

Report to Steve Waight Cabinet Member for Support Services and Economic Development

June 2022

Procurement of a Data Archiving Solution for SAP Business Management System

Report by: Director of Finance & Support Services

Electoral divisions: All

Summary

Cabinet Member decision [ECR01 19-20](#) approved the commencement of a procurement process to deliver a replacement business management system for the existing SAP system which has been in use at the Council since 2001.

The timetable for implementation of the replacement Oracle Fusion system has now been confirmed. In preparation for decommissioning of the existing SAP business management system, the Council now seeks to procure a data archive solution to retain historic Finance, Human Resources and Procurement records in line with statutory data retention obligations.

In line with the Council's 'Cloud First' strategy, the intention is to procure a fully cloud-based archive solution that will preserve the operational context of the data and manage retention of historic datasets in line with defined retention periods.

Recommendations

The Cabinet Member for Support Services and Economic Development is asked to approve:

- (1) Procurement via Crown Commercial Services Frameworks for a data archive solution and implementation services for the existing SAP business management system; and to
- (2) Delegate to the Director of Finance & Support Services the authority to award a contract for 5 years with an option to extend for two further one-year periods.

Proposal

1 Background and context

- 1.1 The Council's 'SmartCore' initiative will transfer eighteen months of live and recent historical data from the existing SAP business management system to the newly implemented Oracle Fusion System.
- 1.2 The residual historic data within SAP will require analysis to define and assign an 'in archive' retention schedule for relevant records. This will include financial and procurement records that require statutory retention for accounting, pensions and tax purposes alongside Human Resources records that require retention during and after employment.
- 1.3 The SmartCore initiative is intended to go-live during January 2023. It is anticipated that the outgoing SAP business management system will be retained for a further 3 months to ensure ready availability of historic data to Council officers as ways of working change to take benefit from the newly implemented Oracle system.
- 1.4 It is planned that the SAP business management environment will move to the decommissioning phase during early April 2023. This phase will include archiving of all applicable historic records and subsequent deletion of all SAP data before hardware disposal.
- 1.5 IT Services have evaluated a number of options for historic data retention, with the view that procuring a cloud-based SAP migration and archive service is the most appropriate and cost-effective solution.

2 Proposal Details

- 2.1 Following completion of market research and product evaluation, IT Services have clarified future operational requirements, and that procurement and mobilisation of a specialist product developed specifically to retain decommissioned SAP legacy data most appropriately matches the Council's needs.
- 2.2 The key requirements include ready data availability, preservation of data integrity and security models, the ability to be self-sufficient and self-serve in development of subsequent reporting and data extraction reporting needs, and for provision of a known annual revenue charge for this service.
- 2.3 Through the procurement, the Council will seek a partner who will work alongside it, to evaluate and prove the migration process for the data models identified relevant to be deployed 'in archive'.
- 2.4 It is anticipated that the selected partner will supply a cloud-based data repository located in the UK, applicable functionality to manage records in line with retention obligations, extraction and reporting techniques allowing routine archive data extraction for typical HR and finance processes and audit activity logs.
- 2.5 The initial contract term is proposed as five years with an option to extend for two further one-year periods. This approach will align with the Council's standard data/document retention policies (which are 6 years) and provide a

period of flexibility to evaluate the market for residual data archive provision that will retain exceptional records in long term digital records storage.

- 2.6 The procurement will be undertaken via Crown Commercial Services G-Cloud Digital Marketplace. This marketplace operates as a specific framework focused on procurement of technology, people and associated services for digital public sector solutions.

3 Alternative options

- 3.1 **Option 1:** Provision of a specialist SAP Cloud Based archive solution (the proposed option)
- 3.2 **Option 2:** Retention of existing SAP business management system in 'Read Only' mode.
- 3.2..1 While commercially and technically feasible, this option has been discounted on the basis that the Council holds no partial termination rights for SAP licencing. The Council would be liable for the full maintenance charges of the platform while remaining operational.
- 3.2..2 The 'system in archive' would require less compute capacity than the current 'operational system', however the existing hardware platform has reached end of life and would require replacement hardware purchase and onward support by the Council.
- 3.2..3 The SAP product utilised will reach end of support during 2025, meaning that software and security patches would be unavailable after this date which would increase the risk of continued availability and security of data contained within.
- 3.2..4 This option has been discounted based on excessive cost, risk to operation and the requirement for ongoing retention of SAP technical expertise.
- 3.3 **Option 3:** Procurement of a generic Cloud Based 'Data Archiving' solution supplied and deployed in parallel with the 'SmartCore' initiative.
- 3.3..1 While benefiting from some synergies coming out of data analysis and migration undertaken to move data to Oracle Fusion, Option 3 would require definition, design and development of a bespoke data mapping, migration and data repository solution to meet the Council's specific archive needs.
- 3.3..2 While a number of Cloud Based large scale archiving solutions do exist, they are deployed across a broad spectrum of public and private sector entities and require significant time and development investment to meet the needs of the specific customer. In turn the support liability for these systems can often be higher than products developed for a specific customer type or use case.
- 3.3..3 The volume of data stored in the Council's SAP business management system is second only to that stored in the Mosaic Social Care System, in general terms, this volume of data would be considered minimal when compared with generic large scale archiving solutions available in the market today.

- 3.3..4 Option 3 has been discounted on the basis that significant customisation and design would be required to facilitate the needs of the Council, this in turn would drive additional ongoing support costs both internally and from the system vendor.

4 Consultation, engagement, and advice

- 4.1 IT Services have engaged representatives from Finance, Human Resources, Pensions, Procurement, Legal and Data Protection functions to capture and evaluate requirements and future use cases for the future SAP archive solution.
- 4.2 Representatives from Finance, Human Resources, Procurement and Legal will also be involved in developing and agreeing the detailed procurement requirements specification.

5 Finance

5.1 Revenue Consequences

- a) This proposal is independent of the 'SmartCore' business management system project and will require additional funding over the life of this solution. The SAP archive solution and supplier implementation costs are forecast to be £900,000 over the next seven years.
- b) It is anticipated that the initial development cost and ongoing annual service costs can be met from within existing budget.

5.2 The effect of the proposal:

a) Proposal Costs:

	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s
Deployment Cost	100	170	0	0	0	0	0	0
Archive Run Cost	0	90	90	90	90	90	90	90
Total Contract Cost	100	260	90	90	90	90	90	90

b) Future savings/efficiencies being delivered

The archiving of data will ensure a planned and efficient use of storage meeting the requirements of the business. It will also enable the decommissioning of SAP.

c) Human Resources, IT and Assets Impact

This proposal aligns with the corporate IT strategy, delivery of this proposal represents a significant IT Project and will require a number of specialist dedicated staff resources for the duration (estimated at 18 months).

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
High demands on IT and corporate services to support this work alongside other transformation priorities.	Project plans in place with good advance notice. Allocated project management resource in place to support transition. Sufficient funding allocated to cover the associated costs of change including business input (data cleansing, design, test), IT resource, contingency for integrations and training costs.
Significant data migration will be required which risks interruptions to the SAP 'read-only' environment for users	Data migration planned in advance. Alternative processes put in place and clearly communicated to users. Any down time scheduled for weekends where possible. Sufficient funding allocated to support the migration.
Implementation costs are higher than estimated and exceed the cost envelope.	Costs will be built into contract terms and conditions. Contingency has also been included for integrations work involving Council staff. If necessary, decisions could be made on the functionality of the solution procured to ensure that it remains within cost envelope.

7 Policy alignment and compliance

7.1 Legal Implications

All Crown Commercial Services Framework Agreements are compliant with the procurement regulations (PCR15) and the Council Standing Orders on Procurement and Contracts.

General Data Protection Regulation (GDPR) processes, GDPR Article 5 Principles and compliance have been adhered to throughout with such data risks being managed. A Data Sharing Agreement may also be necessary with regards to the migration of personal information. A suitable Data Controller will be nominated.

7.2 Equality duty and Human Rights assessment

The processing of personal and special category data is subject to the Council's Data Protection Act policies and procedures in relation to discharging the Council's and its partners' legal responsibilities.

7.3 Climate change

Not applicable.

7.4 Crime and Disorder

Not applicable.

7.5 Public Health

Not applicable.

7.6 Social Value

Bidders will be asked to demonstrate their approach to social value as part of their response to this opportunity.

Katharine Eberhart, Director for Finance & Support Services

Contact Officer: Stewart Laird, Chief Information Officer and Head of IT,

Tel: [033022 25310](tel:03302225310) Email: stewart.laird@westsussex.gov.uk