

CT6833 PA 2406/0713 INFORMATION TECHNOLOGY PRODUCTS & SERVICES & MULTI-FUNCTIONAL DEVICES

Report Author: Acting Manager Information Services & Procurement
Coordinator

Responsible Officer: Andrew Hilson, Director Corporate Services

Ward(s) affected: Not Applicable

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

This item is to be considered at a Council meeting that is open to the public.

In accordance with the definition included in Section 3(1)(g)(i),(g)(ii) of the Local Government Act 2020, the attachment to this report is considered confidential information as it contains private commercial information (trade secrets); and private commercial information that would unreasonably expose a business, commercial or financial undertaking to disadvantage.

SUMMARY

Council has an ongoing operational need for Information Technology (IT) consumables, hardware, physical infrastructure, and software. This need is currently met through a trusted industry partner, Procurement Australia (PA) and its panel contract, CT5869 PA Information Technology Products and Services (2106/0712) which expired 30 June 2022.

Council seeks to enter a new panel contract, to ensure access to ongoing contractual arrangements with approved suppliers. Approved suppliers have successfully tendered for a new PA contract which will facilitate product and service continuity, the provision of physical infrastructure and technical support to assist in the achievement of critical YRConnect project deliverables and support activity-based working.

This report seeks Council endorsement to enter a new contract with Procurement Australia which is permitted under Section 108 of the *Local Government Act 2020* and Council's Procurement Policy.

Procurement Australia facilitated a public tender for the provision of IT Products and Services and Multi-Function Devices and a summary of the categories in the proposed contract (2406/0713) follows:

Category 1 – IT Hardware

Category 2 – IT Software

Category 3 – IT Services

Category 4 – IT Finance
Category 5 – Telecommunications
Category 6 – Multi-Function Print Devices

Categories 1-5 commenced 1 July 2022 and category 6 on 1 April 2022. The contract term for all categories is estimated to end on 30 June 2024, with an option to extend the contract for a further one (1) year.

The Council Evaluation Panel comprising the Acting Manager Information Services and Procurement Coordinator recommend the acceptance of the new Procurement Australia panel contract to appoint a panel of suppliers across all categories.

Inclusive of all estimated extension options, the estimated value of this contract to Council is \$3,429,000 inclusive of GST, over the estimated full contract term of three (3) years and based on 2021/2022 data.

RECOMMENDATION

That

- 1. Council accepts the Procurement Australia tender recommendation for Information Technology Products and Services and Multi-Functional Devices (Contract No. 2406/0713), including recommendations by Procurement Australia for any extension options.***
- 2. The Director Corporate Services be delegated authority to extend the contract term on the terms set out in the Contract and any amended terms proposed by Procurement Australia.***
- 3. The contract documents be signed.***
- 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

There are no related Council decisions relevant to this item.

DISCUSSION

Background

Procurement Australia placed an advertisement calling for tenders in the Sydney Morning Herald newspaper on Tuesday, 23 November 2021 and the Herald Sun on Wednesday, 24 November 2021 to form a panel to deliver a range of IT and Multi-Functional Devices, Products and Services across six (6) categories.

Tenders closed at 3pm AEDT on 15 December 2021, and a total of 43 submissions were received.

Of the 43 submissions, 36 were deemed suitable to provide devices, products, and services under the panel arrangement. For a detailed summary of the evaluation, please refer to Attachment 1 (Procurement Australia Evaluation Report).

This new panel replaces Contract No. CT5869 PA Information Technology Products and Services (2106/0712) which expired 30 June 2022. Council spent \$6,299,161.22 (inclusive of GST) across several suppliers over the previous full contract term.

Options considered

An alternative option is for Council to run our own tender process and establish our own panel of suppliers which is time consuming and costly, and would likely result in mostly the same suppliers.

Also, the Municipal Association of Victoria (MAV) is another trusted industry partner with IT related contracts permitted to be used under section 108 of the *Local Government Act 2020* and Council's Procurement Policy. The MAV contract offering was considered; however, some contracts are no longer available, and the remaining contract offering is not considered fit for purpose for the category of IT and Multi-Functional Devices, Products and Services.

Recommended option and justification

It is recommended to use the new Procurement Australia (pa panel contract as PA has established this panel to service their members nationwide, including local government, which attracts better financial outcomes from the market. PA is a trusted industry partner, the process followed is compliant, Council has existing contractual arrangements with some panelists, the panel is established and fit for purpose and therefore the most cost-effective option for Council.

Prior to entering new contractual arrangements with panelists, quotes will be sought to facilitate benchmarking across the relevant product or service category, to ensure Council obtains best value in the procurement of required IT consumables, hardware, software, and physical infrastructure.

FINANCIAL ANALYSIS

Inclusive of all possible extension options, the estimated value of this contract to Council is \$3,429,000 inclusive of GST, over the estimated full contract term of three (3) years and based on 2021/2022 data.

Future spend for this contract will be funded from within the agreed IT operational budget.

APPLICABLE PLANS AND POLICIES

This report contributes to the strategic objective(s) in the Digital and Technology Strategy 2022-2026 and YR Ignite 2021-2025 Our organisational excellence strategy.

Digital and Technology Strategy 2022-2026:

- Digital Transformation Strategy – guides the organisation’s digital transformation to improve customer experience by making the most of digital advancements.

YR Ignite 2021 – 2025 Our organisational excellence strategy:

- Activity Based Work Project – guides new ways of working that enables greater flexibility and improved collaboration, innovation, and productivity. Staff will have the freedom of choice to decide how and where you work to achieve the best outcome.
- Major People Initiative – Our Culture drives high performance – Adapt and innovate – We recognise we are in a time of rapid change. We proactively build our capacity to respond to change and look for opportunities to deliver better outcomes for our services and communities. We emphasise innovation, knowledge and testing new ideas.
- We excel in thinking smart and good practice – Use the power of technology – We deliberately and appropriately use technology and digital systems to offer more targeted, accessible, and fit for purpose services (recognising that digital systems might be efficient but not always human friendly).

RELEVANT LAW

Section 9(2)(a) of the *Local Government Act 2020* states: “Council decisions are to be made and actions taken in accordance with the relevant law”.

Council may use this Procurement Australia contract as permitted under Section 108 of the *Local Government Act 2020*.

Also, Council’s Procurement Policy states:

Clause “9.2 Exemptions from competitive procurement processes – Unless the Act or Regulations require otherwise from time to time, the following circumstances are exempt from the requirements of a competitive procurement process (such as a general publicly advertised tender, quotation or expression of interest).

Government entity / approved third party – This general exemption allows engagements:

- in reliance on contracts and arrangements established by another government entity, local authority or local government group purchasing scheme, such as Municipal Association of Victoria (MAV) or National Procurement network members (e.g., Local Buy), Procurement Australia (PA)”.

SUSTAINABILITY IMPLICATIONS

Clause 2 of Council’s Procurement Policy states

“The purpose of this Procurement Policy is to:

- enhance Council’s ability to obtain the best outcome from purchasing activities referring to a range of considerations, including but not limited to environmental, financial, ethical sourcing, social sustainability and support for the local economy”.

According to clause 10.5.1 Minimum criteria weighting in Council’s Procurement Policy, the criterion of community benefit must have a minimum weighting of 5% for all procurements for goods, services or works of value equal to or greater than \$50,000 (exclusive of GST). Procurement Australia weighted the sub-criteria of social impact and environmental impact for their tender at 10% and 5% respectively.

When assessing quotations on an as required basis, the IT department will review the panelists’ ethical and social impact and will also consider the advantages of supporting panelists that are based locally and/or that support the local economy.

COMMUNITY ENGAGEMENT

Not applicable.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

No collaboration with other Councils, Governments or statutory bodies was sought.

Regarding innovation – this contract supports the YR Ignite Strategy 2021-2025 and specifically the aims of ‘Improve and Innovate’.

RISK ASSESSMENT

Risks and mitigation strategies have been considered as part of the evaluation process. There are no significant risks associated with this item.

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

Attachment 1 - Procurement Australia Evaluation Report - *Confidential*