

**Item 8.****Tender - Reject and Negotiate - T-2021-632 - Digital Asset Management System****File No: X096102.003****Tender No: T-2021-632****Summary**

This report provides details of the tenders received for the Digital Asset Management System. This system allows City of Sydney employees to efficiently store, manage and make digital assets (such as professional photography) available for official use.

The City's current Digital Asset Management System, called Portfolio, is outdated and due to be retired. The vendor does not provide security fixes and has no future roadmap to improve functionality to keep pace with developments in the Digital Asset Management System landscape.

The City is seeking to implement a new Digital Asset Management System to provide a contemporary asset library for City employees to easily search for approved professional images and photography required for their work.

The City issued a tender to procure an enterprise-wide Digital Asset Management System solution for an initial three-year period with two optional extensions of two years each (up to seven years in total).

This report recommends that Council decline to accept the tender offers received for the Digital Asset Management System project and instead enter into negotiations with suitably qualified vendor(s) for the provision of a Digital Asset Management System solution.

## **Recommendation**

It is resolved that:

- (A) Council decline to accept the tender offers received for the Digital Asset Management System project 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 suitably qualified vendor(s) 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 finalise, 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 Digital Asset Management System project will implement a new Digital Asset Management System which will be managed by City Communications and made available for use by all City employees.
2. The City of Sydney expects to achieve the following business outcomes:
  - (a) Maintain a single source of truth for digital assets.
  - (b) Manage licensing and usage conditions of professional images and photography.
  - (c) Make quality digital assets available to the organisation, including appropriate access privileges.
  - (d) Leverage Artificial Intelligence and Machine Learning to help describe assets, and populate metadata to facilitate easy searching of assets for end users.
3. The City conducted a tender for the Digital Asset Management System project to procure suitable software and select an implementation partner for the Digital Asset Management System solution.
4. Following the tender evaluation process, it is recommended that Council reject all tender submissions for the Digital Asset Management System project and enter into direct negotiations with suitably qualified vendor(s).

## Invitation to Tender

5. A tender for the provision of the Digital Asset Management System Solution was published on 7 November 2022 directly via the City of Sydney's e-Tendering portal, Tenderlink, and the Supply Nation website.
6. The tender was open for five weeks and closed on 12 December 2022.

## Tender Submissions

7. Nine submissions were received from the following organisations:
  - (a) Adobe Systems Software Ireland Limited (ABN 18 586 921 900)
  - (b) Anchora Pty Ltd (ABN 96 651 701 076)
  - (c) Bynder (US Company)
  - (d) Canto GmbH (German Company)
  - (e) Creative Folks Pty Limited (ABN 52 004 252 466)
  - (f) Datacom Systems (AU) Pty Ltd (ABN 39 135 427 075)
  - (g) IntelligenceBank Pty Ltd (ABN 73 138 768 564)
  - (h) MediaValet (Canadian Company)

- (i) My Adbox IP Pty Ltd (ABN 40 634 128 706)
8. No late submissions were received.

### **Tender Evaluation**

9. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
10. The relative ranking of tenderers as determined from the total weighted score is provided in the confidential Tender Evaluation Summary – Attachment A.
11. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) Alignment of the solution to the requested requirements.
  - (b) Organisational capability and implementation approach including the following:
    - (i) Company information;
    - (ii) Previous experience;
    - (iii) Capability and experience;
    - (iv) Quality Assurance procedures;
    - (v) Implementation plan and methodology; and
    - (vi) Fair Work requirements.
  - (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) Financial and commercial trading integrity, including insurances.
  - (e) Work Health and Safety.
  - (f) Schedule of Prices.

### **Performance Measurement**

12. The tender required that the proposed solution would need to comply with mandatory requirements and meet the service levels specified in the tender contract.

### **Financial Implications**

13. Sufficient funds have been allocated, subject to the outcome of proposed negotiations, for this project within the current year's capital works budget and future years' operating expenditure forward estimates.

### **Relevant Legislation**

14. The tender has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.
15. 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.
16. 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.
17. 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**

18. It is anticipated that the City will complete negotiations and execute a contract with suitably qualified vendor(s) by September 2023.

### **Options**

19. Cancel and re-advertise the tender. This option is not recommended as it is highly probable to result in the same outcome.
20. Cancel the tender and discontinue the project. This option is not recommended because it poses an ongoing operational risk from unsupported software and would not address the inefficiencies associated with the current system.

### **KATE DEACON**

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