

Item 12.**Exemption from Tender - Talent Management System - SuccessFactors****File No: X005355.006****Summary**

In 2015, the City tendered for a comprehensive Talent Management system to replace a number of existing HR systems (Tender 1550). Interested organisations submitted bids for the supply, installation, licencing, integration and support of a single, cloud-based Talent Management Solution that met all these requirements. The successful bidder was Discovery Consulting Group P/L providing the SAP Talent Management System titled SuccessFactors. Council approved the tender recommendation on 16 May 2016.

The SuccessFactors system was progressively introduced between 2016 and 2018 and is now fully operational, providing significant improvements in the management of position and employee information, as well as the governance and reporting of Workforce Services data.

The initial three-year contract period for the SuccessFactors system ends in August 2019.

This report seeks approval to enter into a new agreement with Discovery Consulting P/L for the SuccessFactors Talent Management System for another three years with a two-year option, without going to tender to maintain the existing system as there is very little variation in costs for SAP products through resellers such as Discovery Consulting;

Recommendation

It is resolved that:

- (A) Council note that because of the unavailability of competitive tenders a satisfactory result would not be achieved by inviting tenders;
- (B) Council note the reason why a satisfactory result would not be achieved by inviting tenders is that there is very little variation in costs for SAP products through resellers such as Discovery Consulting;
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract with Discovery Consulting P/L to provide the SuccessFactors Talent Management System for a period of three years with an option of a two-year extension for the price outlined in Confidential Attachment A to the subject report and otherwise on terms acceptable to the City; and
- (D) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (C), if appropriate, and negotiate the price to extend the contract accordingly.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. The introduction and the rollout of the SuccessFactors system took place between 2016 and 2018 and is now fully operational.
2. A significant component of the installation and configuration was the integration of SuccessFactors with the City's existing payroll system, Chris21, which resulted in major improvements in the way employee and position information was managed.
3. The system integration also resulted in numerous improvements in business processes including the elimination of all paper-based forms in recruitment and selection, onboarding, induction and performance management at the City.
4. All recruitment, selection, candidate onboarding, induction, learning and performance management is now managed by SuccessFactors and the employee data from all this activity is stored within the system.
5. The system provides the data for many current Workforce Services reports.

Financial Implications

6. The annual cost of the subscription for the existing modules of the SuccessFactors system is included in Confidential Attachment A.
7. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.

Relevant Legislation

8. The original tender was conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
9. Attachment A contains confidential commercial information 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.
10. 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

11. The existing agreement with Discovery Consulting P/L expires 11 August 2019.

Options

12. There are no viable options to consider in the timeframe available. SuccessFactors is integrated into the City's systems environment and has proven to be an effective tool in managing employee lifecycle processes and information. SuccessFactors is a widely used Talent Management System and has scope to expand with further modules available if required in future.

SUSAN PETTIFER

Director People Performance and Technology

Rodney Waterson, Manager Recruitment and HR Systems