

## 6.4 Financial Reports

### 6.4.1 Contract Variation CT21-025 Supply & Implementation of a SaaS based Financial Management System

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#### Recommendation(s)

That Council accepts a contract variation of \$93,320 per annum (excl-gst), indexed in line with the terms of the contract, for CT21-025 Supply & Implementation of a SaaS based Financial Management System.

#### Attachments

1. Contract Variation CT21 025 confidential attachment [6.4.1.1 - 1 page]

#### Executive Summary

Council previously resolved to accept a tender from Technology One Limited to supply and implement Council's new finance system at the council meeting 21 March 2022.

The initial agreement included restrictions to licences for specific modules of the system. Council's subsequent decision to implement the capital investment prioritisation and optimisation functionality (IPO), the subsequent broader roll-out of Council's project management framework (PMF) beyond just the Buildings and Facilities unit, and the identification during contract module configuration of the need for wider user access to the module, due to the broad range of contracts in use across council, has resulted in the need to increase these restrictions. The extension will enable full delivery and maximise efficiency gains in development of the system, particularly in capital budgeting, project management and contract management.

#### Background

Council previously resolved to accept a tender from Technology One Limited to supply and implement Council's new finance system at the council meeting 21 March 2022.

As part of this contract, council undertook configuration and implementation of the new OneCouncil system, with go-live to occur on 3 July 2023.

With the business transformation decision to activate the IPO functionality within the project lifecycle management (PLM) module, the extension of the PMF and the diversity of procurement contracts, it became evident during system configuration and development that there is a requirement for a greater number of staff access to individual modules and an uplift in user licences is now required. Optimal access to these functionalities within the system will allow greater flexibility, process efficiency and compliance for staff.

A full investigation commenced to identify and calculate the licence number required. Council has worked with the supplier to ensure the best possible outcome was achieved and to extend the favourable commercial terms of the original contract. A variation request is required to enable the purchase.

## **Policy Implications**

Council's Procurement Policy includes the requirement that variations for contracts previously approved by council, must be approved by Council.

## **Relevance to Council Plan**

### **5.1 We practise responsible leadership**

5.1.2 Manage our finances responsibly and leave a positive legacy for future generations.

The implementation of the OneCouncil system is a transformational project that will enable Council to make better, data-driven decisions through the accurate, real-time integration of finance, supply chain and project management lifecycle management modules.

Broader access to the modules will optimise Council's investment in the system and embed stronger governance and transparency across capital management, contract management and project management processes, thereby meeting undertakings given to and expectations of the Audit and Risk Committee.

## **Climate Emergency Consideration**

Supports the paperless office capability due to web-based nature of the software solution.

## **Consultation/Communication**

An IPO Briefing paper was prepared in January 2023 after functional system investigation and discussions with relevant business units by the OneCouncil Implementation project team. Consultation on the paper with general managers and SLT during January and February 2023 culminated in an SLT decision to implement the IPO functionality available within the PLM module.

Workshops commenced in late March with the Capital Works Governance Committee (CWGC) and its working group (CWWG) to develop IPO process and scoring criteria. An IPO presentation at the 15<sup>th</sup> May 2023 Councillor Briefing outlined the IPO development and its benefits and implementation timeline to councillors.

Wide business unit engagement on PLM and Contract Management configuration, user acceptance testing, licence requirements and change management discussions have been undertaken over the course of the implementation project consistent with the project and change management plans.

## **Financial and Resource Implications**

The increase in annual licence fees of \$93,320 (excl-gst) will be accommodated by operational budget constraints.

## **Conclusion**

To enable the opportunity to realise capital investment and procurement contract management improvements, efficiencies and compliance for council staff, Council is requested to endorse the variation as outlined in this report.



## Confidential memorandum – Double click to select date

### Contract Variation CT21-025 Supply & Implementation of a SaaS based Financial Management System

*Please note that the Chief Executive Officer has designated this information to be 'Confidential' under the provision of Section 77 (c) of the Local Government Act 1989 as it deals with contractual matters as provided for in Section 89 (2) of the Act.*

#### Introduction

I refer to the Council Agenda regarding the contract variation for CT21-025 Supply & Implementation of a SaaS based Financial Management System.

The following provides details regarding the pricing submitted by council's supplier Technology One Limited. This pricing is commercial in confidence. These details are provided for councillors' information as supplementary information to the Council Report.

#### Details of pricing

TechnologyOne have considered council's requirements and prepared the following pricing, including any discounts offered as part of the initial contract agreement.

This pricing will be reflected in the annual fees and will be included in future annual renewals.

#### Variation to Use Restrictions

- (a) The Use Restrictions in Item 3 of Annexure A to the Service Order Form in the Agreement is varied as follows:

##### MODULE GROUP - TECHNOLOGY ONE CONTRACTS

- MAXIMUM NUMBER OF NAMED USERS: 70

##### MODULE GROUP - TECHNOLOGY ONE PROJECT LIFECYCLE MANAGEMENT

- MAXIMUM NUMBER OF CONCURRENT USERS: 30

#### Fees

Additional SaaS Fees	\$AUD (Ex GST)
Additional SaaS Fee due on the Variation Commencement Date (which will be the basis for indexation on each SaaS anniversary renewal date).	<b>\$93,320</b>
<sup>1</sup> This amount will be pro-rated to the current SaaS anniversary renewal date.	

#### Conclusion

It is recommended that the contract variation submitted by Technology One Limited of \$93,320 (excl-gst) be accepted for CT21-025 Supply & Implementation of a SaaS based Financial Management System.