

Exemption from Tender - Call Centre Services After Hours and Parking Ticket Machines

File No: X007670.012

Tender No: 1712

Summary

This report seeks an exemption from tender for Call Centre Services After Hours and Parking Ticket Machines due to extenuating circumstances. A satisfactory result would not be achieved by inviting tenders for the provision of Call Centre Services After Hours and Parking Ticket Machines because changes in operating procedures and the implementation of digital services would mean that tenderers would not receive sufficient information to make competitive and reliable proposals.

The City of Sydney's (the City's) Customer Service and Parking Services units require the provision of a call centre to service after-hours calls and social media posts from the community and any parking ticket machine enquiries received in relation to machine faults or difficulties.

From 9am to 5pm Monday to Friday (excluding public holidays), calls are answered by the City's internal call centre. Outside of these hours, calls are diverted to an after-hours provider.

In 2017, the City tendered for a call centre to service the after-hours and parking service's needs (Tender 1712). Following a competitive tender process, Council approved awarding the contract to Oracle CMS for a period of two years with two one-year extensions. The final one-year extension expires on 31 May 2021.

This report recommends that Council approve an exemption from tender for Call Centre Services After Hours and Parking Ticket Machines for the reasons contained in the subject report and an extension of the existing contract for a further 12 months from 1 June 2021.

Recommendation

It is resolved that:

- (A) Council approve an exemption from tender for Call Centre Services After Hours and Parking Ticket Machines for an additional one-year period, noting that because of extenuating circumstances, a satisfactory result would not be achieved by inviting tenders in this case;
- (B) Council note the reason a satisfactory result would not be achieved by inviting tenders for the provision of Call Centre Services After Hours and Parking Ticket Machines is that changes in operating procedures and the implementation of digital services would mean that tenderers would not receive sufficient information to make competitive and reliable proposals:
 - (i) the way in which the City monitors and responds to social media is about to change and at this stage the City is unable to estimate the volume and average handling time impacts these changes will have on an after-hours call centre provider;
 - (ii) the City is implementing a new contact system which will impact the volume of calls referred to an after-hours call centre provider. The volume impact will not be accurately determined until the system is implemented and has been in operation for three to six months; and
 - (iii) the City is developing an online services channel which will allow the community to access, engage and transact more online, impacting the processes and volumes for an after-hours call centre provider;
- (C) Council note that continuous delivery of the operation of after-hours and parking services call centre is required to maintain 24/7 service to the community; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer/vary the contracts relating to Call Centre Services After Hours and Parking Ticket Machines in accordance with this approval.

Attachments

Attachment A. Financial Implications (Confidential)

Attachment B. Schedule of Rates (Confidential)

Background

1. The City has contracted the services of an after-hours provider since 2008 to enable 24/7 service for the community.
2. In May 2017, the tender was awarded by Council to Oracle CMS for a term of up to four years, including two one-year options at the City's discretion. The contract entered into with Oracle CMS is based on a schedule of rates.
3. In June 2017, the City entered a two-year contract with Oracle CMS.
4. In June 2019, the City exercised the first one-year option to extend the contract.
5. In June 2020, the City exercised the second one-year option to extend the contract.
6. This supplier was originally engaged in accordance with the City's procurement policies and procedures, with the original agreement established for a two-year period with two fully exercised one-year options. The total cost of the agreement including this additional one-year extension will exceed \$250,000.
7. Oracle CMS have consistently performed above expectations, exceeding key performance indicators.
8. This report recommends approval of renewal of the contract for the listed supplier for an additional one year, commencing on the expiry of the current contract period (1 June 2021).

Performance Measurement

9. Performance is reviewed annually and measured against the following criteria: key outcomes / deliverables,
 - (a) quality of work;
 - (b) timeliness;
 - (c) reporting; and
 - (d) communication.
10. Oracle CMS consistently performs above the service level agreement, is very adaptable to change and is innovative. In March 2020, to help the City provide continued service to the community during the pandemic lock-down, Oracle CMS allowed the City to use their infrastructure to create a work from home solution for the City's Contact Centre team.

Financial Implications

11. There are sufficient funds allocated for these services within the current year's operating budget, the draft 2021/22 operating budget and future years' forward estimates.

Relevant Legislation

12. The exemption from tender request is made in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
13. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
14. Attachments A and B 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.
15. 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

16. The process for finalising the 12-month extension of the agreement can commence upon receipt of Council approval.
17. The current agreement is due to expire 31 May 2021 and the one-year extension needs to be finalised by this date.

Options

18. The option exists to tender for a new supplier, However, a tender at this time may not produce a quality outcome for the City as the contract requirements and deliverables cannot be fully specified due to the process and system changes outlined in the recommendation. For these reasons, this option is not recommended.

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