

Tender - Data and Internet Services

File No: X002566.003

Tender No: 1867

Summary

This report provides details of the tenders received for the City's corporate Data Network and Internet Services.

Data Network and Internet Services form an essential part of the City's Information Technology infrastructure.

The City requested proposals from suitably qualified service providers for the supply of the corporate data network and internet services for its Wide Area Network sites located throughout the Local Government Area. The tender and implementation are part of the City's planned Enterprise Infrastructure Program of Work: Wide Area Network Upgrade. Tenderers were required to respond to the mandatory requirement, a solution to upgrade the City's Wide Area Network services and internet services.

This report recommends that Council approve entering into a contract with Tenderer A for Data Network and Internet Services.

Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderer A for Data Network and Internet Services for a period of three years, with the option of two extension periods of two years each if appropriate;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the options, if appropriate, and negotiate the price to extend the contract accordingly.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Attachment B. Schedule of Prices (Confidential)

Background

1. The City has 35 external sites comprising business offices, depots and centres beyond Town Hall House, 307 Pitt Street and Sydney Town Hall, which are referred to as Wide Area Network sites. Wide Area Network sites are connected to each other and the City's computing services in two data centres via a third-party network service - Multiprotocol Label Switching. The Multiprotocol Label Switching provider also supplies internet connectivity to Town Hall House, Pitt Street, Sydney Town Hall and the Wide Area Network sites.
2. The current supplier was awarded the Data Services tender through the City's procurement process in 2011 for an initial term of three years. In 2014, the City exercised the option to extend the contract for a further three years. A further year was approved by Council in 2017.
3. In 2018, the City's Technology and Digital Services undertook a review of the network. The requirements identified through this review were incorporated into the new tender.
4. The tender requested mandatory responses from bidders for a Like-for-Like Multiprotocol Label Switching solution and options for Upgraded Multiprotocol Label Switching solution or Software-Defined Wide-Area Network technology.
5. Software-Defined Wide-Area Network is a software managed network solution that can benefit network administration and provide flexibility at the application level. Software-Defined Wide-Area Network technology would overlay the City's Multiprotocol Label Switching network.
6. The Upgraded Multiprotocol Label Switching service provides higher bandwidth links to all sites and managed routers. The benefit of the new service is the increase in capacity to carry network and internet traffic and managed equipment at each site.

Invitation to Tender

7. The Request for Tender was released on 11 September 2018 for three weeks with a closing date of 2 October 2018. The tender closing date was extended by one week to 9 October 2018 at the request of the service providers.

Tender Submissions

8. Five submissions were received from the following organisations:
 - Comms Choice;
 - Optus;
 - Telstra Corporation;
 - TPG Telecom Pty Ltd; and
 - Vocus Communications.

Tender Evaluation

9. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
10. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
11. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) experience in delivering similar services;
 - (b) proposed solution;
 - (c) services and service levels;
 - (d) project implementation and payment plan; and
 - (e) demonstrated managerial capability and qualifications.

Performance Measurement

12. Performance measurement is conducted according to the agreed services and service levels throughout the term of the contract.

Financial Implications

13. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.

Relevant Legislation

14. 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.
15. Attachment A contains 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.
16. 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

17. The proposed contract start date is 7 January 2019 in order to meet the delivery timeframe indicated in the tender. The City requires the proposed solution to be in place by 17 May 2019, with the implementation timeframe from January 2019 to May 2019.
18. The timeframe for the delivery of the project is 9 January 2019 to 17 May 2019. The current contract expires on 17 May 2019.

Options

19. Should the recommendation not be approved, the City's data and internet services will continue to be supplied by the incumbent without contractual governance. Services, service levels, changes to the network will be based on best effort and individually negotiated fees.

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