

7.11 Contract No. 2019/5A - Enterprise Service Bus Extension

Executive Summary

This report seeks Council endorsement to exercise a second extension of Contract No 2019/5A Enterprise Service Bus and make provision for delegation of approval for a third extension if required, because the value of this extension for years 4 and 5 will vary the original estimated value of the contract by more than 10%.

The Enterprise Service Bus (Boomi) is an integration software platform that is integral to the movement of data between Council's core platforms, providing a key component to support Council's shift to digital. For example, Boomi is used to transmit information entered by our customers in e-forms to the appropriate system of record, including but not limited to P&R, CRM and Objective.

On 22 October 2018, Council resolved to enter into a three-year contract with then Dell Boomi Australia, now Boomi Australia (2019/5A) to supply this platform for a total cost of \$880,565 including three, one-year optional extensions. The first of these extensions was exercised on 5 December 2021, and we now seek approval from Council to exercise the second extension, and to delegate authority to approve the third and final extension to the Director, Customer and Transformation.

Although the extensions are within the terms of the original contract, they require consideration by Council because the value will exceed the original estimated value of the contract by more than 10%.

Purpose

This matter is being put to Council because, although the extensions are within the terms of the original contract, the value will exceed the original estimated value of the contract by more than 10%. This is because additional connectors have been purchased to support the increased use of e-forms which require integration between Council's systems.

Background

On 22 October 2018, Council resolved to enter into a three-year contract with then Dell Boomi Australia, now Boomi Australia (2019/5A) to supply this platform for a total cost of \$880,565 including three, one-year optional extensions. The first of these extensions was exercised on 5 December 2021, and we now seek approval from Council to exercise the second extension, and to delegate authority to approve the third and final extension to the Director, Customer and Transformation

Key Issues

The platform and its functions are complex, and although there are other solutions in the market that could perform a similar function, there is a high implementation overhead associated with such a change. Further, these extensions were envisaged by the original contract, therefore it is not recommended to change this key integration tool while Council is in a state of transformation to the broader IT environment and architecture as this will consume additional resourcing, compromise stability of the existing environment, and may not serve the future state.

Next Steps

The recommended option is to exercise the extensions as provisioned in the contract.

Officers' recommendation

That Council resolve:

1. To exercise a second extension to Contract No 2019/5A Enterprise Service Bus at a cost of **\$358,504.37 (inc. GST)**, bringing the total contract spend to **\$1,224,896.20**
2. To note the cost to Council after the return of GST Input Credits is **\$325,913.06**
3. To authorise the Director Customer and Transformation to sign and execute the second and third extension to contract agreement Boomi Australia Pty Ltd on behalf of the Council and to authorise invoices to an amount of \$500,000 per year for two years (inc. GST).
4. To note expenditure under this contract is in accordance with Council's 2022/23 adopted budgets and expenditure in future years will be in accordance with Council's foreshadowed budget allocations as defined in the Long-Term Financial Plan.

Responsible director: Mans Bassi, Director Customer and Transformation

1. Purpose

The purpose of this report is for Council to give consideration to exercising a second extension of Contract No. 2019/5A, Enterprise Service Bus, and make provision for delegation of approval for a third extension at a total estimated cost of \$374,800 excluding GST for the provision of a data integration platform for one year, and seeks approval for the provision for delegation of approval for a third extension.

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

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2021-31) and Council Plan (2021- 25):

- Strategic Objective 7 *'Ensure that ethical financial and socially responsible decision making reflects community needs and is based on principles of accountability, transparency, responsiveness and consultation'*.
- Strategy 7.4 is particularly relevant to the delivery of the Customer First Program - *'Provide enhanced online services to our community, placing the customer at the centre of everything we do, with a focus on making Council more efficient and effective'*.
- Council's Customer Experience Improvement Strategy (CEIS).

This procurement process has been carried out in accordance with the requirements of the *Local Government Act 1989*, Council's Procurement Policy and sound probity practices and principles.

3. Background

The Enterprise Service Bus (Boomi) is a service platform integral supporting the shift to digital by managing the movement of data between Council's core platforms, minimising duplication and contributing to a common data source. For example, Boomi is used to transmit information entered by our customers in e-forms to the appropriate system of record, including but not limited to P&R, CRM and Objective.

Council's current contract with BOOMI Australia (formerly Dell Boomi Australia) (2019/5A) allows for three, one-year extensions. We have exercised one of these extensions and seek approval from Council to exercise the second extension, and delegate authority to approve the third and final extension to the Director, Customer and Transformation. As this platform drives critical data transmission between our systems, it is not practical or pragmatic to seek alternatives at this stage of the contract. It was always envisaged that the technical component on the Target Operating Model would change as we progressed through Program Delivery, and the future state solution for data transmission will be identified as part of this work. To replace it before then would be a complex and costly exercise which is not recommended. Therefore, a second extension to this contract is recommended to ensure stability during the transition period, with the option for the Director, Customer and Transformation to approve a third extension if required.

Although the extensions are within the terms of the original contract, they require consideration by Council because the value will exceed the original estimated value of the contract by more than 10%.

The increase against the initial contract forecast is consistent with an increase to the number of integrations created during the period which also incrementally increases the support cost, coupled with market fluctuations and consumer pricing increases, and has been foreshadowed in the Operating budget.

The tender process was carried out in accordance with relevant Council policies in 2018. The contract envisaged these recommended extensions. This report is presented for consideration by Council because the value of the extensions will exceed the original estimated value of the contract by more than 10%. This is due to the addition of more connectors which are required to handle the increased shift to digital including additional e-forms and integrations between Council's current systems. As part of the implementation of the core systems project, the future requirement for this integration tool will be significantly reduced

4. Outline of key issues/options

The platform and its functions are complex, and although there are other solutions in the market that could perform a similar function, there is a high implementation overhead associated with such a change. Further, these extensions were envisaged by the original contract, therefore, it is not recommended to change this key integration tool while Council is in a state of transformation to the broader IT environment and architecture as this will consume additional resourcing, compromise stability of the existing environment and may not serve the future state.

The recommended option is to exercise the extensions as provisioned in the contract.

5. Collaborative Procurement Opportunities

Opportunities for collaborative procurement were not considered as this report proposes an extension of an existing contract.

6. Consultation/communication

The extension of Contract No 2019/5A Enterprise Service Bus has been informed by an understanding of current and future anticipated integration requirements within the current environment. The evaluation team comprised a mix of business and technical experience.

7. Financial and resource implications

The operating cost of extending Contract No 2019/5A Enterprise Service Bus is consistent with the estimated costs reflected in Council's adopted 2022/23 budget and foreshadowed budget amounts in the Long-Term Financial Plan.

In preparing this paper summary of the spend to date and a forecast for the next two years has been conducted and this is shown below

		ex GST	inc GST
Year 1		\$100,877	\$110,965
	Additional Connectors	\$9,220	\$10,142
Year 2		\$156,197	\$171,817
	Additional Connectors	\$19,455	\$21,401
Year 3		\$211,518	\$232,670
	Additional Connectors	\$25,941	\$28,535
Year 4		\$261,205	\$287,325
	Additional Connectors	\$3,216	\$3,538
Year 5		\$325,913	\$358,504
	Additional Connectors	0	0
Year 6		\$374,800	\$412,280
	Additional Connectors	0	0

8. 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.

This RFQ process has been carried out in accordance with the requirements of section 186 of the *Local Government Act 1989* and Council's Procurement Policy.

9. Social and environmental issues

No issues were identified.

10. Evaluation and review

As a result of the ongoing short-term requirement for established integration services to continue while we work on the Core Systems Replacement, the evaluation team recommendation is to exercise the second extension of Contract No 2019/5A Enterprise Service Bus for a period of one year at a total cost of \$325,913.06 (ex. GST) and delegate authority to Director, Customer and Communication to approve a third extension if required

Manager: Jo Truman, CTTO

Report officer: Carol Mitcham, Interim Head of IT Services