

Record of decision taken under delegated powers by a council officer



Title:	Legacy SAP Data Archiving Full Business Case
Divisions Affected:	All
Key Decision:	Yes
Reason Key:	Affects two or more Divisions
Decision taken under delegation by virtue of:	Scheme of Delegation Part 2 – General Delegation to Officers

Summary

The purpose of this report is to obtain a Delegated Officer Decision to procure a 3rd party data archiving solution based on confirmed costs, which have been updated following the completion of a procurement process. The procurement process formally commenced in March 2021 having completed required preparation and gaining a Delegated Officer Decision to proceed, which was approved on 29th September 2020. This further Delegated Officer decision is required prior to contract award as the confirmed cost of the solution is greater than 5% higher than the projected cost estimate in the original Delegated Officer Decision report.

The data archive solution will provide long-term storage of 16 years of historic data held in the council's corporate system, SAP. SAP is the system that the council currently uses to manage its business-critical finance, procurement and HR & payroll processes - however it will be replaced by the Unit 4 system in Dec 2021.

The historic SAP data is required to be retained for operational reasons and will be subject to GDPR. Alternative options to retain the historic data on SAP or migrate it to the new Unit 4 system (the SAP replacement) were rejected by Strategic Programme Board in 2020 because the hardware where the SAP system is installed has reached end of life, and it would be prohibitively expensive to fix; also, as this legacy data is not required for the day-to-day running of the future organisation, it would be sub-optimal to migrate it to the new Unit 4 system (due to the impact on future storage costs and system performance).

The original business case cost estimate of the data archive project was **£414k** in total for 5 years (2021/22 – 2025/25). This was based on high level estimates provided by suppliers informally and was included within the overall Digital Business & Insights full business case, which was approved by Cabinet in July 2020.

A procurement process was initiated and an invitation to tender (ITT) for the 3rd party archive solution was issued via a Crown Commercial Services framework to several suppliers. The successful preferred supplier's bid was the most affordable and met all mandatory technical requirements.

The new revised data archive project cost is **£570k** over 5 years, this incorporates the preferred bidder's pricing estimates, and the latest Surrey infrastructure costs. The cost is 38% higher than the original business case estimate of £414k because the preferred bidder's quote is significantly higher compared with the original non-binding informal quote; and the infrastructure costs are higher as the technical delivery costs have been re-estimated now that the chosen solution is known.

Following Delegated Officer approval, the project will award the contract to the preferred bidder and look to deliver the implementation of the data archiving solution for go-live in Q4 2021/2022. This go-live timing will follow the Unit ERP system go-live in December 2021 and will enable the council to decommission the existing SAP system.

Decision made

Decision made

It was AGREED to:-

1. Proceed with the data archiving project based on new estimated costs of **£570k over 5 years.**
2. Award the contract to the preferred bidder and implement the solution.

Reasons for Decision:

The key reasons for the decision to progress this option remain the same as previously:

- Meet the statutory requirement for the council to ensure GDPR compliance through the ongoing deletion of personal data in line with retention policies for archived historic SAP data.
- Ensure longevity in support for the solution as the new system will be fully supported by the 3rd party vendor.
- Ensure there will be no ongoing reliance on retaining SAP knowledge in the council to access the historic data.

Decision taken by:	Leigh Whitehouse (Executive Director of Resources), in consultation with Becky Rush (Cabinet Member for Corporate Support/Resources)
Decision taken on:	20 July 2021
To be implemented on:	20 July 2021

Summary of any financial implications

The full business case comprises capital and revenue costs including those from the

supplier. The total capital cost is £440k due in 2021/22, in addition there is an annual revenue cost of £26K for 5 years of supplier support and maintenance, and SCC hosting support and maintenance. This results in total cost of £570k over the 5 year period.

The capital requirements of the overall DB&I project, including for the data archiving solution, are included in the current capital programme, following approval of the Cabinet paper in July 2020. The ongoing revenue cost implications of the data archiving solution will be built into the MTFs as part of the financial planning process, they are expected to off-set efficiencies from reduced costs of the existing SAP system.

Declarations of conflicts of interest

None

Consultation/Process Followed

The Cabinet Member for Finance & Resources has been consulted by the Executive Director of Resources in making this decision.

In completing the full business case IT & Digital SMEs were engaged to evaluate the tender bid. Representatives from Finance, Pensions, Human Resources, and Corporate Governance have also been engaged to evaluate the tender bid.

Background Documents

Exempt

SAP Data Archiving - Procurement Outcome & Financials Appendix

Yes

For further background please see previous Delegated Officer Decision Report, included below:-

Delegated Officer Decision Report v1.0 (approved 29/09/2020)



SAP Data Archiving
- Delegated Officer C