

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER
FROM: DIRECTOR CORPORATE STRATEGY AND PERFORMANCE
FILE REF: 26865 19/470871
DATE: 27 NOVEMBER 2019

TENDER 19230 – THE PROVISION OF AN INTEGRATED BUSINESS PROCESS MANAGEMENT SYSTEM AND RELATED SUPPORT SERVICES

Issue

To approve the recommended vendor in relation to Tender No: 19230 for the provision of an Integrated Business Process Management System and related support services (**'the Solution'**).

Background

The City is seeking to implement the Solution to document the City's integrated management system in alignment with international management system standards (ISOs) and in so doing, strengthen corporate governance and organisational capability. The Solution shall:

- Map the integration points across the entire Management System (encompassing policies, processes, roles, and information systems) so as to document the current state as it relates to policies, processes, people and information systems;
- Inform the City's compliance with Audit Regulation 17 as the appropriateness and effectiveness of systems, processes, and procedures will be easily viewed to determine if they are appropriate and effective in relation to Risk Management, Internal Control, and Legislative Compliance;
- Provide high-level overviews and detailed insights that will help to define and determine the organisational needs and requirements in relation to the Enterprise Software Renewal Program; and
- Identify opportunities for organisational improvement by demonstrating or modelling the implications arising from changes that occur within any part of the management system (e.g. changes to legislative compliance requirements and the flow-on impacts to roles, processes, or data/information systems).

The Solution will document the four components of the City's Management System including:

- External legislative, regulatory and compliance requirements and internal requirements of policies, strategic objectives and service commitments;

- Core, corporate and operational processes which interact to deliver on operations and service provisions;
- Organisational and leadership structure, positions, and associated role accountabilities that are associated with decision making and delegated authorities; and
- Corporate and service-specific information (IT) systems in accordance with the specific services, activities, and tasks that they enable.

Detail

Tender 19230 for the provision of an Integrated Business Process Management System and related support services was advertised on 5 October 2019 and closed on Tuesday 22 October 2019.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Goods and/or Services
Contract Type	Lump Sum each year per year of contract
Contract Duration	Initial contract 3 years
Commencement Date	December 2019
Expiry Date	December 2022
Extension Permitted	Yes, 2 periods of 1 year extensions, each or part thereof
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions

Tender submissions were received from the following:

- Diversus (Legal Entity: Amarone Pty Ltd ATF Amarone Trust and Diversus Pty Ltd ATF Freestyle Holdings Trust T/AS Diversus)
- GBTEC Australia (GBTEC Australia Pty Ltd)
- Nintex (Nintex Pty Ltd)
- Prime BPM (PRIME PMG Pty Ltd)
- Ricoh Australia (Rico Australia Pty Ltd)

The Tender Evaluation panel comprised:

- Manager ISO Management System
- Senior Project Officer, Corporate Strategy & Performance
- Acting Manager Customer & Information Services
- Acting Manager Strategic & Business Planning
- Senior Business Systems Analyst, Corporate Strategy & Performance

Probity Oversight

Oversight of the tender assessment process was undertaken by the City's Contracts Officer. Tender submissions were evaluated in accordance with the Procurement and Evaluation Plan (PEP) which included the following selection criteria:

Procurement Selection Criteria

Item No	Description	Weighting
1	Functional Requirements	35 %
2	Non-Functional Requirements	25 %
3	Vendor Support Services	20 %
4	Key Personnel Qualifications and Experience	20 %
5	Price (assessed under Value for Money)	Not Weighted

Pricing was not included in the qualitative criteria and is considered as part of the overall value for money assessment. The minimum acceptable baseline for Qualitative Criteria is set at 50% with acceptable minimum scores required for each qualitative criterion.

All tender submissions were deemed conforming and progressed for evaluation.

Evaluation Criteria 1 – Functional Requirements – 35 %

The tenderer submissions were evaluated to determine the tenderer's ability to meet the functional requirements of the proposed system as presented in their tender submission in order to evaluate their capability to meet the requirements of the contract.

The assessment of this criterion has resulted in the following ranking:

Evaluation Criteria 1 – Functional Requirements	
Tenderer	Ranking
Prime PMG PL	1
Nintex	1
Ricoh	1
Diversus	1
GBTEC Aust	5

All tenderers achieved acceptable minimum scores for this criterion.

Evaluation Criteria 2 – Non-Functional Requirements – 25 %

The tenderer submissions were evaluated to determine the tenderer's ability to meet the non-functional requirements of the proposed system as presented in their tender submission in order to evaluate their capability to meet the requirements of the contract.

The assessment of this criterion has resulted in the following ranking:

Evaluation Criteria 2 – Non-Functional Requirements	
Tenderer	Ranking
Nintex	1
Ricoh	2
Diversus	2
Prime PMG PL	3
GBTEC Aust	5

All tenderers achieved acceptable minimum scores for this criterion.

Evaluation Criteria 3 - Vendor Support Services (20 %)

The tenderer's support services as presented in their tender submission were assessed in order to evaluate their capacity to meet the requirements of the contract. Assessment of this criterion considered the tenderer's support services provision, support services availability, service levels, training provision, online resources, user group forums and user experience throughout the contract.

The assessment of this criterion has resulted in the following ranking:

Evaluation Criteria 3 – Vendor Support Services	
Tenderer	Ranking
Nintex	1
Prime PMG PL	2
Diversus	2
Ricoh	4
GBTEC Aust	5

Nintex, Prime PMG PI, Diversus and Ricoh achieved acceptable minimum scores for this criterion.

Evaluation Criteria 4 – Key Personnel Qualifications and Experience (20 %)

The qualifications and experience evidence for the tenderer's key personnel as presented in their tender submission were assessed. Assessment of this criterion considered the skills, experience and qualifications of the proposed personnel to support the term of the contract, the vendor experience including references to verify this, and the vendor's depth of experience operating within the local government sector.

The assessment of this criterion has resulted in the following ranking:

Evaluation Criteria 4 – Key Personnel Qualifications and Experience	
Tenderer	Ranking
Prime PMG PL	1
Nintex	1
Diversus	1
Ricoh	4
GBTEC Aust	5

Nintex, Prime PMG PI, Diversus and Ricoh achieved acceptable minimum scores for this criterion.

Overall Qualitative Weighted Assessment and Ranking

Tenderer's submissions were reviewed in accordance with the Procurement and Evaluation Plan resulting in the following overall qualitative weighted ranking:

Tenderer	Ranking
Nintex	1
Diversus	2
Prime PMG PL	3
Ricoh	4

GBTEC Aust

5

Nintex, Prime PMG PI, Diversus and Ricoh achieved acceptable minimum scores the overall qualitative criteria. GBTEC was not considered further in the assessment process.

Pricing Assessment (not weighted)

The initial three (3) term of the contract pricing, which includes implementation and licensing costs resulted in the following tender ranking i.e. lowest price to highest:

Tenderer	Ranking (3-year Contract)
Nintex	1
Ricoh	1
Diversus	3
Prime PMG PL	4

Refer to the Confidential Attachment for detailed information regarding the price assessment.

Overall Value for Money Assessment and Comment

The tender submission from Nintex Pty Ltd achieved the highest overall ranking for the qualitative criteria assessment and satisfied the overall value for money assessment and is therefore recommended as the successful tenderer.

Refer to the Confidential Attachment for details of the overall Value for Money assessment.

Consultation

Nil

Statutory Compliance

Tenders were invited in accordance with the requirements of Section 3.57 of the *Local Government Act 1995*. The tendering procedures and evaluation complied with the requirements of Part 4 of the *Local Government (Functions and General) Regulations 1996*.

Strategic Implications

The proposal aligns with the following objective with the Strategic Community Plan 2017/18 – 2026/27:

“4 Civic Leadership – Working with others to ensure the best use of our resources.

4.3 Progressive Organisation – Lead excellence and innovation in local government.”

The proposal will deliver on a key Corporate Business Plan priority that is associated with enhancing organisational capability and capacity through improvement and innovation.

Enterprise Risk Management Considerations

The following corporate risks are relevant to this Tender:

Risk Title	Risk Rating
CO-O02 Technological Advancement	Moderate
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage
Risk Title	Risk Rating
CO-O06 Data and Information Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage

Implementation of the proposed Information System will assist with managing the above corporate risks. In addition, an assessment was conducted of risks associated with the Tender Submission. These related to the provisions for public liability and professional indemnity insurance provision and in relation to financial security. Risks were rated as Low in each instance. The Risk Assessment process was conducted in accordance with the City's Enterprise Risk Management Framework and the process and documentation was overseen by the Enterprise Risk Support Officer.

Financial and Performance Risk

Financial Risk

An independent financial risk assessment was coordinated by the Contracts and Procurement Team as part of the tender evaluation process; this assessed Nintex Pty Ltd as having a strong financial capacity to meet the requirements of the contract. The existence of a Cross Guarantee was identified and – under advice from the City's Legal Services – this can be addressed by including a special contract condition. Such a condition would require Nintex to notify the City of any variations to the Cross Guarantee during the Contract Period, and will make provision for the City to accordingly choose to terminate the Supply Contract should this event occur.

Performance Risk

Nintex Pty Ltd is currently a contractor working with the City of Wanneroo in the provision of the Promapp which is an information system for business process management and related support services. The provision of that software system and related support services has been satisfactory and meets the requirements of the tender specifications and to date there has been no history of disputes and/or claims. The information system Promapp is also in use at many local government entities within Western Australia.

Independent reference checks from two nominated referees were carried out and these have indicated that the recommended tenderer has satisfactorily performed within the scope of their contracts and in the provision of similar products and services within the local government sector. Please refer to Confidential Attachment for documents relating to reference checks.

Social and Environmental Considerations

Sustainable procurement that demonstrates high levels of corporate social responsibility was appraised, though not as a weighted scored consideration. Nintex Pty Ltd provided no specific information that would give rise to social and

environmental considerations, noting that this is a software supply contract. Nintex Pty Ltd has considered questions 1-8 of Schedule 3C – Tenderer’s Response to Social and Environmental Considerations and deems them as not applicable (NA).

Broader Economic Impact Implications for the City of Wanneroo

The quotation document included this consideration as a non-weighted criterion. Nintex Pty Ltd stated that 1 (one) employee lives locally and that no additional staff would be required should they be awarded this contract.

Policy Implications

Tenders were invited in accordance with the requirements of the City’s Purchasing Policy.

Financial (Budget) Implications

The costs associated with the Capital Project PR-2098 New Corporate Business Systems provides for the costs associated with implementation and the first year of licensing within the approved budget (\$87,100).

Funding for licensing fees in Year 2 and subsequent years of this forms part of the ICT operating costs and is not included within the Capital Project budget. The expected ongoing licensing fees are (\$72,800) per annum and this will be submitted as part of future budget planning for subsequent years.

PR-2098 PMO17045 New Corporate Business Systems

Description	Expenditure	Budget
Budget:		
Year one implementation and licensing fees – Capital		\$87,100
Capital Expenditure: PR-2098 (recruitment, onboarding & Exiting)		
Advertisements	\$682	
Financial Assessment	\$419	
Total capital expenditure	\$1,101	
Total Expenditure	\$1,101	\$87,100
Total Funding		
Funding Provision required in 2019/2020	\$1,101	\$87,100

Recommendation

That the Chief Executive Officer, in accordance with Delegation 1.1.14 - Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of tenders ACCEPTS the tender submitted by Nintex Pty Ltd for Tender No: 19230 for the provision of an Integrated Business Process Management System and related support services, at a contract sum of \$232,700 including implementation and licensing costs for an initial period of three years as per the schedule of rates in the tender submission.

SUBMITTED BY SENIOR PROJECT OFFICER



SIGNATURE

28/11/2019
DATE

REVIEWED BY MANAGER CONTRACTS & PROCUREMENT



SIGNATURE

29/11/19
DATE

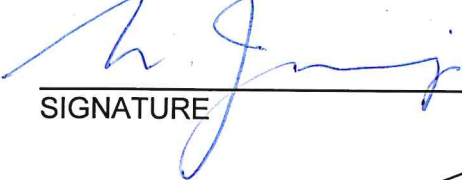
ENDORSED BY MANAGER ISO MANAGEMENT SYSTEM



SIGNATURE

29/11/19
DATE

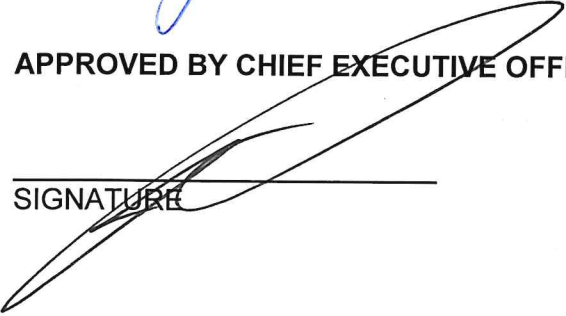
RECOMMENDED BY DIRECTOR CORPORATE STRATEGY & PERFORMANCE



SIGNATURE

29/11/19
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APPROVED BY CHIEF EXECUTIVE OFFICER



SIGNATURE

29.11.19.
DATE