

Contract Extension - Self-Insurance Management System

File No: S121973

Summary

The City is licensed by SafeWork NSW to operate as a workers compensation self-insurer in NSW. In order for the City to retain its self-insurer licence it must have a Self-Insurance Information Management System that meets legislative requirements.

The City entered into a contract with NTT Data Figtree Systems Pty Ltd (NTT Data) on 20 June 2014, for the implementation of, and ongoing subscription to, the Self-Insurance Management System, which is a software-as-a-service or 'cloud' system. The Major Services Agreement provided for a three-year initial term, with two one-year options. The option for the additional term was exercised under delegation and will expire on 19 June 2019.

The Self-Insurance Management System was implemented successfully and is in daily use across all business units.

This report seeks Council's approval to extend the existing contract with NTT Data for 12 months.

Recommendation

It is resolved that:

- (A) Council approve a variation of the Self-Insurance Management System contract to provide for an increase to the overall contract price for the extension of the contract term; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation of the Self-Insurance Management System contract to provide for an increase to the overall contract price for the extension of the contract term.

Attachments

Attachment A. Variation Costs - Self-Insurance Management System Contract (Confidential)

Background

1. The City is licensed by SafeWork NSW to operate as a workers compensation self-insurer in NSW. In order for the City to retain its self-insurer licence it must have a Self-Insurance Information Management System that meets legislative requirements.
2. The City entered into a contract with NTT Data Figtree Systems Pty Ltd (NTT Data) on 20 June 2014, for the implementation of, and ongoing subscription to, the Self-Insurance Management System, which is a software-as-a-service or 'cloud' system. The Major Services Agreement provided for a three-year initial term with two one-year options. The option for the additional term was exercised under delegation and it will expire on 19 June 2019.
3. The Self-Insurance Management System was implemented successfully and is in daily use across all business units.
4. This report seeks Council's approval to extend the existing contract with NTT Data for 12 months. This period is required to allow time for the implementation of a new Work, Health and Safety Risk Management System/s. A new Work, Health and Safety Risk Management System is likely to result in changes to the specifications for a future Self-Insurance Management System.
5. The City's current service provider, NTT Data, has agreed in principle to extend the existing arrangements for 12 months.

Key Implications

Organisational Impact

6. This extension will allow continued operation of the City's Self-Insurance Management System until a new contract is established.

Risks

7. If the current contract with NTT Data is discontinued, the City will not be able to meet its mandatory self-insurance licensing requirements.

Budget Implications

8. There are sufficient funds allocated in the 2018/19 operating budget and forward estimates to vary the contract.

Relevant Legislation

9. Local Government Act 1993, Local Government (General) Regulations 2005.

10. Attachment A contains confidential commercial information of the supplier which, if disclosed, would:
 - (a) confer a commercial advantage on a person whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
11. 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

12. The current contract expires on 19 June 2019.

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Director People, Performance and Technology

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