

Exemption from Tender - ePlanning Phase-3 - Replacement of Planning Xchange and Extension of Pathway

File No: X101103

Summary

This report seeks an exemption from tender for the replacement of the Technology One Planning Xchange (ICON) application and approval for an extension to the term of an associated system to allow sufficient time for implementation and operation of the replacement solution.

The City's current ePlanning solution was built on Technology One's proprietary application called Planning Xchange (ICON). This solution supports the lodgement, assessment and tracking of planning and development applications.

Following a competitive tender in 2018, a contract was awarded to Technology One Limited in 2019 and the City's ePlanning service was implemented using Technology One's Planning Xchange (ICON) application.

In October 2023, shortly after the City had exercised its option to extend the contract for Planning Xchange to 30 January 2026, Technology One notified the City that support for any new development on the current version had ceased and that support for the standalone Planning Xchange application will entirely cease after 30 September 2025. This means that Technology One will no longer provide general maintenance support or development enhancements to the application. An application not supported by the provider presents a significant operational and service risk to the processing of planning applications. Therefore, the City must transition to an alternative solution to maintain an appropriate level of service to applicants and maintain functionality to support the efficient processing of planning applications.

The only comparable solution offered by Technology One is its cloud-based CiA Property and Rating solution, which is a component of its proprietary OneCouncil suite. The transfer to the CiA Property and Rating solution was not part of the scope of the procurement for the ePlanning solution and would require significant re-design or the replacement of the City's other core business systems, including the property and ratings management system called Pathway. Any change to the City's core business systems of this scale would involve extensive effort and business disruption and would introduce significant corporate and operational risks. It is therefore not recommended that the CiA Property and Rating solution is taken up by Council.

This leaves Council with a short timeframe to engage and migrate its ePlanning function to a different provider.

This report recommends that tenders not be invited to replace the Planning Xchange solution and requests that Council approve:

- an exemption from tender to procure a new ePlanning provider for the reasons set out in this report; and
- an exemption from tender to enter into a contract to extend the term of an associated system to align with the term of the contract with the replacement of a new ePlanning provider for implementation and operational reasons.

Recommendation

It is resolved that:

- (A) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 to replace Technology One's Planning Xchange (ICON) application with a suitable solution that can integrate with the City's existing systems because a satisfactory result would not be achieved by inviting tenders;
- (B) Council note the reasons why a satisfactory outcome would not be achieved by inviting tenders are:
 - (i) a market scan has confirmed that a limited number of suppliers are able to provide a suitable solution to support planning lodgement, assessment and determination functionality that can integrate with City's existing systems to meet the City's ePlanning needs; and
 - (ii) adopting new systems would result in extensive business disruption associated with a transition of several core business functions to new systems and would result in significant additional costs;
- (C) authority be delegated to the Chief Executive Officer to negotiate, finalise, execute, and administer (including exercising options, if appropriate) the contract with the selected provider on terms acceptable to the City;
- (D) Council approve an exemption from tender in accordance with section 55(3)(i) of the Local Government Act 1993 to enter into a contract with Infor Global Solutions (ANZ) Pty Limited for provision of the Pathway system for five years with two further optional extensions of two years each;
- (E) Council note the reasons why a satisfactory outcome would not be achieved by inviting tenders for provision of the Pathway system are:
 - (i) integration of the ePlanning solution and Pathway is required because Pathway is system of record for properties, names and addresses;
 - (ii) adopting new systems would result in extensive business disruption associated with a transition of several core business functions to new systems and would result in significant additional costs; and
 - (iii) the proposed contract term allows integration between systems to be implemented and embedded but also allows the City to exit the contract at appropriate intervals if market offerings for similar modules change;
- (F) Council note the total contract value for contract term with Infor Global Solutions (ANZ) Pty Limited for the Pathway system is outlined in Confidential Attachment A; and
- ~~(G)~~ authority be delegated to the Chief Executive Officer to negotiate, finalise, execute, and administer (including exercising options, if appropriate) documentation required to contract with Infor Global Solutions (ANZ) Pty Limited for provision of the Pathway system.

Attachments

Attachment A. Financial Implications (Confidential)

Background

The City's current ePlanning solution (Technology One Planning Xchange)

1. The City's ePlanning solution was built on Technology One's proprietary application called Planning Xchange (ICON), which commenced implementation in 2019 following a tender process that concluded in 2018.
2. The City's Planning Xchange solution includes the following functional modules:
 - (a) Lodge: This is for the lodgement of planning applications in addition to those directly lodged in the Online Portal of the NSW Government Department of Planning and Environment (DPE).
 - (b) Assess: This is for the assessment and determination of planning applications.
 - (c) Track: To enable the community to check the status of planning applications, including but not limited to raising concerns, comments, and opinions for any developments under exhibition and assessment.
3. Since the launch of the ePlanning solution in May 2022, approximately 200 City employees from Planning Assessment, Health and Building, and Internal Referrals have been using the solution. Between 1,500 to 3,500 applications are processed annually on the City's ePlanning solution, with approximately 50,000 community members and residents of the City performing over 500,000 monthly tracking and search transactions for planning-related applications.
4. In 2019, the City signed a contract with Technology One for an initial three-year term from 30 July 2019 to 29 July 2022, with two optional extensions for two years each.
5. In June 2022, a contract variation was signed to:
 - (a) increase the overall contract price (to account for platform enhancements required during the implementation phase); and
 - (b) extend the initial contract by six months from 30 July 2022 to 29 January 2023.
6. In September 2022, the City exercised Optional Extension 1 to extend the contract for three more years to 29 January 2026.
7. On 7 June 2023, Technology One ceased enhancements on the Planning Xchange application and advised the City in October 2023, that support for their standalone Planning Xchange application will entirely cease after 30 September 2025.

Technology One's CiA Property and Rating (OneCouncil) solution

8. Technology One has been encouraging its customers to transition to its cloud-based CiA Property and Rating software solution, which is a component of its proprietary OneCouncil product suite, to replace the City's Planning Xchange application.
9. Technology One has provided a price estimate for the implementation and licensing of the CiA Property and Rating (OneCouncil) solution.
10. Implementing the Technology One CiA Property and Rating solution would require a significant re-design, integration, and replacement of its core business systems to support the City's business services.

11. Any change to the City's core business systems of this scale would involve extensive effort, business disruption and would introduce significant corporate and operational risks.
12. The City is unable to achieve a satisfactory outcome by inviting tenders for a replacement of the ePlanning solution for the City because of the following reasons:
 - (a) A market scan was conducted to assess suppliers that provide solutions with the required ePlanning functionality and that can integrate with the City's existing systems. This market scan identified limited suppliers that can provide a suitable replacement solution.
 - (b) The option to implement a broader system replacement is not recommended as this approach would require a change to the City's core business systems, involve extensive effort, and cause business disruption that would introduce significant corporate and operational risks.
13. More details are provided in Confidential Attachment A.
14. The existing Technology One Planning Xchange (ICON) application is tightly integrated with key City systems to support the end-to-end ePlanning business functions for planning applications. Planning Xchange currently integrates with the City's key property and ratings system, procured from Infor Global Solutions (Infor) in 2003, called Pathway. Pathway integrates with over 15 systems and is used by 19 business units to enable the delivery of the City's essential services, which include rates management, infrastructure compliance, receiving and receipting payments and processing development applications and building certifications (registration of all land, name and addresses in the Local Government Area).
15. The alignment of ePlanning with relevant associated systems and the alignment of respective contracts, in particular the contract for Pathway, is required to:
 - (a) enable external users to lodge applications for development sites and addresses within the City's jurisdiction, accurately search historical and current applications and enable City staff to assess and determine applications using the ePlanning solution with information from associated systems; and
 - (b) derive the most value from this investment and give all City users adequate time to familiarise themselves with the new ePlanning solution and its functionality.
16. More details are provided in Confidential Attachment A.

Financial Implications

17. There are sufficient funds allocated for this project within the current year's capital project budget and the increased cost for future years would be requested as an OPEX bid. Any additional costs, if required, will be incorporated into the long-term financial plan for future years.

Relevant Legislation

18. Local Government Act 1993 - Section 10A provides that a Council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.
19. Attachment A contains confidential commercial information of the supplier(s) which, if disclosed, would:
 - (i) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (ii) prejudice the commercial position of the person or company who supplied it.
20. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise the Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

21. Technology One has ceased enhancements on the Planning Xchange application and has advised that no new functionality will be provided, and only support and security bug fixes will be provided for critical vulnerabilities and regulatory updates. From 1 October 2025, support will cease entirely.
22. The plan is to procure and implement a replacement solution by the end of September 2025. This minimises the period that the software is not fully supported by Technology One.

Options

23. Council has the following options to consider regarding this requirement:
 - (a) Continuing with the existing Planning Xchange application without vendor support. This option poses unacceptable operational and reputation risks to the City. A failure of the current Planning Xchange application would cause major business disruption to a fundamental function of the Council. This option is not recommended.
 - (b) Implementing a new solution to replace the existing Planning Xchange application and the replacement of relevant associated systems. This would require significant additional investment to replicate the existing software functionality and customisations in a new system, which would cause significant disruption to the business. The high cost of implementing an alternative solution would be disproportionate to the potential value of change associated with transitioning to a new supplier. This option is not recommended.

- (c) Inviting tenders for a new system to replace the existing Planning Xchange application. This option is not recommended as the market scan has identified limited suppliers that can provide a suitable replacement solution that can integrate with the City's existing systems.
- (d) Replacing the existing Planning Xchange application with an equivalent solution that meets the City's requirements. This is the recommended option.

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