities, including inclusive economic growth.

9.3 The successful supplier will be required to comply with the council's equality and diversity policies and demonstrate continued commitment to fair and inclusive practices throughout the life of the contract.

10. Other Relevant Implications

ICT and Digital Implications

10.1 There are no significant changes required to the current digital infrastructure, however minor adjustments will be needed to ensure compatibility with existing systems. Any additional ICT support required will be met through existing resources. Any new integrations or implementation of software will be managed through standard ICT governance processes to ensure security and functionality is maintained.

Workforce and Human Resources Implications

10.2 There are no implications associated with this proposal. The internal staff will continue to perform their day-to-day roles.

Procurement Implications

- 10.3 All procurement activities relating to the contract re-tendering and award will be undertaken in line with the council's Contract Procedure Rules. Procurement services have been engaged and will continue to support the tendering and contractual processes. Early involvement has ensured compliance and value-for-money considerations are embedded from the outset.

Social Value Implications

- 10.4 This proposal offers the opportunity to generate additional social value through procurement and service delivery, including the potential for supporting local employment, skills development, helping local small businesses and local educational institutions. Social value outcomes will be monitored in line with the council's Social Value Framework.

11. Background Documents

None

12. How does this deliver the objectives of the Strategic Themes?

- 12.1 This procurement supports the council's Corporate Plan priorities by ensuring the delivery of efficient and modern services and by maintaining value for money and good governance. The Oracle Fusion system is used across the council, and continuity and improvement of Oracle Fusion, assisted by the Managed Service Provider, directly contributes to the council's ability not only to deliver its functions but also to deliver services more efficiently and effectively and to meet the council's Improvement Plan objectives.