



MBS ITT Release Recommendation

MOPAC Investment Advisory & Monitoring meeting 10/12/24

Report by Mark Craddock on behalf of the SRO, Marie Heracleous

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

Met Business Service, MBS, was established in January '24 with the objective of simplifying, automating and improving end user experience in end-to-end processes across key Finance, HR and Commercial services such as Joiners, Movers, Leavers, Source-to-Pay, Order-to-Cash etc.

MBS is a key capability to help fix the foundations as part of the New Met for London (NMfL) strategy, with a focus on improving and reducing the costs of back office and corporate support services. The programme supports the MPS Key Principles and Values, specifically:

- 1) We will procure services and systems which are frontline-focused, reducing time on admin and navigating complex systems and processes, providing what our people need to deliver the best service to Londoners;
- 2) We will provide quality data and reports for the in-scope services, enabling MPS to make precise, fact and insight-driven decisions;
- 3) We will take ownership for end-to-end services (e.g. Joiners, Movers, Leavers), taking accountability for performance issues and employing a continuous improvement mindset to deliver better services for all.

From January, MBS took full accountability for the current SSCL outsourcing contract and associated systems, including PSOP. In March 2024, MOPAC approved an outline business case (OBC) for the extension of the SSCL contract for 2 years, on the condition that the programme commenced a competitive retendering process, starting immediately with Pre-Market Engagement (PME).

In June '24, The Resource Management System (RMS) replacement programme was incorporated into MBS to drive a single overall solution for management and control of the majority of MPS resources and costs, as well as gaining procurement and deployment synergies. RMS is a critical tool for the rostering of our officers: replacing the current aged system with a modern, more automated tool, tightly integrated with the ERP, which will significantly increase our

capability to deploy resources in the most effective and efficient way, whilst reducing system management and administration costs.

MBS have now completed PME. In line with the requirements under Regulation 32(2)(b) of the PCR, MBS is seeking approval to issue an Invitation To Tender (ITT) for the procurement of vendor services:

- to implement a new rostering management system (RMS), replacing the 20-year old CARMS; and
- to implement a new Oracle Fusion ERP system, replacing PSOP; and
- to provide select outsourced services for Finance, HR, Commercial and ERP systems, which replaces the current services outsourcing contract managed by SSCL, which terminates in September 2027.

These initiatives combined will enable MPS to optimise our resources, ensuring the right people are in the right place at the right time, deployed efficiently through streamlined processes. We expect our annual operational administration costs to reduce significantly as a result of this investment.

Based on PME, the estimated value of the total contract is potentially around £350M-£370M over a 9 to 10-year period (including Termination Assistance), to be executed with a single Master Vendor.

MBS is also seeking approval for the release of internal programme funding of £9M for FY25/26 which has been provisioned in the MTFP based on the previous March '24 paper. This funding supports a number of key initiatives:

- Delivery of the full procurement process;
- Quick wins and tactical improvements in rostering, ahead of the CARMS replacement, including new duties strategy;
- Ongoing simplification and improvement of key MBS processes in Joiners, Movers, Leavers, Employee Services, Source-to-Pay, Order-to-Cash and Record-to-Report;
- Preparation of data for migration to the new systems;
- Implementation of required operating model and operational changes to support 'adopt not adapt' strategy;
- Kick off change management in rostering services to support the move of the new system
- Mobilisation of the build programme from October '25

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. **Approve in principle the release of an ITT for a vendor to implement Oracle Fusion, a CARMS (Rostering Management System) replacement and thereafter provide ongoing run services, replacing the current SSCL contract for Finance, HR and Commercial services. We are requesting that MOPAC delegate final approval of ITT release to MPS Commercial, who will provide quality assurance.**
2. **Approve the release of Internal Programme Costs of £9M for FY25/26**

to support the procurement process, preparation for system build, process simplification and delivery of quick wins. These funds have been provisioned in the MTFP based on the previous submission.

Time sensitivity

A decision is required from the Deputy Mayor by mid-December 2024 to allow for the issuing of the ITT in early January 2025, maximising the time available for procurement and implementation of the new system and services, before the expiry of the extended SSCL contract in September 2027.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

Introduction and background

1. In March 2024, MBS outlined to MOPAC that the current contract for HR, Finance and Procurement services with SSCL would reach its term in September 2025, but there was insufficient time to procure new services and a system, alongside the sizeable system build time and transition required.
2. We confirmed we needed to extend the existing contract by an additional two years under Regulation 32(2)(b) of the PCR (negotiated procedures without advertising), provided, in line with Legal advice, we limited the extension to only two years and demonstrated this enabled better competition through the commencement of a full procurement process.
3. MOPAC approved the extension to September 2027, alongside the commencement of Pre-Market Engagement (PME) and the establishment of Met Business Services.
4. A major component of the retender is the replacement of the current PSOP ERP system with a new Oracle Fusion ERP system. The ERP is the key system for HR, Finance and Payroll, integrating key processes, our organisational structures and cost centres. Around 82 other systems, including CARMS, currently use PSOP as the master record for organisational and financial data.
5. In June we incorporated the replacement for Resource Management System (RMS), into the MBS programme. Between the ERP and CARMS systems, they cover a significant part of the planning, deployment and control of our key resources and costs, including all officers. The age of the systems, lack of integration and poor processes has led to significant consistency issues with data, high admin support costs and poor agility: answering a fundamental question “where are my people” requires a significant number of manual workarounds, on-the-ground knowledge and is extremely slow to execute.
6. Combining the RM and MBS programmes, upgrading the systems and support services, provides three key benefits:
 - a. It enables us to efficiently deploy the right people to the right place at the right time in real-time. This will be delivered through streamlined processes, built on a common architecture and solution, with a unified implementation;
 - b. It delivers internal programme synergies and savings, particular in

combining procurement and programme management, removing overlapping activities;

- c. It provides a much more attractive package for bidders, driving better quality solutions and lower overall bids.

There is a requirement from the MPS to accelerate the delivery of the RM solution. In the Procurement we will be testing the ability to decouple the new RM and ERP system builds to understand risks and dependencies from the market perspective. These will be costed and the risks reflected into the Final Business Case (FBC).

- 7. PME encompassed discussions with six peers (e.g. West Midlands Police Force) and 17 Suppliers, which enabled us to validate key assumptions and identify gaps in our business case (e.g. level of Change Management required). The business case, presented to MOPAC in March, has been updated to reflect PME findings, alongside adjustments to include the CARMS system replacement.
- 8. A number of other Police Forces, including West Midlands, South Yorkshire and Civil Nuclear Constabulary have selected the proposed future Oracle Fusion solution to support their services. Furthermore, the Synergy and Unity frameworks (DWP, Home Office, DEFRA etc.) are taking a similar approach and have already completed the tendering for their SI for the same Oracle solution: we are leveraging their pricing models and business cases where possible.
- 9. The OBC for the RMS replacement was approved in 2019, but there were two false starts to procurement. Lessons learned have been incorporated, including leveraging the MBS approach to implementation of “adopt” not “adapt” i.e. we plan to use as much “out of the box” standard functionality as possible, with a focus on changing MPS policies and processes where we can.
- 10. Driving the adoption of standard processes, rather than heavily customising the ERP and RMS to our current practices, has significant cost and simplification benefits, but will not be easy. It will require a significant change in culture and ways of working: securing strong Change Management capability will be part of the procurement process and we will also require strong sponsorship from ExCo to ‘hold the line’ on driving standardisation.

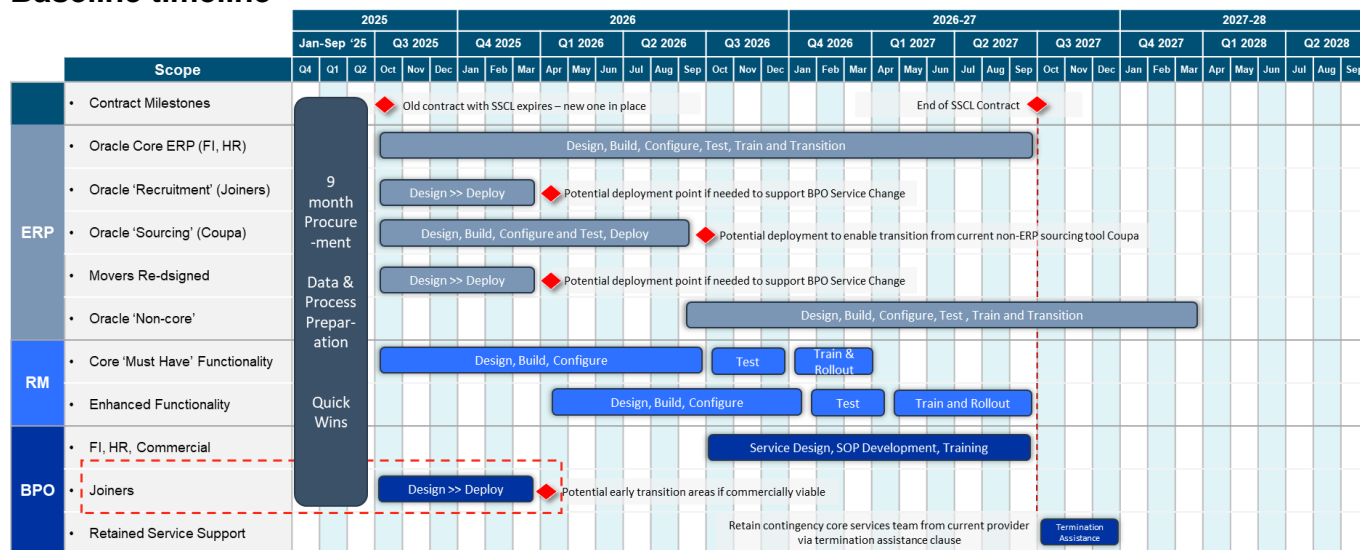
Issues for consideration

- 11. There are five core factors driving the release of the ITT:
 - a. The CARMS system, core to the rostering and deployment of our Frontline, is over 20 years old, is extremely slow, manually intensive and encounters a number of challenges on each incremental upgrade. Furthermore, it is not integrated well with PSOP: deploying our resources effectively is manually intensive and slow;
 - b. As outlined, we were only able to extend the existing SSCL outsourcing contract a further two years under Public Contract Regulation (PCR) regulation 32: there is a legal requirement to go to competitive tender and other members of the Synergy framework are already in the market;

- c. The underlying PSOP system, based on Oracle R12, comes out of support from Oracle shortly, requiring MPS to run a replacement programme regardless, otherwise leaving MPS exposed to stability and security issues on key application which holds sensitive employee records, payroll and financial data;
 - d. Based on PME, we are paying ~20-25% above market for the current 3rd-party outsourcing services due to low levels of automation and inflexible processes, which a new platform and contract will address;
 - e. The organisation has decided not to run this procurement as a framework to allow others to join directly. This is due to the fact that other organisations (e.g. TfL) could join but would have to join on our Oracle instance. They have indicated they would be reluctant to do so as they are on a SAP system. However, we will explain in the procurement that others could join if they come on our instance and contract with the MPS first. We have allowed extra money in the overall potential value for this to occur.
12. The overall programme timescales are expected to be around three years, broken out as follows:
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|---|-----------------------------|
| a. Launch of ITT | January 2025 |
| b. New Duties Strategy | August 2025 (see 13. Below) |
| c. Completion of Procurement Process | approx. Sep/Oct 2025 |
| d. Completion of RM Core Build | approx. Dec 2026 |
| e. Completion of Build Process (ERP) | approx. Sep 2027 |
| f. Full Transition to new service model | By March 2028 |
13. Our overriding programme principle is ‘standardisation and adoption of Commercial off-the-shelf (COTS)’ solutions: the future Rostering and Duties Operating Model, associated processes and ways of working will need to change to support COTS. Therefore, in parallel to the procurement process, the programme will on-board external SMEs that have delivered similar rostering projects across a number of sectors. We will work with the business to finalise a recommendation on a new Duties Strategy ahead of contract finalisation, with a planned delivery date no later than August 2025.
14. A new recommendation on the new Duties Strategy will include, as a minimum:
- a. A new Roster Management (RM) Operating Model, including required skills, roles and responsibilities across the core RM functions: rosters, duties, abstractions and event management;
 - b. Refreshed “To Be” processes, supported by the new technology;
 - c. In partnership with the policy owner (currently owned by MO6), a refreshed RM policy, which will outline the practical arrangements, working practices/definitions and references to core regulations underpinning usage of the new RMS, required for effective management of such things as shift patterns, duties, leave and overtime.

15. Further, interim improvements and progression towards future state design will be explored in parallel to procurement activity, as part of RM improvement activity within the MBS Service Design workstream.
16. The following outline plan and timetable will be provided to bidders in the ITT to enable comparable base proposals, but bidders will be strongly encouraged to identify and propose alternatives to accelerate timescales, benefits and value (e.g. early delivery of RMS):

Baseline timeline



17. Timing of the ERP and RMS deployments will be finalised with the suppliers during the tendering process. We are investigating options to decouple the initial deployments, allowing each system to progress at its own pace, with a focus on delivering the RMS quickly, with full interfacing activated once both systems are stable.

18. There is an acceptance within MPS that we will need to go on a standardisation journey. Both the Commissioner and ExCo gave a firm commitment on 26/11/24 to support this mandate. They agreed that whilst the programme necessarily focuses on the need for systems and outsourcing services replacement, significant benefits to both staff and officers will be generated from the work required in preparation for the new systems. This work will streamline key processes and improve data quality, enhancing service efficiency before the full deployment of the systems:

- Simplification, data cleanse and tactical improvements supporting the RMS system (CARMS) ahead of new system deployment;
- Simplification and standardisation of services through Cloud Fit Assessment such as Joiners, Movers and Leavers: removing silos, reducing time and improving overall experience;
- Significant improvement in quality of data and reporting, through the early implementation of Oracle cloud-based reporting tools;
- Other tactical automation of key parts of the solution ahead of the full system deployment e.g. implementing Oracle Integration Cloud (OIC) and Oracle Analytics Cloud (OAC) which are 2 Oracle packages that allow us to move to standardised systems in a more controlled way.

Contributes to the New Met for London (NMfL) Plan and / or MOPAC Police & Crime Plan 2022-25¹

19. The new contract and redesigned services will drive improved user experience and financial benefits from 2027 onwards, supporting “fixing the foundations” – particularly simplifying processes, removing siloes and driving end-to-end services and accountability. In parallel to the procurement and build, MBS will be

leveraging the pre-work in preparing for the migration to deliver much needed end-to-end process and data service improvements as 'Quick Wins' before 2027.

Financial, Commercial and Procurement Comments

20. Detailed Financial, Commercial and Procurement information is contained in the restricted section of the report ('Part 2').
21. In terms of delivering the London Anchor Institutions' Charter, through the PME work, the establishment of MBS in Kilburn and the Delivery Model Assessment (DMA), we have identified some targeted services for re-insourcing and bringing back to London. These include control and management of the recruitment process, reporting and analytical services and complex HR Case Management amongst others.
22. Some targeted insourcing may begin in 2025, where possible, under the constraints of the existing contract.

Legal Comments

The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £214,904 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.

This report confirms the MOPAC's route to market is compliant with the Regulations.

The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:

1. Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
2. All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).

Paragraph 7.23 of the Scheme provides that the Director of Commercial Services has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

Equality Comments

23. Overall, this does not change any aspects relating to equality or diversity, although improved control over the recruitment service and better reporting and analytical services will enable MPS more easily to deliver our commitments.

Privacy Comments

24. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.

Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.

The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the Programme meets its compliance requirements.

A DPIA has been completed for this programme which will be reviewed with the DAPIAN Team throughout the programme duration. The programme will ensure privacy by design approach, which will allow the MPS to find and fix problems at the early stages of any project, ensuring compliance with GDPR. DPIAs support the accountability principle, as they will ensure the MPS complies with the requirements of GDPR and they demonstrate that appropriate measures have been taken to ensure compliance.

Real Estate Implications

25. There are no changes to the estate anticipated as result of the programme – existing MBS requirements have been met within the current MPS footprint (Kilburn, Kennington and Holborn) and the anticipated small amount of targeted insourcing (in terms of headcount), will be offset through tactical improvements with associated headcount savings.

Environmental Implications

26. Any third-party contracts agreed as part of this programme will ensure that suppliers comply with environmental legislation or policy. In particular, the programme delivery contracts include provisions that suppliers comply with relevant clean air policy.

Background/supporting papers

27. All support papers are commercial confidential and are included in Part 2.

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The Government Security Classification marking for Part 2 is:

OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of MBS ITT Release Recommendation is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011, Section 43 – Commercial Interests.

The paper will cease to be exempt after cutover to the new service, expected to be around October 2027

