

## Item 11.

### **Tender - Reject and Negotiate - T-2021-613 - Enterprise Service Management Platform (Including IT Service Management)**

**File No:** X086183

**Tender No:** T-2021-613

### **Summary**

This report provides details of the tenders received for an Enterprise Service Management Platform (including IT Service Management). An Enterprise Service Management Platform enables the City's IT helpdesk and support teams to keep track of reported issues, allowing for efficient resolution of the issues raised (tickets).

The Enterprise Service Management Platform project will replace the current end-of-life Marval IT helpdesk system used by the City. The new platform is expected to deliver an enhanced user experience through a single Information Technology Infrastructure Library (ITIL)-aligned platform used to manage issues raised (tickets) collaboratively.

The new platform will integrate with City applications, enabling flexible real-time reporting to increase service awareness.

A new Enterprise Service Management solution will also implement new features: such as self-service, automated workflows and auto-detection of incidents, and will have a centralised service management platform accessible from anywhere.

A tender was conducted to select a technology platform and implementation supplier. The City proposed to enter into an initial three-year agreement with two optional two-year extensions for a possible total of seven years. Based on the tender evaluations, all submissions were identified as non-conforming.

This report recommends that Council resolve to reject the tender responses received and enter into negotiations with suitably qualified vendors for the provision of the Enterprise Service Management Platform (including IT Service Management).

## Recommendation

It is resolved that:

- (A) Council decline to accept the tender offers for the Enterprise Service Management Platform (including IT Service Management) for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable vendors over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract on terms that are appropriate in relation to the subject matter of the tender;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (E) Council be informed of the successful vendor via the CEO Update.

## Attachments

**Attachment A.** Tender Evaluation Summary (Confidential)

## Background

1. The City has a commitment to developing and expanding its user-centred capability and service management solutions driven by the Information and Technology Strategy.
2. The Marval IT helpdesk system is the current IT Service Management platform that has been at the end of its life since 2020. This system manages approximately 52,000 staff reported issues per year and is integral to operations provided by Technology and Digital Services (TDS), Geographic Information Systems (GIS) and Document Management (TRIM).
3. Technology support programs that have reached the end of their useful life (such as the Marval IT helpdesk system) pose a significant risk to the City due to the lack of vendor support, cyber security updates and future upgrades.
4. A centralised, enterprise-grade service management platform will enable the City to track, triage and resolve incidents in a more effective user-centric manner. This will be especially valuable for business units such which use non-enterprise-grade solutions.
5. The proposed solution will support the following:
  - (a) End-user self-service portal with automated and highly customised workflows to replace current email or phone-based manual service request submissions.
  - (b) An automated problem management practice that will automatically identify reoccurring incidents and commence auto-remediation where practicable.
  - (c) Centralised knowledge management to assist staff in better resolving incidents and service requests.
  - (d) Advanced reporting capabilities.
  - (e) Advanced business workflow and processes for quick case creation and dynamic status tracking.
  - (f) Mobility, so that requests can be investigated and remediated remotely by staff.
  - (g) Better change management practices such as customised notifications, advanced reporting and visual dashboards of upcoming changes and their criticality and impacts.
6. As the solution will future-proof key Enterprise Service Management functionality at the City, the right software platform will be the foundation of ongoing service improvements.
7. The Enterprise Service Management software implementation partner will also be critical to ensuring the software is configured for current and future needs of the City.
8. The City has conducted a tender to select an appropriate software and implementation partner. Nine different business units and a cross-divisional implementation team developed 471 functional and non-functional requirements for the Enterprise Service Management Platform. This number of requirements is expected for a project of this size and complexity.

9. Based on the tender evaluation, it is recommended that Council reject all tender submissions for the Enterprise Service Management Platform (including IT Service Management) and enter into negotiations with suitably qualified vendors.

### **Invitation to Tender**

10. The tender was advertised in major newspapers and on the City's e-Tender portal on 25 January 2022. The deadline for submissions was initially set for 22 February 2022 but was extended until 9 March 2022 due to the overall complexity of the tender.

### **Tender Submissions**

11. Twelve submissions were received from the following organisations:
  - Australian Centre for Advanced Computing and Communication Pty Limited (“AC3”);
  - Enable Professional Services Pty Ltd;
  - EV20 Consulting Group;
  - Hatchit Studios Pty Ltd (Solution Proposed: IFS);
  - Hatchit Studios Pty Ltd (Solution Proposed: ServiceNow);
  - Kobil GmbH;
  - Micro Focus Australia Pty Ltd;
  - Nexon Asia Pacific Pty Ltd;
  - Pro Cloud SaaS Pty Ltd;
  - Service Quality Pty Ltd;
  - Servicely Pty Ltd; and
  - Thirdera Aus Pty Ltd.

## Tender Evaluation

12. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
13. None of the tenders were deemed to be conforming as outlined in the Confidential Tender Evaluation Summary – Attachment A.
14. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) Alignment of the solution submitted for the City of Sydney's requirements.
  - (b) Organisational capability and implementation approach including the following:
    - (i) Company Information.
    - (ii) Previous experience.
    - (iii) Capability and Experience.
    - (iv) Methodology.
    - (v) Quality Assurance procedures.
    - (vi) Implementation plan and methodology.
  - (c) Training and Support, including the following:
    - (i) Training plan.
    - (ii) Methodology and approach to maintaining and upgrading the solution.
    - (iii) Service Level options and model.
  - (d) Work Health & Safety.
  - (e) Financial and commercial trading integrity, including insurances.

## Performance Measurement

15. The tender required that the proposed solution would need to comply with support and service levels as specified in the tender contracts.

## Financial Implications

16. Funds have been allocated for this project within the current year's Technology and Digital Services capital works budget and future years' forward estimates.

### Relevant Legislation

17. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.
18. 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.
19. 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.
20. 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

21. Council approval to reject and negotiate tender - June 2022.
22. It is anticipated that the City will complete negotiations and execute a contract with a suitable service provider by September 2022.

### Options

23. Option 1: Cancel and re-advertise the tender. This option is not recommended as it is highly probable to solicit the same result, whereas a reject and negotiate process enables the City a higher level of interaction which will reduce the risks of a same or similar result in that more guidance can be provided and the nature of interaction being a more inviting environment for suppliers to ask questions or talk through concerns or concepts.
24. Option 2: Cancel the tender and discontinue the project. This option is not recommended because it poses an ongoing operational risk from unsupported software and does not address inefficient resolution of issues.

25. Option 3: Reject the tender offers received and negotiate with suitably qualified vendors. Delegate authority to the Chief Executive Officer to enter into a contract. Implement the solution with the preferred supplier. In the initial review of the submitted tenders, it is the common view that the City has received good submissions from at least five participants. The evaluation panel members believe we could successfully negotiate and eventually award a contract that meets the City's business needs. This option is recommended.

**PAULETTE SUTHERLAND**

Acting Director People, Performance and Technology

Matthew Garton, Project Manager