

ITEM 3 EXTENSION OF CONTRACT - ONE COUNCIL ENTERPRISE SOFTWARE

This report advises Council of the intention, and the circumstances supporting, the extension of Council's contract with TechnologyOne Pty Ltd (TechOne) for the OneCouncil enterprise software (Software as a Service).

RECOMMENDATION

That Council note that the General Manager will enter an extension of the current contract with TechnologyOne Pty Ltd (TechOne) for the OneCouncil (Software as a Service).

REPORT AUTHORISATIONS

Report of: Ingrid McAlpin, Director Corporate Services (Acting)
Authorised by: Greg Doyle, General Manager

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

On 28 September 2018 Council entered a contractual arrangement with TechnologyOne Pty Ltd (TechOne) to implement OneCouncil, an enterprise resource planning solution delivered as software as a service. The initial contract included both the implementation (based on time and materials) and the provision of the One Council platform as a Software as a Service (SaaS). That initial contract was for a period of seven years and expires in September 2025.

Legislative requirements relating to procurement are outlined in Section 55 the *Local Government Act 1993* (LG Act). Section 55(3) of the LG Act specifies a range of types of procurement that are not required to go to a public tender process, in particular Section 55(3)(g) states the following:

55 Requirements for tendering

(3) *This section does not apply to the following contracts—*

- (g) *a contract for the purchase of goods, materials or services specified by the NSW Procurement Board or the Department of Administrative Services of the Commonwealth, made with a person so specified, during a period so specified and, if a rate is so specified, at a rate not exceeding the rate so specified*

The TechnologyOne contract was procured under the State Government Contract (SM0020 ICT Service Scheme), meaning that there is no need to approach the market for tender in line with the requirements of the Local Government Act. The ICT Services scheme is governed by the NSW Procurement Board in accordance with PBD 2020-05.

PROPOSAL

Changing software providers can prove to be an expensive exercise. Wollongong City Council has spent over six years implementing the OneCouncil suite of products, the implementation of an alternative Enterprise Resource Planning Suite solution would incur additional cost and effort. If a deployed software solution meets current and foreseeable future business need there is little business benefit in changing software or provider.

TechnologyOne has become a strategic partner with Council, and we have had the ability to drive changes in the software and work with TechnologyOne to better meet the needs of the local government sector.

Council is currently embedding and optimising the functionality of the One Council suite to continually align the system with Council's current and future business processes. OneCouncil is a market leader in the Local Government sector for the provision of ERP solutions with over 182 councils in Australia and internationally, in the process of, or having implemented the OneCouncil platform.

The Information Management and Technology Unit constantly monitor the performance of TechnologyOne as a SaaS provider and regular contractor performance report/s have been completed

and regular contract performance management meetings held throughout the existing contract term. The IMT Unit has confirmed that TechnologyOne are suitable for continued engagement.

The current contract negotiated with TechnologyOne in 2018 sees terms and conditions that are highly competitive. It is unlikely should the contract be renegotiated that these would be matched. By undertaking a contract variation, rather than a new contract Council maintains the current beneficial contract terms.

Based on the above information the General Manager will execute a contract variation to extend the term of the contract which has been agreed between TechnologyOne and with a new contract end date of September 2030 with 2 optional additional one-year extensions to potentially extend the contract to September 2032.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2032 Goal 4: ‘We are a connected and engaged community’. It specifically delivers on the following:

Community Strategic Plan 2032		Delivery Program 2022-2026	
Strategy		Service	
4.7	Demonstrate responsible decision-making based on our values, collaboration, and transparent and accountable leadership	Information Management and Technology	

FINANCIAL IMPLICATIONS

The commercial terms of the proposed contract extension are detailed in a confidential attachment that has been distributed to the Council under separate cover.

CONCLUSION

Council is currently embedding and optimising the functionality of the One Council suite to continually align the system with Council’s current and future business processes, as there is little value that could be achieved through a testing of the market for an alternate product. Extension of the current contract maintains the current beneficial terms that are advantageous for Council.