

3.3 Contract Variation Delegation - Contract No. 2018/61, Boroondara Library Service RFID Upgrade

Abstract

Approval is being sought to extend the Chief Executive Officer's authorisation to approve additional contract variations of up to \$1.2 million for the following contract:

- Contract No. 2018/61, Boroondara Library Service RFID Upgrade

The additional variations relate to the requirement for ongoing Bibliotecca technology additions and upgrades across all Council libraries. The additions facilitate and allow for continued growth in library borrowing and returns as well as improved features and enhancements to keep up with customer expectations for access and convenience for library borrowing. The equipment is required to be operational 24/7 or every library opening hour. This expenditure ensures the ongoing expansion, improvement plus servicing, parts and maintenance to ensure reliability of this technology.

The original tender process has been carried out in accordance with the requirements of Council's Procurement Policy. The Chief Executive Officer or his nominated delegate currently has delegated authority to vary this contract by up to 10% or \$100,000 whichever is the greater. As the variation is greater than the Chief Executive Officer's delegated authority, this variation requires Council approval to vary a contract by an additional 20% per annum over the next three years, to a total variation of \$1.2 million.

The estimated cost of this Contract is in accordance with Council's adopted budget for 2020/21 and expenditure in future years will be in accordance with approved budget allocations. Future year expenditure is budgeted and foreshadowed in Council's Long Term Financial Plan as follows: \$390K in 2020/21, \$400K in 2021/22 and \$410K in 2022/23.

Officers' recommendation

That the Services Delegated Committee resolve to:

1. Authorise the Chief Executive Officer or such other person that the Chief Executive Officer selects for the purpose of giving effect to this resolution to approve additional contract variations up to \$1.2 million for the following contract:
 - Contract No. 2018/61, Boroondara Library Service RFID Upgrade
2. To note that the total project cost for the Boroondara Library Service RFID Upgrade remains within the allocated budget for the project and that the increased cost for the Boroondara Library Service RFID Upgrade can be accommodated within the overall budget allocation for the 2020/21 Financial Year and expenditure in future years will be in accordance with the approved budget allocations.

**Responsible director: Carolyn McClean
Community Support**

1. Purpose

The purpose of this report is to seek Council's approval to extend the Chief Executive Officer's authorisation to approve additional contract variations of up to \$1.2 million for Contract No. 2018/61, Boroondara Library Service RFID Upgrade. This is equivalent to 20% per annum over the next three years.

2. Policy implications and relevance to community plan and council plan

This contract aligns with the Boroondara Community Plan 2017-2027 under Priority Theme 1: Your Community, Services and Facilities.

The contract delivers directly under:

- Strategic Objective 1: Community Services and Facilities are high quality, inclusive and meet a variety of needs now and into the future, and
 - Strategy 1.4: Provide, facilitate and advocate for life-long learning opportunities for people of all ages.

3. Background

Under Council's Instrument of Delegation to the Chief Executive Officer (CEO) dated 1 June 2020 the CEO can authorise variations to any contract under certain conditions and limitations.

The conditions and limitations as applicable to this contract, is that if the contract has been entered into by Council and the value of the contract is greater than \$500,000, the value of the contract may not increase by more than 10% or \$100,000, whichever is the greater.

The variation required for Contract No. 2018/61, Boroondara Library Service RFID Upgrade is above the delegation of the CEO and increased authorisation from Council is required.

On 13 August 2018, Council awarded Contract No. 2018/61, Boroondara Library Service Upgrade to Bibliotheca Australia Pty Ltd for the estimated contract cost of \$2,008,663.58 (excluding GST). The Chief Executive Officer or his nominated delegate currently has delegated authority to vary this Contract by up to \$200,866.

In 2019, the Boroondara Library Service upgraded the RFID technology which introduced new self-service kiosks, return sorters and book security system. The original value of the contract was \$2,008,663.58 excluding GST. The installation of RFID equipment and making it operational as well as the building works commenced in March 2019 with each library upgraded one at a time over six months and completed in November 2019.

This report seeks Council endorsement for a variation to Contract No. 2018/61 to enable Council to ensure ongoing improvements and upgrades of Bibliotheca technology within all library branches over the next three years to support customer access and convenience. This is equivalent to 20% per annum over the next three years.

4. Outline of key issues/options

The additional variations relate to the requirement for ongoing Bibliotecca technology additions and upgrades across all Council libraries. The additions facilitate and allow for continued growth in library borrowing and returns as well as improved features and enhancements to keep up with customer expectations for access and convenience for library borrowing. The equipment is required to be operational 24/7 or every library opening hour. This expenditure ensures the ongoing expansion, improvement plus servicing, parts and maintenance to ensure reliability of this technology.

5. Consultation/communication

Not applicable to this report.

6. Financial and resource implications

The estimated cost of this Contract is in accordance with Council's adopted budget for 2020/21 for Capital Works Account No. 72665 - Library IT Hardware Renewal and expenditure in future years will be in accordance with approved budget allocations.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities. The officers responsible for this report have no direct or indirect interests requiring disclosure.

The original tender process has been carried out in accordance with the requirements of Council's Procurement Policy.

8. Social and environmental issues

It is envisaged that there are no issues relevant to this project variation.

9. Conclusion

This report seeks Council approval to extend the Chief Executive Officer or such other person that the Chief Executive Officer selects for the purpose of giving effect to this resolution's authorisation to approve additional variations by up to \$1.2 million for the following contract:

Contract No. 2018/61, Boroondara Library Service RFID Upgrade

Manager & report officer: Kate Brewster, Library Services