

Contract Variation - RFT 1806 - ePlanning at City of Sydney**File No:** **2022/289002****Tender No:** **1806****Summary**

This report seeks approval to increase the contract value for implementation and consulting services delivered by TechnologyOne Limited in association with the ePlanning Program.

In 2014, the Department of Planning and Environment (DPE) introduced the ePlanning Program, which is mandatory for all NSW Councils.

The ePlanning Program delivers a range of technology tools and business processes that will improve planning information, services and outcomes for the business sector and community.

On 25 November 2015, the City of Sydney began the implementation of the ePlanning Program. The Department of Planning and Environment has continued to evolve its requirements for Development Control Plans' planning controls and standards. These are regulatory requirements, which Councils are mandated to implement, and there has been a need to address security deficiencies and performance issues between the Planning Xchange software and the City's systems. These additional requirements are within the scope of the original engagement of TechnologyOne, however the extent of work required to implement the evolving needs of the Department of Planning and Environment have resulted in additional resources being necessary to implement the scope.

Additional funds for implementation consulting services are required to support the delivery of the Planning Xchange software, future Department of Planning and Environment regulatory requirements and enhancements that may be needed (from 2022/23 to 2026/27) and to rebalance the fund allocation already used within the approved Contract Value to address DPE's requirements to-date.

As the City already has a contract with TechnologyOne Limited for the provision of this software, a contract variation is recommended to add scope and budget to allow the delivery of the additional software requirements.

This report recommends that Council grant approval to allocate additional funds for TechnologyOne consulting services to support the current and future enhancements in the City's ePlanning Program.

Recommendation

It is resolved that:

- (A) Council approve a variation of the TechnologyOne Limited contract to provide for an increase to the overall contract price to implement current and future enhancements in the City's ePlanning project;
- (B) Council note that the scope of services requested under this extension is of the same nature as the one in the original contract with TechnologyOne; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer any variations to the contract required to give effect to this approval.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. The ePlanning project involves the implementation of a range of technology tools and systems to connect business processes to deliver improved planning information, services and outcomes to the business sector and community. These tools and systems can be utilised by the community and professionals engaged in the planning approval process, such as architects, builders, developers, planners and surveyors.
2. A key component of the new system is TechnologyOne's Planning Xchange software. This software handles the following business processes:
 - (a) Lodgement of applications.
 - (b) Register and tracking of all planning application types.
 - (c) Online assessments.
 - (d) Online site-specific planning and zoning information and enquiry functions.
 - (e) Online maps.
 - (f) Integrated reporting systems.
3. On 30 July 2019, the City signed a software and services contract with TechnologyOne for the ePlanning project, which includes software licenses, support, maintenance and implementation services.
4. The delivery of ePlanning was originally due in March 2021. The delivery date was subsequently revised to June 2022 due to evolving regulatory requirements mandated by the Department of Planning and Environment, and the need to address security deficiencies and performance issues between the Planning Xchange software and the City's systems. The remainder of the contract term is to provide Support and Maintenance for the Planning Xchange software post-implementation and continuing to meet the Department of Planning and Environment's requirements.
5. The cost impact of the evolving requirements and enhancements was met within the approved Contract Value, through the temporary reallocation of support and maintenance costs.
6. These additional requirements are within the scope of the original engagement of TechnologyOne, however the extent of work required to implement the evolving needs of the Department of Planning and Environment has resulted in additional resources being necessary to implement the scope. In order to meet these requirements, and due to continued enhancements previously mandated by the Department, an additional allocation in the TechnologyOne contract value for implementation services is required. Further enhancements of the product are not known yet, and based on our prior experience, an estimate has been determined. The estimate may be revisited, as required, after the first year of implementation and/or after getting visibility of Department of Planning and Environment's roadmap.
7. The calculation of additional funding requirements is based on the following:
 - (a) The hourly rates for TechnologyOne consultants which are in line with those submitted in the original tender.

- (b) Actual additional implementation costs resulting from the Department of Planning and Environment and integration (as specified in Confidential Attachment A).
 - (c) Effort required for future enhancements to Planning Xchange software (as specified in Confidential Attachment A). While the future Department of Planning and Environment regulatory requirements are unknown, we have estimated the scope of activity based on changes in the past two years and subsequent discussions with TechnologyOne on the effort required for similar changes. A contingency if the Department of Planning and Environment regulatory changes are greater than anticipated has also been included.
 - (d) The time allocation has been assessed by the Project Manager with the project team and is considered appropriate to deliver the scope.
8. TechnologyOne has provided the price estimate for the consulting services on a Time and Material based model, which is in line with TechnologyOne's original engagement contract.

Performance Measurement

9. The engagement with TechnologyOne is required to complete the mandated changes. Further enhancements of this nature are highly likely to be required in the future. Specific measures from the current project for the management of the enhancement list and consulting engagement will continue to be applied to ensure optimal outcomes for the City.

Financial Implications

10. There are sufficient funds allocated to the ePlanning project in the current Long Term Financial Plan to accommodate the additional funding required for this contract as detailed in Confidential Attachment A.

Relevant Legislation

11. 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.
12. Attachment A contains confidential commercial information of the supplier 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.
13. 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

14. The ePlanning project is planning to complete the Planning Xchange software implementation by June 2022. Post-implementation, the remainder of the contract term is to provide Support and Maintenance for the Planning Xchange software and to continue to meet the Department of Planning and Environment's requirements.

Options

15. An option is for Council not to approve the additional funds. Should the City not proceed with the recommended funds allocation, the City will not be able to pay for the ongoing support and maintenance of the Planning Xchange software. The City reduces its ability to deliver the ePlanning features, and thus its ability to deliver improved planning information, services and outcomes to the business sector and community. The City will not be compliant with future Department of Planning and Environment mandates for its systems, which will adversely affect the business process productivity.

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