


Individual Mayoral Decision Proforma Decision Log No: 412	 TOWER HAMLETS
Report of: Julie Lorraine, Corporate Director of Resources	Classification: Unrestricted
Agresso Financial System Contract	

Is this a Key Decision?	No
Decision Notice Publication Date:	22 nd December 2023
General Exception or Urgency Notice published?	<p>Call in urgency – this decision has been exempted from call in by the Chair of Overview and Scrutiny Committee on the grounds that is urgent and he has agreed that doing so is reasonable in all the circumstances. The urgency reasons are as follows:</p> <p>Current support for the Agresso product which is aa business critical piece of software runs out on 31st December. The IMD enables a new contract to be in place by 1st January.</p>
Restrictions:	N/A
Reason for seeking an Individual Mayoral Decision	Our Maintenance and Support for our Financial System ends on 31 st December 2023

EXECUTIVE SUMMARY

Agresso contract renewal £797k Direct Award, individual Mayoral Decision required.

Our current contract with Unit 4 ends on 31st December 2023 with an option to extend support and maintenance for one year, we currently have a hosting contract with G7/QTC which ends in December 2024.

We have negotiated down from a 5 year contract to 3 years (taking us to Dec 2026, requiring us to migrate our current Agresso from a Client on premise service to their Cloud (a lift and shift), this work must be done within 2 years by our internal team. (2 Agresso inhouse staff).

Value for Money Case

Unit 4 will support this lift and shift work free of charge. This includes hosting and migration work is free.

Opting for direct award, and Individual Mayor's Decision route to procure delivers a like for like saving compared to the G-Cloud procurement route, delivering a £357k saving over the next 3 years.

Delaying this decision for a further year will expose us to inflationary uplifts of £100k per year (£300k for a 3 year contract).

The extra budget required over and above our existing commitment is £151k but this includes, relocation of hosting and legal fees (see table below).

There is a higher cost in 2024-25 due to parallel running of the systems during implementation. This one-off cost of £118k will be funded from the transformation reserve. There is a small increase in the annual licensing fee of £17k a year which will need to be contained within existing budgets. There is risk that the increase cannot be contained, however the amount is relatively small and by not progressing the costs are likely to be higher.

Concluding, this option gives us a finance system for the next three years and moves us to the cloud earlier whilst internal resource is available. To extend the existing contract by one year only means delaying for another year, renewing the current contract for a further 12 months without taking the opportunity to migrate to the cloud and also higher costs as a result of inflationary unknowns.

Current Budget				
	FY24/25	FY 25/26	FY26/27	Total
Agresson 3 year renewal (maintenance)	132	132	132	396
Agresso 3 year renewal Support	117	117	117	351
	249	249	249	747
Unit4 Contract and Terms based on 1000 users of the system 3 year contract				
Option 2 Step up to Cloud	266	266	266	797
Mamimum Legal Costs	25			
Report Writing	5			5
Cost of relocating hosting	71			71
	367	266	266	898
Additional Budget Required	118	17	17	151

.DECISION

Recommendations:

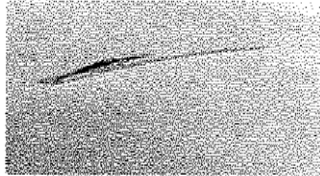
The Mayor is recommended to:

1. Approve the award of the Agresso Contract (lift and shift model) to Unit 4 our current provider on the expiration of the existing contract which ends on the 31st December 2023, this will result in a £357k saving compared to procuring through the G-Cloud route.

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor. I confirm that the Mayor and/or Lead Member have agreed to this decision being taken using this process.



Signed Date 18/12/2023

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed*Ahsan Khan*..... Date 18/12/2023.....

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

I confirm that this decision:-

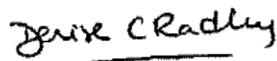
- (a) has been published in advance on the Council's Forward Plan OR
- (b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.



Signed Date: 18.12.23.....

4. Chief Executive

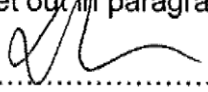
I have been consulted on the content of the attached report which includes my comments where necessary.



Signed Date: 19 December 2023

5. Mayor

I agree the decision proposed in the recommendations above for the reasons set out in paragraph XX in the attached report.

Signed  Date *19/12/23*