

**CT7307 - Victorian Telecommunications Services (VTS) State Purchase Contract  
DPC-ICT-03-2020/21**

---

Report Author: Executive Officer Information Services

Responsible Officer: Director Corporate Services

Ward(s) affected: All (All Wards);

---

*The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.*

## **CONFIDENTIALITY**

Confidential information is contained in Attachments 1 and 2. This information relates to contractual matters and contains commercially sensitive information including, but not limited to, the name of tendering parties, the evaluation panel members, the tendered prices, and the evaluation of the tenders received against the published evaluation criteria.

Any disclosure of the information included within the confidential attachment to this report could be prejudicial to the interests of the Council or other parties. If discussion of this information is required, the Council is recommended to resolve that the item be deferred to the confidential section of the agenda when the meeting is closed to members of the public in accordance with Section 3(1)(g)(i)(g)(ii) of the *Local Government Act 2020*.

## **SUMMARY**

This report seeks Council's approval to renew its agreement with Telstra Limited ("Telstra") for the provision of telecommunication services and hardware through the Victorian Telecommunication Services (VTS) panel contract, in accordance with the Department of Premier and Cabinet (DPC) State Purchase Contract VTS Head Agreement that complies with the Section 108 of the *Local Government Act 2020*.

This panel contract will be utilised for the provision of telecommunication services and hardware that specifically relate to:

### **Telecommunications: Core Services:**

- Data (fixed and wireless) Services
- Equipment and Supply Services
- Fixed Voice Services
- Mobile Services
- Satellite Services.

## **Telecommunications: Ancillary Services:**

- Broadcast Wi-Fi
- Call / Contact Centre Technologies
- Cloud Partnering Services (IaaS/PaaS)
- Conferencing Services
- Enterprise Messaging Systems
- Enterprise Telephony Unified Communications
- Managed WAN / SD-WAN
- Mobile Device Management
- Project Services
- Radio
- Wi-Fi (LAN)
- Microsoft Cloud Solution Providers
- Resellers of Government Open Licences
- Microsoft Product and Services Agreement.

### **RECOMMENDATION**

***That***

1. ***Council resolves to renew Council's agreement with Telstra Ltd under the Department of Premier and Cabinet (DPC) Victorian Telecommunications Services (VTS) State Purchase Contract DPC-ICT-03-2020/21, for an initial period of up to three years, commencing 9 August 2023.***
2. ***The Director Corporate Services be delegated the authority to extend this contract beyond the initial term of three years until 17 December 2027 (1 year, 4 months and 9 days), which aligns with the end-date of the VTS Head Agreement.***
3. ***The Director Corporate Services be delegated the authority to sign the contract documents with Telstra Ltd to operationalise the renewal.***
4. ***The confidential attachments to this report remain confidential indefinitely as they relate to matters specified under Section 3(1)(g)(i),(g)(ii) of the Local Government Act 2020.***

## **RELATED COUNCIL DECISIONS**

Council's current contract with Telstra Ltd for Telecommunications Services and Hardware NPN1.18 through Municipal Association of Victoria (MAV) was approved by Council on 24 November 2020.

## **DISCUSSION**

Council's Information Services department has been engaged throughout this process to ensure that it meets the Council's telecommunication needs. This contract will assist Council to continue to develop and progress its Information Technology (IT) plans and other future telecommunication requirements in an efficient and cost-effective manner.

### ***Background***

At present, Council utilises telecommunication services based on the State Government Telecommunications Purchasing and Management Strategy (TPAMS) contract, which ended on 30 January 2022. The State Government has established a replacement agreement known as the Victorian Telecommunications Services agreement (VTS). This new agreement was created after the DPC sought a shared services model to assist both State and Local governments in procuring products from an approved panel of providers, streamlining the procurement process. A public tender process was undertaken by the DPC to establish this contract.

The VTS contract offered by Telstra provides a range of services for Council. By moving to VTS, Council can access a comprehensive suite of telecommunication and ICT services, including voice, data, internet, and mobile services. This will assist Council to streamline communications infrastructure and optimise operational expenditure.

VTS provides service level guarantees with 24/7 support and proactive monitoring. This ensures that Council can rely on uninterrupted service, essential for critical applications.

Furthermore, it also provides access to advanced technologies such as cloud-based communications and collaboration tools. These tools can significantly improve productivity and efficiency, enabling Council to integrate voice, video, and data communications via Council's core communication and collaboration platform, Microsoft Teams.

Flexibility is another key benefit of the VTS contract, allowing Council to scale up or down its telecommunications services to match changing needs. This is particularly important to be able to adapt to changing demands and requirements.

### ***Options considered***

The evaluation panel considered two (2) options which have been detailed in the Confidential attachment.

### ***Recommended option and justification***

Officers endorse the proposed contract, support the acceptance of the State Purchase Contract's VTS Head Agreement, and recommend Council approval of the new Telstra contract. Please refer to Attachment 1 for justification (including confidential information) to support the recommended option and the resultant cost savings from the recommended option.

### **FINANCIAL ANALYSIS**

Please refer to the Confidential information in Attachment 1 for detailed financial analysis.

### **APPLICABLE PLANS AND POLICIES**

- Council's High Performing Organisation strategic objective in *Council Plan 2021-2025*.
- *Draft Council ICT and Digital Strategy 2023-2026*.
- Yarra Ranges Council *Liveable Climate Plan 2020-2030*.

### **RELEVANT LAW**

Not applicable

### **SUSTAINABILITY IMPLICATIONS**

Yarra Ranges Council places a high importance on sustainability and resilience and expects the same from its vendors. The long-term impacts of becoming a highly connected and "digital Council" results in paperless work practices, reduction of travel, and the ability to monitor and control Council's energy efficiency initiatives.

Telstra, as Council's telecommunications partner, is committed to reducing carbon emissions, heavily invests in renewable energy projects and promotes the importance of reusing and recycling e-waste (<https://www.telstra.com.au/sustainability>).

### **COMMUNITY ENGAGEMENT**

Not applicable

### **COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT**

Council's use of modern telecommunication capabilities will enable stable and scalable internet, data, voice and mobile capabilities for Council's workforce and worksites. These capabilities will increase staff productivity and show Council's commitment to continuous improvement, by enabling staff to work from anywhere and improve on-demand community service request fulfilment.

This contract renewal for telecommunication services will achieve significant cost savings for major expenditure on large contracts, ultimately benefiting the Yarra Ranges community.

## RISK ASSESSMENT

Council will transition to a new vendor contract with new terms and conditions. Council's procurement team has closely analysed these new contractual arrangements and endorsed the acceptance of the contract as there is no reduction in service level or quality. Furthermore, Council is taking advantage of the State Government's buying power through signing up to the head agreement with the Department of Premier and Cabinet.

Council will transition to a different service model, requiring operational configuration changes by Telstra. The technical risk to Council of such changes relates to potential short-term network and phone system outages. Council has sought assurances from Telstra that technical changes will be appropriately prepared and resourced, with technical support available on days when services are cut over.

## CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

## ATTACHMENTS TO THE REPORT

1. Confidential Attachment - Council Evaluation Report
2. Confidential Attachment - VTS Head Agreement DPC with Telstra - Fully Executed
3. Buying for Victoria – DPC VTS Panel Procurement summary.