

Item 6.

Exemption from Tender - Data Analysis and Platform Services - Resilient Sydney Platform

File No: X027335

Summary

The City's core Environmental Services Platform, "CCAP", our environmental reporting system, is provided by Kinesis Pty Ltd, following several tender processes, the latest of which was conducted in 2016. The City has also used this environmental reporting platform for strategic planning data analysis and Sustainable Sydney 2050 strategy development.

In the Resilient Sydney strategy (2018), Action 13 under the direction "Live with the climate", calls for a standardised metropolitan-wide environmental data and analysis reporting tool to measure and report on carbon emissions and environmental footprints of every local government area in metropolitan Sydney.

A pilot project was conducted in 2019 to establish the potential for developing the City's CCAP platform for use as a metropolitan wide reporting tool. This pilot was successful with take up and use of the platform by all 33 councils of Sydney. Twelve councils reported data from the platform in their Local Strategic Planning Statements made public in 2019. This is the first time councils in Sydney have been able to publicly report the environmental footprints and carbon emissions of their local government areas on a comparable, standardised basis in Sydney, due to the use of the platform.

It is recommended that the organisational investment with CCAP be continued as the basis for the Resilient Sydney platform, to leverage the staff effort and expertise gained by the City of Sydney over the last 10 years using the platform, and over the last year with all 33 councils of metropolitan Sydney. CCAP is a key system of the City and is deeply embedded in the sustainability operations of the organisation.

Kinesis Pty Ltd is the sole provider of this proprietary software, and competitive market bids would require a change in software use and increased training and development for over 130 users from more than 30 organisations across Sydney.

Many metropolitan councils have made verbal commitments to make financial contributions to the Sydney Resilience Office, which includes delivery of the Resilient Sydney Platform, with contributions expected to be received from 2020/21. It is indicated that these financial contributions will offset the majority of the costs of the project.

An exemption from tender is requested for the Resilient Sydney Platform. This provides consistent, cost effective and quality environmental data and reporting across greater Sydney in accordance with Goal 10 of the City's draft Climate Emergency Response - to share resources and work collaboratively with other councils.

Recommendation

It is resolved that:

- (A) Council approve an exemption from tender for the provision of the Data Analysis and Reporting CCAP tool - Resilient Sydney Platform with Kinesis Pty Ltd, for the contract sum and contingency as stated in Confidential Attachment A to the subject report, for a period of two years, with the option of an extension of one year;
- (B) Council note the reasons that a satisfactory result would not be achieved by inviting tenders are:
 - (i) the Data Analysis and Reporting CCAP tool - Resilient Sydney Platform is a unique service offering;
 - (ii) the unavailability of other providers of the CCAP software;
 - (iii) the cost to invite tenders and to implement a potential alternative proprietary solution would provide an uneconomical result for the City and its partner metropolitan councils using the tool, especially in the cost of staff time to all parties;
 - (iv) there is a need for urgent action in the context of the climate emergency and implementing an alternative solution would result in an opportunity loss of staff time and a delay in 33 organisations taking action; and
 - (v) using the Kinesis CCAP tool is the only way to provide a continuous and comparable dataset.
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contract with Kinesis Pty Ltd for provision of hosting, access and ongoing development of the metropolitan environmental foot-printing data analysis and reporting platform on terms acceptable to the Chief Executive Officer; and
- (D) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly.

Attachments

- Attachment A.** Financial Implications - Resilient Sydney Platform Contract
(Confidential)

Background

1. A subset of Goal 10 of the City's draft Climate Emergency Response is to "ensure availability of climate data to drive local government strategic decision making across Greater Sydney through the delivery of the Resilient Sydney Platform".
2. Following several tender processes, the City has been using the CCAP environmental reporting platform by the company Kinesis for strategic planning data analysis including the Sustainable Sydney 2050 strategy development.
3. CCAP is an integrated urban analytics tool designed to aggregate, analyse and report disparate urban dataset from utilities, planning agencies and city performance tracking such as land zoning, transport data and solar PV installations to drive more informed decision making in environmental planning, development and engagement programs.
4. The CCAP environmental reporting platform was used by the Greater Sydney Commission in 2017 to produce the "[Exploring Net Zero Emissions for Greater Sydney](https://gsc-public-1.s3.amazonaws.com/s3fs-public/exploring_net_zero_emissions_for_greater_sydney_-_kinesis_-_october_2017.pdf)". (https://gsc-public-1.s3.amazonaws.com/s3fs-public/exploring_net_zero_emissions_for_greater_sydney_-_kinesis_-_october_2017.pdf) Emission reduction pathways for individual Local Government Areas (LGAs) are able to be extracted from this dataset for use by councils, where they have access to the CCAP tool.
5. In the Resilient Sydney Strategy (2018), Action 13 under the direction "Live with the climate", calls for a standardised metropolitan-wide environmental data and analysis reporting tool to measure and report on the carbon emissions and environmental footprints of every Local Government Area in metropolitan Sydney.
6. A pilot project was conducted in 2019 to establish the potential for using the City's CCAP platform as a metropolitan wide reporting tool. This pilot was successful with take up and use of the platform by all 33 councils of Sydney.
7. The Resilient Sydney Platform received two awards at the Smart City Awards 2019: the overall award for Best Smart City Project and the 'Environmental Outcomes' category award.
8. Twelve councils reported data from the platform in their Local Strategic Planning Statements made public in 2019. This is the first time councils in Sydney have been able to publicly report environmental footprints and carbon emissions of their Local Government Areas on a comparable, standardised basis in Sydney, due to the use of the platform.
9. It is recommended CCAP continue to be used for the Resilient Sydney Platform on the basis that it builds on expertise gained by the City of Sydney over the last 10 years using the platform, and over the last year with all 33 councils of metropolitan Sydney. CCAP is a key system of the City and is deeply embedded in the sustainability operations of the organisation.
10. This approach aligns with the internal direction of upgrading and not replacing the core enterprise systems at this time, recognising that while there are potential alternative suppliers for other relevant proprietary systems, the level of resources to tender, implement and develop new business processes across primarily the City, but also the other 32 Councils, would now be significant and not offset by sufficient benefits to represent value for the City or its partner councils at this time.

11. Kinesis is the sole provider of this proprietary software, and competitive market bids would require a change in software use and increased training and development for over 130 users from more than 30 organisations across Sydney.
12. A satisfactory result would not be achieved by inviting tenders as:
 - (a) other providers are not able to provide the CCAP software;
 - (b) the cost to invite tenders and to implement a potential alternative proprietary solution would provide an uneconomical result for the City and its partner metropolitan Councils using the tool, especially in the cost of staff time to all parties;
 - (c) there is a need for urgent action in the context of the climate emergency and implementing an alternative solution would result in an opportunity loss of staff time and a delay in 33 organisations taking action; and
 - (d) using the Kinesis CCAP tool is the only way to provide a continuous and comparable dataset.
13. It is not recommended that tenders be invited for the provision of the Resilient Sydney Platform at this time. Value for money outcomes will instead be optimised through negotiation and leverage of the City's long term business partnership to minimise the costs.
14. It is proposed that the best technical and business outcomes with respect to hosting, access and ongoing development of the metropolitan environmental foot-printing data analysis and reporting platform are explored further with the incumbent to derive the best value for money and business outcomes for the City, before proceeding to any further contractual agreement.

Organisational Impact

15. The Resilient Sydney Platform is a key leadership opportunity for the City to deliver on Action 13 of the Resilient Sydney Strategy (timely engagement of metropolitan councils) and Goal 10 of the City's draft Climate Emergency Response.

Environmental

16. The Resilient Sydney Platform assists the City and other local government areas to understand key opportunities for reducing energy and emissions in Greater Sydney.

Financial Implications

17. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.
18. Many metropolitan councils have made verbal commitments to make financial contributions the Sydney Resilience Office, which includes delivery of the Resilient Sydney Platform, with contributions expected to be received from 2020/21. It is anticipated that these financial contributions will offset the majority of the costs of the project. However, the City will be the party liable to make all payments to Kinesis under the proposed terms of the contract.

Relevant Legislation

19. Exemption from tender for the Resilient Sydney Platform is recommended in accordance with Local Government Act 1993, section 55(3)(i).
20. Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
21. Attachment A contains confidential commercial information of the vendor 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.
22. 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

23. Transition from pilot phase to program phase for the Resilient Sydney Platform is proposed to occur prior to May 2020, to provide continuity of service and end of financial year reporting for all participating organisations, in line with financial management processes and statutory financial reporting requirements.

Options

24. Not proceeding with the Data Analysis and Reporting CCAP tool - the Resilient Sydney Platform is not recommended. The reasons that a satisfactory result would not be achieved by inviting tenders are:
 - (a) the Data Analysis and Reporting CCAP tool - Resilient Sydney Platform is a unique service offering;
 - (b) the unavailability of other providers of the CCAP software; and
 - (c) the cost to invite tenders and to implement a potential alternative proprietary solution would provide an uneconomical result for the City and its partner metropolitan councils using the tool, especially in the cost of staff time to all parties.
25. Should the City not proceed with the transition to a longer term use of the CCAP service, the City reduces its ability to lead and enable metropolitan action for the climate emergency.

Public Consultation

26. Public consultation was undertaken across metropolitan Sydney in 2017, in the development of the Resilient Sydney strategy. There was strong and widespread concern about inaction in reducing carbon emissions and timely adapting to our changing climate. The consultation process highlighted community priorities for the 'Live with the Climate' direction and led to Action 13 of the Resilient Sydney strategy. The engagement report is available on the City of Sydney website:
https://www.cityofsydney.nsw.gov.au/_data/assets/pdf_file/0007/301120/Resilient-Sydney-Phase-II-Engagement-Report-11-FINAL.pdf

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