

## **Tender - Reject and Negotiate - Electronic Planning Solution (ePlanning)**

**File No: X004152**

**Tender No: 1806**

### **Summary**

This report provides details of the tenders received for the provision of an e-Planning solution at the City of Sydney.

Delivering planning services is one of the City's core business functions. In 2017/18, the City of Sydney assessed approximately 3,373 planning related applications. Consistently, the City of Sydney is amongst the top five councils who process the most applications in NSW. In value terms, the City's planning assessment team leads NSW with some \$3.84 billion of development value processed annually.

The City is looking to transform the way in which its customers conduct business with it throughout the planning and construction phases. The City is looking for an electronic planning (e-Planning) platform that will play a significant role in enhancing the customer experience, increasing certainty and consistency in development determinations and potentially reduce assessment timeframes for all planning related applications.

The desired e-Planning solution is one that seeks to transform the current customer and planning staff processes to an online environment where customers and staff can access planning information and services, as well as post-consent approvals information from anywhere and at any time.

The project includes all stages of the City's planning processes from enquiries, planning controls, application lodgement, to internal assessment, determination, and finally certification. This major e-Planning project aligns very well with the City's Digital Strategy and the NSW Government's e-Planning objectives.

A number of other Councils have partially implemented an e-Planning platform or are in the process of implementing e-Planning platforms. However, there are few end-to-end digital systems in operation. Due to the inherent complexities in developing e-Planning solutions and the partial commitment that the NSW Department of Planning and Environment made to develop a state-wide online lodgement portal, the City has taken a measured approach to this project. This has proved prudent, given the recent announcement by the NSW Department of Planning and Environment that they are no longer going to develop a state-wide online lodgement portal and are now encouraging local councils to build their own online lodgement systems. This suggests that now is the right time for the City to invest in its own e-Planning solution.

This report recommends that Council reject all tender offers received and enter into negotiations with suitable service providers for the provision of an e-Planning solution.

## **Recommendation**

It is resolved that:

- (A) Council reject all tenders received for the e-Planning system for the reasons set out in the Confidential Tender Evaluation Summary, Attachment A to the subject report;
- (B) Council does not invite fresh tenders as it is considered that inviting fresh tenders would not attract additional suitable vendors over and above those that have responded to this tender (and preceding Expression of Interest);
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender;
- (D) authority be delegated to the Chief Executive Officer to enter into a contract with a suitable vendor following completion of negotiations; and
- (E) Council be informed of the successful vendor via CEO update.

## **Attachments**

**Attachment A.** Tender Evaluation Summary (Confidential)

## Background

1. Delivering planning services is one of the City's core business functions. In 2017/18, the City of Sydney assessed almost 3,373 planning and related applications. Consistently, the City of Sydney is amongst the top five councils who process the most applications in NSW. In value terms, the City's planning assessment team leads NSW with some \$3.84 billion processed in 2017/18.
2. The desired e-Planning solution seeks to transform the current customer and staff processes to an online environment where customers and staff can access planning services and information from anywhere at any time. The project includes all stages of the City's planning processes and systems, from customer enquiries and application lodgement, to internal assessment, determination, and finally certification. The e-Planning project aligns well with the City's Digital Strategy and the NSW Government's e-Planning objectives.
3. This project is for the acquisition of an e-Planning platform that will provide functionality for the full range of processes required for the lodgement and assessment of planning-related applications submitted to the City of Sydney. This includes the ability for customers to lodge applications online and access a range of other online self-help tools, including property related planning information. In addition, it is expected that an e-Planning solution will allow automation of a number of internal processes to improve efficiency, consistency and effectiveness, allowing staff resources to be better targeted to core and value added assessment work. It will also improve digital data capture and reporting which will allow the City to make better use of data associated with planning-related applications.
4. Customers are currently able to access some online planning information on the City's website but there is an increasing expectation that they should be able to do more business, and in particular, lodge applications and get relevant property related planning information, online. Some councils have partly implemented an e-Planning platform and the City appreciates the risks and the challenges in achieving a comprehensive system, especially one that deals with our unique planning controls, complex approvals and plans of management, planning agreements and the associated delivery of dedicated public domain, staged approvals and handover of public assets and their associated work flows.
5. In January 2017, the NSW Government released for public comment the Environmental Planning and Assessment Amendment (e-Planning) Regulation 2017 and Online Development Applications Discussion Paper. Although online lodgement of applications is not expected to be mandatory when the regulation is made, there is an expectation that councils will enhance their online capabilities to meet the NSW Government's wider e-Planning objectives. The NSW Department of Planning and Environment has also recently announced that they are encouraging local councils to build their own on-line lodgement systems, rather than the Department building a state-wide solution.
6. An effective e-Planning platform will deliver multiple benefits to both the City and its customers and strengthen its image as a customer-focused organisation.
7. A staged approach to implementing an effective solution will be taken to mitigate the risks outlined above and enable the City to learn from the experience of other councils as they also progress the implementation of e-Planning platforms.

### Invitation to Tender

8. The tender seeking 'a fully constructed system, to provide a complete end-to-end planning process management system with rules-based decision functionality' was advertised in The Sydney Morning Herald and The Daily Telegraph on 20 February 2018. The tender was also advertised on Council's e-tendering portal. Tender submissions closed on 20 March 2018.

### Tender Submissions

9. Five tender submissions were received from the following organisations:
  - AC3/Incessant Technologies Australia Pty Ltd (Pegasystems);
  - Fujitsu Australia Limited;
  - Infor Global Solutions;
  - TechnologyOne Australia Limited; and
  - XVT Solutions Pty Ltd.
10. No late submissions were received.

### Tender Evaluation

11. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
12. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
13. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) functional requirements;
  - (b) non-functional requirements;
  - (c) organisation experience, capability and support;
  - (d) implementation and training;
  - (e) compliance and contractual risk;
  - (f) Work, Health & Safety; and
  - (g) financial and commercial trading integrity, including Insurances.

**Financial Implications**

14. Sufficient funds have been allocated for this project within the current year's Technology and Digital Services capital works budget and future years' forward estimates.

**Relevant Legislation**

15. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
16. Attachment A contain confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies 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.
17. 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**

18. The timeframe for the implementation of an e-Planning solution is required to be extended due to the 'reject and negotiate' phase. If negotiations are successful, implementation could commence in 2019.

## Options

19. Council has the following options to consider in regard to this tender requirement:
  - (a) reject the responses received and re-advertise (not recommended as it is considered that it will not attract any additional submissions of value);
  - (b) reject all responses and negotiate with suitable vendor(s); or
  - (c) place the project on hold until a mature system is available and has been implemented in a number of Councils (not recommended as this will further increase the gap between other Councils and the City and will delay benefits to the City and its customers)
20. This report recommends option (b) above to enter into negotiations with selected vendors.
21. Implications of not proceeding with this project are that the City will not be able to achieve the targeted project outcomes of:
  - (a) enhancing the planning-related services it provides online including the ability to lodge applications electronically;
  - (b) improving service efficiencies through process automation and standardisation;
  - (c) making better use of data captured as part of the development application process;
  - (d) meeting the NSW Government's e-Planning objectives; and
  - (e) strengthening the City's reputation as a customer-focussed organisation.

## Public Consultation

22. A 'market scan' was conducted in 2016, which included public consultation via Focus Groups and external customers' engagements with development and large planning consultancy organisations. The 'Focus Groups' were undertaken on behalf of the City of Sydney by an independent organisation 'Taverner Research'. These consultations confirmed the projects direction including desired functionality to provide benefits to both internal/external customers.

### **GRAHAM JAHN AM**

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