

**ITEM 12. EXEMPTION FROM TENDER – CAPABILITI LEARNING
MANAGEMENT SYSTEM**

FILE NO: S094474

SUMMARY

The City utilises a range of business and technology systems to manage human resources (HR), including a payroll and employee management system, a recruitment system and a learning management system.

The City has a contract with Veritec Pty Ltd to supply Capabiliti LMS, a learning management system that supports the City's management and delivery of staff training and development.

The City's contract for Capabiliti LMS expires on 31 May 2016.

To take advantage of advances in technology and to better integrate the existing HR systems, including the learning management system, system, the City has researched and tendered for an integrated Human Resources Information System (HRIS). The City is currently evaluating tender bids for the HRIS. This will include a module for Learning Management.

The implementation of the HRIS is expected to commence early in 2016/17 and will be implemented in a phased approach.

This report seeks approval for an exemption from tender to allow a one year extension of the contract for Capabiliti LMS to maintain business continuity.

The extension of the original contract will take the financial commitment over the \$150,000 RFQ limit.

RECOMMENDATION

It is resolved that:

- (A) Council approve an exemption from tender, noting that, because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (B) Council note the reasons why a satisfactory result would not be achieved by inviting tenders are:
 - (i) the tender for an integrated HR Information System, including Learning Management, is already underway; and
 - (ii) the extension of the contract with Veritec Pty Ltd will ensure continuity of Learning Management services during the transition to the new HRIS; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation to the contract with Veritec Pty Ltd for the purpose of supplying the Capabiliti LMS learning management system for a term of one year and for a contract sum as indicated in confidential Attachment A to the subject report, and otherwise on terms acceptable to the City.

ATTACHMENTS

Attachment A: Contract Variation Costs – Capabiliti LMS

(As Attachment A is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. In May 2011, following a Request for Quote (RFQ), Council approved a three year contract for Intelledox Pty Ltd to supply a hosted Learning Management System. This system supports the City's management and delivery of staff training and development.
2. In August 2012, the Capabiliti LMS was purchased from Intelledox by Cordelta Pty Ltd. which then sold Capabiliti to Veritec Pty Ltd in January 2014.
3. In March 2014, Council approved a variation to the existing contact for an extension of up to two years. This extension will expire on 31 May 2016.
4. To take advantage of advances in technology and to better integrate the existing HR systems, including the electronic Learning system, the City has researched and tendered for an integrated HR Information System (HRIS). The City is currently evaluating tender bids for the HRIS. This will include a module for Learning Management. The implementation of the HRIS is expected to commence early in 2016/17 and will be implemented in a phased approach.
5. This system will integrate the functionality of a broad range of HR systems, including Learning Management.
6. This report seeks approval for an exemption from tender to allow a one year extension of the contract for Capabiliti LMS to maintain business continuity.

KEY IMPLICATIONS

Organisational Impact

7. This proposal will allow Workforce Services to continue to deliver services to the City's employees and managers using the existing Learning Management system, until that system is replaced by modules of the new HRIS.
8. This proposal will also allow adequate time for a smooth transition to the new HRIS, including, if required, the migration of historical data from the current systems into the HRIS.

Risks

9. If the current contract for Capabiliti LMS is discontinued, the City will be unable to provide automated training request and approval processes and will require additional resources to manage manual processes. The accuracy and completeness of employee training records will be put at risk. Furthermore, the City will no longer have an online e-Learning repository. There will be significant disruption to the City's online training and the City's capacity to both manage and provide a quality training program for employees.

Environmental

10. Storage space and paper usage is reduced because training data is stored and processed electronically.

BUDGET IMPLICATIONS

11. There are sufficient funds allocated in the 2015/16 operating budget and 2016/17 forward estimates to vary the contract, subject to it remaining within CPI.

RELEVANT LEGISLATION

12. Attachment A contains confidential commercial information of the supplier which, if disclosed, would:
- (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
13. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

CRITICAL DATES / TIME FRAMES

14. Current contract for Capabiliti LMS expires on	31 May 2016
15. Extension to Capabiliti LMS contract will expire on	31 May 2017
16. Implementation of HRIS module is expected to be completed by	31 December 2017

OPTIONS

17. Develop internally, or source externally, a system to replace Capabiliti. Costs, resourcing and data transfer risks make this option impractical.

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