MINUTES

FOR THE SPECIAL MEETING OF COUNCIL
HELD ON
TUESDAY 17 JANUARY 2017
COMMENCING AT 6.33 PM IN THE
COUNCIL CHAMBER,
MOUNT ALEXANDER SHIRE CIVIC CENTRE
CORNER LYTTLETON AND LLOYD STREETS, CASTLEMAINE.
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SEPARATE ATTACHMENTS:
Confidential Attachment COM 02A: Tender Evaluation Report, Contract M1291-2016 for Wesley Hill Recreation Reserve Redevelopment Stage One - Netball Court Construction and Associated Works.
ACKNOWLEDGEMENT OF COUNTRY

To start the official proceedings
I would like to acknowledge that we are meeting on Jaara country
of which the members and elders of the Jaara Jaara community and their
forebears have been custodians for many centuries
and have performed age old ceremonies of celebration, initiation and renewal.
We acknowledge their living culture and their unique role in the life of this region.

1. PRESENT

Councillors: Tony Bell, Tony Cordy, Christine Henderson, Bronwen Machin, John Nieman, Robin Taylor and Sharon Telford.

Officers: Chief Executive Officer (Darren Fuzzard), Acting Director Corporate Support (Bradley Thomas), Acting Director Sustainable Communities (Gaynor Atkin) and Director Sustainable Development (Jason Taylor).

2. APOLOGIES

Nil.

3. DECLARATIONS OF INTEREST/CONFLICTS OF INTEREST

Nil.
4. OFFICER REPORTS

4.1. BUILDING SUSTAINABLE COMMUNITIES (COM)

COM 01  AWARDING OF CONTRACT M1269 – 2016 FOR PROVISION OF SOFTWARE AND SERVICES - CORPORATE PLATFORM

Responsible Director: Director Corporate Services
Responsible Officer: Manager Financial Services
Original Document: DOC/16/41133

1. Purpose

The purpose of this report is to consider and determine the awarding of tender M1269–2016 for Provision of Software and Services - Corporate Platform.


2. Background

Council’s current corporate software platform was installed in 2004. This platform provides the software to undertake functions such as finance, rates, purchasing, payroll, infringements and cash receipting.

An independent review in 2013 found that the existing corporate software had significant limitations resulting in inefficient work practices, manual processing and workarounds. The review recommended investing in a new integrated platform if these problems could not be overcome. Consequently, provision for this was made in the Long Term Financial Plan.

Despite investing resources over the past three years to try to address these limitations, most of the issues identified are still occurring. The software is over 10 years old, based on out of date technology and is increasingly prone to errors that impact significantly on the ability to carry out core functions and work efficiently.

Investing in a new, modern, integrated software platform will allow more efficient delivery of core functions, and leveraging new technologies to deliver improved services across the following areas:

- Rates and valuations
- Planning and building
- Compliance – including local laws
- GIS mapping
- Customer requests
- Payroll
- Human Resources
- Finance
- Contract management

Tenders were invited from suitable vendors for the M1269 – 2016 - Provision of Software and Services - Corporate Platform Contract.
Tender documentation was made available via the E-tender website from 2 to 28 July 2016, which alerts relevant subscribers.

The Tender was also advertised in:

- The Age - Saturday 2 July 2016
- Bendigo Advertiser - Saturday 2 July 2016
- Midland Express - Tuesday 5 July 2016

The scope of the proposed contract covers software licensing for Year 1, data migration, implementation and training services.

The term proposed is for an initial 3 year period, with an option to extend the contract on an annual basis and is based on a Lump Sum, with a time and material component.

3. Policy and Statutory Implications

Relevant policies, strategies and plans

Corporate Plan 2015 - 2017

Under the goal of Creating a Productive Environment is the following statement:

“The organisation supports a culture of continuous improvement”.

“We continually improve the reliability of our information technology systems, while maintaining cost efficiencies by upgrading our software and infrastructure”

Priorities outlined in the Corporate Plan to achieve this include:

- Update and maintain effective, efficient and secure systems; and
- Enhance service delivery through innovation

Statutory powers and implications

The Local Government Act 1989 (the Act) provides relevant direction to Local Government in regards to procurement and contracts. Section 186 of the Act requires Councils to undertake competitive market testing processes before entering into contracts for purchase of goods or services or for the carrying out of works for the value of $150,000 or above. The Act imposes specific restrictions on Council in regard to entering such contracts.

Important provisions within Section 186 of the Act include minimum standard processes for giving public notice of the purpose of contracts in excess of the value of $150,000. Nothing in Section 186 requires Council to accept the lowest tender or to accept any tender.

Clause 208 of the Act – ‘Best Value Principles’ requires Local Governments to comply with the Best Value principles, specifically in this instance the need for Council services to meet quality and cost standards, and further provides a number of factors that may be looked at in applying the principles of Best Value.

All goods and services purchased by Council must be compliant with the Occupational Health and Safety Act 2004, the Dangerous Goods Act, Equipment (Public Safety) Act 1987, and associated regulations and codes of practice whenever applicable.
The tender process has been conducted in accordance to the conditions included within the Mount Alexander Procurement Policy. The tender evaluation criteria within Council’s Procurement Policy help to ensure competition in the supply of goods and services and products to Council and supports administrative consistency and fairness through transparency in Council’s decision making.

4. Issues

At the commencement of the tender process and following the close of the tender period, the Tender Evaluation Panel and Steering Committee completed conflict of interest and confidentiality declarations. No known conflicts were declared at either stage.

Seven conforming tenders were received by the closing date of 2.00 pm 28 July 2016.

List of Tenders Received – Table 1

<table>
<thead>
<tr>
<th>Tenderer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Viatek Technology</td>
</tr>
<tr>
<td>Technology One Limited</td>
</tr>
<tr>
<td>Civica Pty Ltd</td>
</tr>
<tr>
<td>MAGIQ Software Ltd</td>
</tr>
<tr>
<td>IT Vision</td>
</tr>
<tr>
<td>Open Office Pty Ltd</td>
</tr>
<tr>
<td>Open Systems Technology Pty Ltd</td>
</tr>
</tbody>
</table>

The Tender Evaluation Panel met on the 4 August 2016 to complete a preliminary evaluation of all tenders received for shortlisting purposes.

The preliminary evaluation identified four tenderers for shortlisting and further evaluation. The shortlisted tenderers were invited to provide a presentation and overview of their software. One tenderer was deemed non-compliant as a result of this process.

Following the presentations and reference checks, the remaining three tenderers were assessed against the full evaluation criteria.

The full evaluation criteria were as follows:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to Council – Direct &amp; Indirect</td>
<td>25%</td>
</tr>
<tr>
<td>Response to Specification</td>
<td>25%</td>
</tr>
<tr>
<td>Experience and Qualifications</td>
<td>20%</td>
</tr>
<tr>
<td>Risk and Quality Management</td>
<td>12.5%</td>
</tr>
<tr>
<td>Business and Financial Capacity</td>
<td>12.5%</td>
</tr>
<tr>
<td>Sustainability</td>
<td>5%</td>
</tr>
</tbody>
</table>

The scores for each tenderer for each criterion were then multiplied by the relevant weighting above to achieve weighted scores.
A preferred tenderer was identified. The preferred tenderer was invited to provide a demonstration of their full product suite to the Evaluation Panel, Steering Committee, and key users across the Council.

For the Cost to Council criteria, the total project cost over 5 years was used to ensure that ongoing cost to Council was taken into account as well as the initial implementation costs.

Following a full evaluation against the pre-determined evaluation criteria and weightings, Technology One achieved the highest weighted score. Technology One are an established Corporate Platform Software and Services company with extensive local government experience both within Victoria and across Australia.

5. **Financial and Resource Implications**

The project will be funded per the below table:

<table>
<thead>
<tr>
<th>Item</th>
<th>$</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>$0</td>
<td>No grant or external funding.</td>
</tr>
<tr>
<td>Expenditure</td>
<td>$550,000</td>
<td>2016/2017 - Per adopted 2016/2017 Council Budget including carry-forwards</td>
</tr>
<tr>
<td><strong>TOTAL BUDGET</strong></td>
<td>$975,000</td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tender M1269-2016</td>
<td>$988,801</td>
<td>Per Council Report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2016/2017 - $358,975</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2017/2018 - $563,020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018/2019 - $66,806</td>
</tr>
<tr>
<td>Other costs</td>
<td>$270,274</td>
<td>Project management and staff back-fill during life of the project</td>
</tr>
<tr>
<td></td>
<td>$137,647</td>
<td>Licence costs (years 4 and 5)</td>
</tr>
<tr>
<td></td>
<td>$90,820</td>
<td>Other Business Solution Projects</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td>$1,487,542</td>
<td>Total cost over a five year period</td>
</tr>
<tr>
<td><strong>Savings</strong></td>
<td>($515,834)</td>
<td>Identified licence savings due to consolidated software provider</td>
</tr>
<tr>
<td><strong>NET COST TO COUNCIL</strong></td>
<td>$971,708</td>
<td>Within budget</td>
</tr>
</tbody>
</table>

6. **Consultation**

Key stakeholders from Council’s Finance, IT, Property, Payroll, HR and Compliance functions were involved in developing the Product Specification and in
Product Demonstrations to ensure the product would meet the requirements of all departments.

Reference checks were also carried out as part of the evaluation process.

7. Conclusion

This contract covers the provision of a modern, integrated Corporate Platform that will allow more efficient delivery of core functions, and leveraging new technologies to deliver improved services.

Seven tenders were received by the closing deadline. A preliminary evaluation identified four tenderers for shortlisting and further evaluation.

Following a full evaluation against the pre-determined evaluation criteria and weightings, Technology One achieved the highest weighted score and are recommended to be awarded the contract for M1269 – 2016 - Provision of Software and Services - Corporate Platform.

Technology One are an established Corporate Platform Software and Services company with extensive local government experience both within Victoria and across Australia, and are used by a number of neighbouring councils.

RECOMMENDATION

That Council:

1. Award Contract M1269 – 2016 for Provision of Software and Services – Corporate Platform to Technology One Limited for a contract price of $988,801 (GST exclusive);

2. Authorise the Chief Executive Officer to sign and affix the Common Seal to the contract documentation for Contract M1269 – 2016 for the Provision of Software and Services – Corporate Platform; and

3. Authorise the Chief Executive Officer (or delegate) to approve the extension of Contract M1269 – 2016 for the Provision of Software and Services – Corporate Platform should that option be exercised.

MOVED COUNCILLOR TAYLOR

That the recommendation be adopted.

SECONDED COUNCILLOR MACHIN

CARRIED.
1. Purpose

The purpose of this report is to present to Council the Tender Evaluation Report, Contract M1291-2016 for Wesley Hill Recreation Reserve Redevelopment Stage One - Netball Court Construction and Associated Works.

Refer to:

Confidential Attachment COM 02A: Tender Evaluation Report, Contract M1291-2016 for Wesley Hill Recreation Reserve Redevelopment Stage One - Netball Court Construction and Associated Works.

2. Background

In accordance with the Wesley Hill Recreation Reserve Masterplan endorsed by Council in 2015, this contract will complete construction of Stage One. Stage One comprises of the construction of six netball courts, two cricket nets and associated infrastructure.

A request for a lump sum tender was publicly advertised on Saturday 22 October 2016 in the Bendigo Advertiser and The Age and on Tuesday 25 October 2016 in the Council Column in the Midland Express.

At the closing date of 2.00 p.m., Friday 18 November 2016, one conforming and one non-conforming tender were received.

3. Policy and Statutory Implications

Relevant policies, strategies and plans

Adopting a staged approach, Council's vision to build a junior and senior sporting hub at Wesley Hill Recreation Reserve is supported by the following plans/strategies/objectives/goals:

- Wesley Hill Recreation Reserve Master Plan (2015)
- Council Plan 2013-2017 under the strategy to "progress master plans for our recreation reserves" and the objective to "provide access to well-maintained sporting and recreation facilities for all residents"
- Council Plan 2013-2017 under the strategy to "support sports and recreation clubs to enhance operations and management arrangements" and the objective to "support and encourage community sporting groups"
- Investing in Sport - A Strategic Plan for Council’s Investment in Sport (2011)
- Mount Alexander Reserves Improvement Plan (2010)
Statutory powers and implications

The Local Government Act 1989 (the Act) provides relevant direction to Local Government in regards to procurement and contracts. Section 186 of the Act requires Councils to undertake competitive market testing processes before entering into contracts for purchase of goods or services or for the carrying out of works for the value of $150,000 or above. The Act imposes specific restrictions on Council in regard to entering such contracts.

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Clause 208 of the Act – ‘Best Value Principles’ requires Local Governments to comply with the Best Value principles, specifically in this instance the need for Council services to meet quality and cost standards, and further provides a number of factors that may be looked at in applying the principles of Best Value.

All goods and services purchased by Council must be compliant with the Occupational Health and Safety Act 2004, the Dangerous Goods Act, Equipment (Public Safety) Act 1987, and associated regulations and codes of practice whenever applicable.

The tender process has been conducted in accordance to the conditions included within the Mount Alexander Procurement Policy. The tender evaluation criteria within Council’s Procurement Policy help to ensure competition in the supply of goods and services and products to Council and supports administrative consistency and fairness through transparency in Council’s decision making.

4. Issues

Conflict of Interest

At the commencement of the tender process and following the close of the tender period, the Tender Evaluation Panel completed conflict of interest and confidentiality declarations. No known conflicts were declared at either stage.

Tender Evaluation

One conforming and one non-conforming tenders were received. From the following:

1. 2Construct
2. Avard Excavations

The non-conforming tender was evaluated for acceptability and was confirmed to be acceptable and provided a cost saving to the proposed contract sum.

The tenders were evaluated according to the following criteria in order of priority and weighting:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to Council – Direct &amp; Indirect</td>
<td>35%</td>
</tr>
<tr>
<td>Response to Specification</td>
<td>25%</td>
</tr>
<tr>
<td>Experience and Qualifications</td>
<td>25%</td>
</tr>
</tbody>
</table>
The scores for each tenderer for each criterion were then multiplied by the relevant weighting above to achieve weighted scores.

The successful tenderer is Avard Excavations for the lump sum contract price of $1,922,274 excluding GST.

5. Financial and Resource Implications

<table>
<thead>
<tr>
<th>Item</th>
<th>$</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>$0</td>
<td>No grant or external funding for stage 1.</td>
</tr>
<tr>
<td>Expenditure</td>
<td>$170,000</td>
<td>2015/2016 – Per adopted 2015/2016 Council Budget for design and planning works</td>
</tr>
<tr>
<td></td>
<td>$202,691</td>
<td>2016/2017 - Per adopted 2016/2017 Council Budget for Netball Court construction works</td>
</tr>
<tr>
<td></td>
<td>$167,666</td>
<td>2016/2017 - Per adopted 2016/2017 Council Budget for Cricket Net Design and Construction</td>
</tr>
<tr>
<td></td>
<td>$1,800,000</td>
<td>2017/2018 – Per adopted 2016/2017 Strategic Resource Plan and Long Term Financial Plan</td>
</tr>
<tr>
<td><strong>TOTAL BUDGET</strong></td>
<td>$2,340,357</td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tender M1291-2016</td>
<td>$1,922,274</td>
<td>Per Council Report</td>
</tr>
<tr>
<td>Other costs</td>
<td>$35,000</td>
<td>Project management</td>
</tr>
<tr>
<td></td>
<td>$172,823</td>
<td>Design works incurred/committed to date</td>
</tr>
<tr>
<td>Contingency</td>
<td>$210,260</td>
<td>Contingency</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td>$2,340,357</td>
<td></td>
</tr>
<tr>
<td><strong>NET COST TO COUNCIL</strong></td>
<td>$2,340,357</td>
<td>Within budget</td>
</tr>
</tbody>
</table>
6. Consultation

Extensive consultation with the Wesley Hill Recreation Reserve committees has taken place throughout development of the masterplan and development of the netball court and associated infrastructure design.

Once a contractor is appointed, further consultation will take place to ensure the project timeline is structured to maximise access to facilities whilst construction is taking place.

7. Conclusion

A tender for the construction of netball courts and associated infrastructure was released on 22 October 2016 and closed on 18 November 2016. One conforming tender and one non-conforming were received. Tenders were evaluated in accordance with the Procurement Policy.

The successful tenderer is Avard Excavations for the lump sum contract price of $1,922,274 excluding GST.

RECOMMENDATION

That Council:

1. Award Contract M1291-2016 for Wesley Hill Recreation Reserve Redevelopment Stage One - Netball Court Construction and Associated Works to Avard Excavations for a contract price of $1,922,274 (GST exclusive); and

2. Authorise the Chief Executive Officer to sign and affix the Common Seal to the contract documentation for Contract (M1291-2106) for Wesley Hill Recreation Reserve Redevelopment Stage One - Netball Court Construction and Associated Works.

MOVED COUNCILLOR BELL

That the recommendation be adopted.

SECONDED COUNCILLOR HENDERSON

CARRIED.
6. MEETING CLOSE

Meeting closed at 6.49 pm.
I, Darren Fuzzard, Chief Executive Officer of Mount Alexander Shire Council, hereby designate the attachments of the Special Meeting of Council 17 January 2017 as confidential under Section 77 (2) (c) of the Local Government Act 1989 (the Act), as they relate to contractual matters as defined under Section 89 (2) (d) of the Act:

- Confidential Attachment COM 01A, Tender Evaluation Report - Contract M1269 - 2016 - Provision of Software and Services - Corporate Platform; and

- Confidential Attachment COM 02A, Tender Evaluation Report - Contract M1291-2016 for Wesley Hill Recreation Reserve Redevelopment Stage One - Netball Court Construction and Associated Works.

DARREN FUZZARD
Chief Executive Officer
Date: 1/1/2017