

Management report to Council

Agenda item 6.2

Library and Centres Internet and Network support services contract No 100060

Council

Presenter: Graham Porteous, Acting Director City Communities

30 August 2016

Purpose and background

1. The purpose of this report is to seek Council approval to award a contract for the provision of internet services, wireless LAN and network support services to six City of Melbourne library sites and Kensington Town Hall. The contract also provides optional provisions for other sites that could be contracted within the term as they become available, namely: Melbourne City Baths; North Melbourne Recreation Centre; North Melbourne Arts Centre; Melbourne Town Hall (City Lab); City Marina and Fitzroy Gardens Visitor Centre. The contract would be via the Municipal Association of Victoria (MAV) panel arrangement with a specialist supplier from their IT panel for a contract term of three years.
2. The free internet service is accessed by the community over a WIFI network through Council provided public access computers or personal devices such as laptop computers. The service enables access to information and online services to all members of the community who visit these Council buildings. The popularity of the service has increased close to maximum capacity. However, this also hindered the quality of service at most sites due to the capacity of the existing service. Multiple contracts are currently in place at the various Council sites.
3. The current contract for the City of Melbourne Library sites and Kensington Town Hall expires on 30 September 2016 with costs for library services at approximately \$132,000 per annum and the Kensington Town Hall approximately \$12,000 per annum. A review of similar contracts revealed that several other Council sites were also close to contract renewal in relation to their internet services. These sites were also included in the Request for Quotation submitted to suitable IT suppliers under the MAV Panel arrangement as an additional option.

Key issues

4. Two submissions were received and both submissions were compliant. The weightings of the evaluation criteria were declared in the documents, and were Cost (60 per cent), Experience and Capability (20 per cent); and IT Solution & Work Plan (20 per cent). The tender evaluation summary is contained in Attachment 1. The response received by EasyWeb Digital Pty Ltd was of a high quality and met the service requirements.
5. The cost to Council of appointing the recommended supplier for the mandatory seven library sites and Kensington Town Hall is approximately \$130,000 per annum. The cost of the total contract for this component would be \$390,000 for three years. This is within budget.
6. Internet services, wireless LAN and network support services can be provided to the primary library sites with an increased capacity in regard to download size and speed. The proposal of the value added services would significantly increase the bandwidth by approximately eight times at City Library, for instance, whilst also still being on budget.

Recommendation from management

7. That Council:
 - 7.1. awards the contract for the provision of Library and Centres Internet and Network support services to EasyWeb Digital Pty Ltd for a term of three years commencing 01 October 2016 for an approximate annual contract sum for Libraries and Kensington Town Hall of \$130,000 otherwise in accordance with the negotiated terms and conditions of contract
 - 7.2. approves extending the contract to City of Melbourne additional sites as they become available for an optional Annual Contract sum approximated to be a total of \$40,000.

Attachments:

1. Supporting Attachment (page 2 of 3)

Supporting Attachment**Legal**

1. Pursuant to section 186 of the Local Government Act 1989 (Vic), before a Council enters into a contract for the purchase of goods or services to the value of \$150,000 or more (levels increased by Order in Council dated 7 August 2008), the Council must give public notice of the purpose of the contract and invite tenders from persons wishing to undertake the contract.
2. The section does not apply where the contract is entered into in accordance with arrangements approved by the Minister. MAV is a Minister approved arrangement.

Finance

3. Financial viability of the successful tenderer was vetted against their appointment to the MAV Panel for the Provision of ICT Professional Services and Leasing under Contract Number: ES8111
4. The 2016/2017 budgeted amount for the mandatory services available in the Libraries and Recreation branch budget is \$130,000. The proposed contract is for an annual cost of \$130,000 presenting a cost neutral result for Council. The cost to Council of appointing the recommended supplier for identified additional options is approximately \$40,000 per annum or \$120,000 for three years. This would also be within existing budgets.
5. The proposed contract also provides for improved benefits for sites other than for libraries and Kensington Town Hall over and above their existing contract arrangements, dependent on available budget.

Tender evaluation summary

6. The membership of the tender evaluation panel was as follows.

Title and/or company	Generalist or Nominated Speciality	Full / Advisory Member
Category Manager, CoM	Generalist (Chair)	Full
Technology and Innovation, CoM Coordinator	Specialist	Full
Infrastructure Program Manager, TS, CoM	Specialist	Full
Manager Melbourne Library Service, CoM	Generalist	Full

7. The summary of final scoring for the two conforming tenderers is shown below:

Summary of final scoring				
Company	Price (Refer to Note 1)	Financial score (Refer to Note 2)	Non-financial score	Total score
EasyWeb Digital Pty Ltd	\$510,843	60.0	34.0	94.0
Tenderer 2	\$536,495	54.68	22.0	76.68

Note 1: This price applies to the lump sum component of the service for Years 1, 2 and 3 plus an extension of the schedules of rates by estimated quantities.

Note 2: This score includes an assessment of both lump sum pricing and schedules of rates.

Conflict of interest

8. Declare any conflict of interest.

'No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.'

Stakeholder consultation

9. Anecdotal feedback indicates that there is general dissatisfaction with the speed and availability of internet services in Council's public facilities. This contract will improve this service area.

Relation to Council policy

10. Consideration was given to the outcomes and priorities contained within the Council Plan 2013-17, in particular enabling a Knowledge City. The four year priority of "Continue to provide comprehensive high-quality libraries....." supports the recommendations of this report as does the four year outcome of "Infrastructure that supports knowledge and learning". Upgraded internet services will be an improvement to the current infrastructure and result in a better service to users of libraries and other Council sites.

Environmental sustainability

11. Environmental sustainability issues are essentially not relevant to this report as the proposal is recommending a managed services contract as it relates to the provision of public internet. There is no additional equipment required in relation to the proposal.