

## ***TENDER RECOMMENDATION REPORT***

**TO:** CHIEF EXECUTIVE OFFICER

**CC:** MANAGER CUSTOMER & INFORMATION SERVICES

**FROM:** DIRECTOR CORPORATE STRATEGY AND PERFORMANCE

**FILE REF:** 24/418409

**DATE:** 27 NOVEMBER 2024

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### **TENDER 24058 PROVISION OF ORACLE FINANCIALS CLOUD APPLICATION SUPPORT SERVICES**

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#### **Issue**

To consider Tender No: 24058 for the Provision of Oracle Financials Cloud Application Support Services.

#### **Background**

In 2021, the City embarked on a project to deploy a new Oracle FMIS. Accenture was chosen to deliver managed services and facilitate implementation. Given a shift in the City's strategic financial support priorities, the City is seeking a new managed services provider to assist in optimizing additional capabilities and providing a comprehensive support framework.

#### **Detail**

Tender 24058 for the Provision of Oracle Financials Cloud Application Support Services was advertised on 11 May 2024 and closed on 18 June 2024. Three Addenda were issued, extending the closing date and responding to Bidder queries.

Essential details of the proposed contract are as follows:

<b>Item</b>	<b>Detail</b>
Contract Form	Goods and Services
Contract Type	Schedule of Rates
Contract Duration	Three (3) years
Commencement Date	January 2025
Expiry Date	January 2028
Extension Permitted	Yes, two (2) periods of two (2) years

Tender submissions were received from the following companies:

<b>Legal Name</b>	<b>Trading Name</b>	<b>Abbreviation</b>
Mastek Systems Pty Ltd	Mastek Systems	Mastek
DXC Technology Australia Pty Limited	DXC Technology	DXC
Itanz Infinity Pty Ltd	iTenz Infinity	Itanz

Oracle Corporation Australia Pty Limited	Oracle Corporation Australia	Oracle
Deloitte T&T Pty Ltd	Deloitte Consulting	Deloitte
Fusion Applications Pty Ltd	FA-Tech Australia	Fusion

### Probity Oversight

Oversight to 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:

Item No	Description	Weighting
1	Sustainable (Corporate Social Responsibility) Procurement a) Environmental Considerations 5% b) Buy Local 10% c) Reconciliation Action Plan 2.5% d) Access and Inclusion 2.5%	20%
2	*Demonstrated understanding of the Oracle product line and capability to provide second- and third-line support services	30%
3	*Availability of appropriately qualified and experienced resources, including certification in the relevant Oracle products/solutions at individual and organisation level	20%
4	*Availability of current/recent reference sites where comparable services have been provided, ideally within an Australian local government context	20%
5	Established Work Health and Safety Management systems	10%

All Tenderers must meet the City's minimum requirements (as determined by the City) for each of the qualitative criteria detailed above (\*) in order to be considered for further evaluation.

Pricing is not included in the qualitative criteria and is considered as part of the overall value for money assessment.

The offer from Oracle Corporation was deemed as non-conforming and did not proceed to evaluation.

### Evaluation Criteria 1 – Sustainable Procurement (20%)

Evidence of Sustainable (Corporate Social Responsibility) Procurement was assessed based on the Tenderer's responses provided to the Questionnaires within Schedules 3A, 3B, 3C and 3D which formed part of the tender documentation.

**Sub Criteria a) Environmental Considerations (5%)**

The City is committed to procuring goods and services that provide positive environmental, social and economic impacts over the entire life cycle of a product or service. Respondents are encouraged to provide credentials of any environmental claims of the goods and/or services submitted in this tender.

Tenderers provided details of their environmental considerations within Schedule 3A, with the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Mastek	1
Deloitte	2
DXC	2
ITANZ	2
Fusion	5

**Sub Criteria b) Buy Local (10%)**

An assessment was made based on the response provided, detailing the following information:

- Location of tenderer's offices and workshops;
- Residential addresses of staff and company addresses of subcontractors;
- Purchasing arrangements through local businesses;
- Requirement for new employees arising from award of the contract.

Tenderers provided details of their "Buy Local" considerations within Schedule 3B, with the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Fusion	1
Deloitte	2
Mastek	5
DXC	3
ITANZ	4

**Sub Criteria c) Reconciliation Action Plan (RAP) (2.5%)**

An assessment was made to determine the ranking based on the responses provided that relate to:

- RELATIONSHIPS - building positive relationships between indigenous and non-indigenous people;
- RESPECT – recognising the contribution of Indigenous people to Australia and learning more about the history, culture and diversity in a two-way communication process;
- OPPORTUNITIES – attracting, developing and retaining organisational talent to build opportunities for aboriginal employment, training, and development and mentoring.

Tenderers provided information specifying differing levels of actions in relation to indigenous reconciliation action with assessment resulting in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Deloitte	1
DXC	2

ITANZ	3
Mastek	4
Fusion	5

**Sub Criteria d) Access & Inclusion Plan (AIP) (2.5%)**

An assessment was made to determine the ranking based on the responses provided that relate to:

- People with disabilities having the same buildings and facilities access opportunities as other people;
- People with disabilities receiving information in a format that will enable them to access information as readily as other people are able to access it;
- People with disabilities receiving the same level and quality of service from staff as other people receive;
- People with disabilities having the same opportunities as other people to make complaints;
- People with disabilities having the same opportunities as other people to participate in any employment opportunities.

Tenderers provided information specifying considerations for access and inclusion provisions with assessment resulting in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Deloitte	1
DXC	1
ITANZ	1
Mastek	4
Fusion	5

**Overall Sustainable Procurement Ranking Summary**

The overall assessment of the Sustainable Procurement criteria has resulted in the following overall ranking:

<b>Tenderer</b>	<b>Ranking</b>
Deloitte	1
Mastek	2
DXC	3
ITANZ	4
Fusion	5

**Evaluation Criteria 2 - Demonstrated understanding of the Oracle product (30%)**

A managed service provider (MSP) must deeply understand the specific Oracle products they manage. This understanding is crucial for effective problem-solving, performance optimization, security compliance, successful upgrades, and value-added services.

To demonstrate their understanding, MSPs should obtain certifications, document their track record, conduct technical assessments, stay updated on product developments, and collaborate with Oracle.

Assessment of this criteria resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
DXC	1
Deloitte	2
Fusion	2
ITANZ	2
Mastek	2

### **Evaluation Criteria 3 - Availability of appropriately qualified and experienced resources (20%)**

Requirement underscores the significance of securing suitably qualified, skilled, and experienced individuals to facilitate the effective execution of the requirement or task. Assessment of this criteria resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Fusion	1
Deloitte	2
DXC	2
ITANZ	2
Mastek s	2

### **Evaluation Criteria 4 - Availability of current/recent reference sites (20%)**

Reference sites are critical for demonstrating a vendor's capability and experience in delivering successful Oracle managed services. They offer potential clients concrete evidence of the vendor's ability. Assessment of this criteria resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Deloitte	1
DXC	1
Fusion	1
Mastek	1
ITANZ	5

### **Evaluation Criteria 5 Tenderer's Safety Management Systems (10%)**

Evidence of WHS management policies and practices was assessed from the tender submissions. The assessment for safety management was based on the tenderer's responses to a specific questionnaire included within the tender documentation.

Tenderers provided details of their safety management systems with the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Deloitte	1
Mastek	1
ITANZ	3
DXC	4
Fusion	5

### Overall Qualitative Weighted Assessment and Ranking

Tenderer's submissions were reviewed in accordance with the PEP. The overall assessment of qualitative weighted criteria resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Deloitte	1
Mastek	2
DXC	3
ITANZ	4
Fusion	5

### Pricing for the Goods and Services Offered

An assessment was made to determine the ranking based on the schedule of rates provided with the tender documentation.

Based on the information provided, tenderers are ranked as follows:

<b>Tenderer</b>	<b>Ranking</b>
Deloitte	1
DXC	2
Fusion (alternative offer)	3
Fusion	4
ITANZ	5
Mastek	6

### Relative Value for Money Assessment

The combined assessment of pricing and qualitative criteria resulted in the following tenderer ranking:

<b>Tenderer</b>	<b>Ranking</b>
Deloitte	1
DXC	2
Fusion (alternative offer)	3
Fusion	4
ITANZ	5
Mastek	6

### Overall Assessment and Comment

The tender submission from Deloitte satisfied the overall value for money assessment in accordance with the assessment criteria and weightings as detailed in the PEP and is therefore recommended as the successful tenderer.

### Consultation

Prior to the tender process, key stakeholders from Financial Services and Customer & Information Services were consulted to establish the functional and technical specifications necessary to meet operational objectives. Subsequently, these stakeholders participated in the evaluation of tender submissions, providing subject matter expertise to assess responses against the documented requirements.

### 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 2021-2031:

Goal 7: A well-governed and managed City that makes informed decisions, provides strong community leadership and valued customer services

Priority 7.2: Responsibly and ethically managed

### Risk Appetite Statement

In pursuit of strategic objective goal 7, we will accept a Medium level of risk as the City balances the capacity of the community to fund services through robust cost-benefit analysis and pursues evidence-based decision making to be effective stewards of the Council and City for future generations.

### Enterprise Risk Management Considerations

Risk Title	Risk Rating
CO-O02 Technological Advancement	Medium
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage

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

Risk Title	Risk Rating
CO-O17 Financial Management	High
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage

Risk Title	Risk Rating
CO-O25 System Security	Medium
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage

### Financial and Performance Risk

#### Financial Risk

A financial risk assessment was undertaken by Equifax Australasia Credit Ratings Pty Ltd as part of the tender evaluation process and the outcome of this independent assessment advised that Deloitte is assessed with the financial capacity to meet the requirements of the contract.

#### Performance Risk

The recommended tenderer has a proven track record of successful project delivery, implementation and support services with no history of disputes, claims, or defaults.

While new to the City, independent references, including Hume City Council, confirm their ability to meet the City's specific needs.

**Policy Implications**

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

**Financial (Budget) Implications**

The costs associated with the Provision of Oracle Financials Cloud Application Support Services are included in the 24/25 and future CIS Operational Budgets.

**Recommendation:**

**That the CHIEF EXECUTIVE OFFICER, in accordance with Delegation 1.1.13 of the Delegated Authority Register for the awarding of tenders ACCEPTS the tender submitted by Deloitte Consulting Pty Ltd for Tender 24058, for the Provision of Oracle Financials Cloud Application Support Services as per the schedule of rates in the tender submission, subject to appropriate funding availability, for each of the financial years within the initial three (3) year contract term and two (2), twenty four (24) month options to extend.**