

ITEM 13. EXEMPTION FROM TENDER – MERCURY E-RECRUITMENT SYSTEM

FILE NO: S075990

SUMMARY

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

The City has a contract with Mercury Search and Selection Pty Ltd, trading as Mercury, to supply a hosted electronic recruitment system. The e-Recruit web-based system is a key component of the City's business systems.

The City's contract for Mercury e-Recruit expires on 30 November 2016.

To take advantage of advances in technology and to better integrate the existing HR systems, including the electronic recruitment 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 Recruitment 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 Mercury e-Recruit to maintain business continuity. It incorporates a software upgrade and configuration of additional functionality.

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 Recruitment Management, is already underway; and
 - (ii) the extension of the contract with Mercury Search and Selection Pty Ltd will ensure continuity of Recruitment 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 Mercury Search and Selection Pty Ltd for the purpose of supplying and upgrading the Mercury e-Recruit recruitment 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 – Mercury e-Recruitment

(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 November 2010, following a Request for Tender (RFT), Council approved a three year contract for Mercury Search and Selection Pty Ltd to supply a hosted Recruitment Management System. The e-Recruit web-based system is a key component of the City's business systems.
2. In March 2014, Council approved a variation to the existing contact for an extension of up to three years. This extension will expire on 24 November 2016.
3. To take advantage of advances in technology and to better integrate the existing HR systems, including the electronic recruitment 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 Recruitment Management. The implementation of the HRIS is expected to commence early in 2016/17 and will be implemented in a phased approach.
3. This system will integrate the functionality of a broad range of HR systems, including Recruitment Management.
4. This report seeks approval for an exemption from tender to allow a one year extension of the contract for Mercury e-Recruit to maintain business continuity.
5. The current version of Mercury e-Recruit (version 6) is not compliant with the Web Content Accessibility Guidelines 'WCAG 2.0', designed to reduce barriers to entry for people with visual impairment. Version 9 of the software is fully compliant with WCAG 2.0. There is a one-off fee for the work required to upgrade from version 6 to version 9.
6. The vendor has proposed to implement a number of enhancements, including an internal recruitment workflow, conflict of interest declarations, contract management functionality and 'Fit2Work' pre-employment checking functionality, at no extra cost above the one-off upgrade fee.

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 recruitment system, until that system is replaced by modules of the new HRIS.
8. This proposal will also allow the City to introduce improved processes including for internal recruitment, selection panel conflict of interest declarations, and pre-employment checking.

Risks

9. If the current contract for Mercury e-Recruit is discontinued, the City's capacity to manage recruitment functions will be impacted.
10. Upgrading the Mercury e-Recruit system to version 9, will mean the City's online recruiting platform will remain become compliant with WCAG 2.0.

Environmental

11. Storage space and paper usage is reduced because recruitment data is stored and processed electronically.

BUDGET IMPLICATIONS

12. There are sufficient funds allocated in the 2015/16 operating budget and 2016/17 forward estimates to vary the contract.

RELEVANT LEGISLATION

13. 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.
14. 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

15. Current contract for Mercury e-Recruit expires on	24 November 2016
16. Extension to Mercury e-Recruit contract will expire on	24 November 2017
17. Implementation of HRIS module is expected to be completed by	31 December 2017

OPTIONS

18. Return to manual recruitment system or in-house solution. Costs, resourcing and data transfer risks make this option impractical.

SUSAN PETTIFER

Director Workforce and Information Services

Justin Coleman, Business Project Coordinator – HRIS, Workforce Services