

7.2 Extension for Contract 2015/38 - Electronic Document and Records Management System

Abstract

To seek Council's approval to extend the existing contract with Objective Corporation Limited to enable ongoing support and access to professional services related to Council's Electronic Document and Records Management System (EDRMS). The proposed extension is for a further period of three (3) years at a forecasted cost of \$1,466,396 incl. GST. The forecast costs includes provision for additional software licenses, professional services to assist with planned system upgrades and enhancements as well as software maintenance and support services.

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 89(2) of the Local Government Act 1989, as the information relates to contractual matters and premature disclosure of the information could be prejudicial to the interests of Council or other persons. This item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council resolve:

1. To extend the contract, 2015/38 with Objective Corporation Limited for a further three (3) year period from 30 September 2018 to 29 September 2021 at a cost of \$1,466,396 incl. GST. The cost to Council after the return of the GST Tax Input Credits is \$1,333,087.
2. To authorise the Chief Executive Officer or his nominated delegate to give effect to this resolution, extending the current contract with Objective Corporation Limited for a further three (3) year period.
3. Note that \$722,938 excl. GST (\$795,232 incl. GST) has already been approved as part of Council's 2018/2019 adopted budget. The proposed expenditure for the remaining years will be in accordance with Council's approved budget allocations.

**Responsible director: Marilyn Kearney
Corporate Services**

1. Purpose

To seek Council approval to extend the existing contract with Objective Corporation Limited (A.C.N. 050 539 350) for a further period of three (3) years. This extension will ensure Council's Electronic Document and Records Management System (EDRMS) has ongoing system support and maintenance in place, and also provide expertise to enable required system upgrades and enhancements to be successfully implemented. In doing so, Council's records management obligations can continue to be met and in a more efficient way.

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

Council has a statutory obligation to provide financial approval for any contract exceeding \$500,000 incl. GST.

This contract is aligned with the Council Plan 2017-21, Strategic Objective 19, "Financial Management. IT also support Strategic Objective 7 of the Boroondra Community Plan 2017-27, to "*Ensure that ethical, financial and socially responsible decision making reflects community needs and is based on principles of accountability, transparency, responsiveness and consultation*".

3. Background

In September 2014, Council publicly released an open Request for Tender for the provision of an Electronic Document and Records Management System to support Council's ongoing requirements for document and records management.

Following a robust evaluation process, Council at its meeting of 25 May 2015 resolved to:

1. *Award Contract No. 2015/38, Provision of an Electronic Document and Records Management System to Objective Corporation Limited (A.C.N. 050 539 350) at its tendered price, with support for a minimum of three years at a cost of \$1,248,450 (incl. GST). The cost to Council after the return of GST Tax Input Credits is \$1,134,955.*
2. *To authorise the Chief Executive or such other person that the Chief Executive Officer selects for the purpose of giving effect to this resolution to execute the contract agreement with the above contractor.*
3. *Note that expenditure under this contract in 2014/2015 is in accordance with Council's adopted budget and expenditure in future years will be in accordance with the approved budget allocations."*

The current contract is due to expire on 29 September 2018 and has provision for a further three (3) x one (1) year optional extensions.

As at 30 June 2018, the spend within the current contract is \$1,188,040 excl. GST (\$1,306,844 incl. GST). The financial variation amount of \$53,085 (ex GST) falls within the CEO's Instrument of Sub-Delegation to the Director of Corporate Services dated 23 February 2018.

4. Outline of key issues/options

Although the contract allows for up to three (3) individual one (1) year extensions, there is nothing that precludes Council from taking up a three (3) year extension as a single variation. This is the recommended option as it allows Council to more effectively engage with Objective Corporation Limited across a period of time where Council has a clear and defined need for their products and services.

Objective Corporation Limited have a direct engagement model with its Customers and therefore there is no alternative supplier in the market for Council to consider for the required products and services.

Overall, the EDRMS product (Objective) from Objective Corporation Limited has performed to expectations since implemented in September 2017 and Objective Corporation Limited has met all the requirements outlined within the current contract.

5. Consultation/communication

Prior to seeking Council's approval to extend the contract, consultation has occurred with the Manager Commercial and Property Services.

6. Financial and resource implications

Council's 2018/2019 adopted budget provides \$795,232 (incl. GST) for this contract. This is based on funds available in Council budgets including capital budget accounts 80952, 80970 as well as operating budget account 55214. The budget (**refer Confidential Attachment 1**) includes funding for new software licenses, software upgrades and support and maintenance.

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.

8. Social and environmental issues

There are no social or environmental implications arising from this report.

Manager: Haydon Sampson, Chief Information Officer

Report officer: Ivan Mall, Manager IT Project Services