

Police and Crime Commissioner for Surrey – Decision Making Record

Report Title: Enterprise Resource Planning (ERP) System: Call-Off Contract Signing
Decision number: 147/2016
Author and Job Role: Alison Bolton, Chief Executive
Protective Marking: OFFICIAL

Background

In March 2016, the Police and Crime Commissioners for Surrey, Sussex and Thames Valley agreed a detailed business case and financial appraisal for the introduction of a new Enterprise Resource Planning (ERP) System across the three forces. The ERP system will be the primary system for HR, Learning and Development, Payroll, Finance (including Fleet and Procurement), Shared Services and Duties Resource Management. It will replace current ERP systems and provides the opportunity to rationalise the many associated systems that have built up in all three forces.

Following a procurement process, KPMG was identified as the primary contractor to implement Microsoft Dynamics AX and Crown DMS as the new ERP solution. The project is a significant one with the total overall costs of delivering and running the contract predicted to be £22.64million across the three forces over five years. The overall contract value (covering implementation, licence fees and support over five years) is £16.721m of which Surrey's proportion is £3.8m). 'Go-live' of the system is expected in September 2017 for Surrey and Sussex and December 2017 for Thames Valley.

Subsequent to March, the finalised Framework Contract (with 34 other named organisations including 22 police forces) was approved and signed by the OPCC for Surrey on 10th May. The PCC is now asked to sign the Surrey 'call-off' contract with the preferred supplier (KPMG) to deliver and support ERP services in line with the approved Statement of Requirements. The contract covers a period of five years and comprises implementation and support for the system. There is an option to extend the contract for two further 12-month periods. Each force has an individual contract to sign based on its specific license and other requirements and share of implementation costs.

Additionally, in order to use the Microsoft licenses, the PCC is asked to sign an agreement which enables Thames Valley Police to act on its behalf.

The three forces have worked closely to ensure that appropriate due diligence has been undertaken including making use of lawyers and barristers to define the contract. Previous lessons learned were also considered throughout the procurement process and resulted in various changes to strengthen core clauses. Operational delivery of the project remains the responsibility of the respective Chief Constables and although PCCs will not be involved in day-to-day delivery, given the significant operational, financial, resourcing and reputational risks, they will retain oversight to ensure the project is progressing to required timescales and within budget.

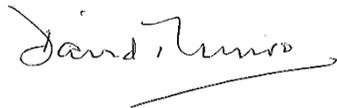
Recommendation

That the Police & Crime Commissioner signs:

- 1) The Call Off contract between Surrey PCC and KPMG to deliver and support ERP services in line with the approved Statement of Requirements
- 2) The licensing agreement enabling Thames Valley Police to act on the PCC's behalf in respect of Microsoft Licensing issues
- 3) The letter of agreement to KPMG which provides an opportunity to reduce the forces' exposure to additional costs associated with providing all 3 forces with 60 months licence and support.

Police and Crime Commissioner Approval

I approve the recommendation(s):

A handwritten signature in black ink, appearing to read "David Tunno", with a horizontal line underneath it.

Signature:

Date: 20/09/2016

All decisions must be added to the decision register.

Areas of consideration

Consultation

The Police & Crime Commissioner has been briefed by the Senior Responsible Officer on this matter. He will retain oversight through the ERP governance board.

Financial implications

As detailed in the report.

Legal

The three forces have sought legal advice on drawing up the contract documentation and to assist with due diligence.

Risks

These have been outlined separately to the PCC and will be monitored at the governance board.

Equality and diversity

No issues arising.

Risks to human rights

No issues arising.