

**5.3 TENDER FOR ASSET MANAGEMENT INFORMATION SYSTEM**  
(CF2019212: PN)

Responsible Officer: Jarrod Doake, Chief Operating Officer

**RECOMMENDATION\***

*That Council:*

- 1. Awards the tender to Pitney Bowes Australia Pty Ltd for Software as a Service Asset Management Information System Contract No. 2019212 for an estimated contract value of \$1,657,945 (comprising of a tendered fixed lump sum of \$1,313,895 and an estimated \$344,050 for professional services) for the initial five-year term with an estimated total contract value of \$4,983,709 inclusive of all available extension options (assuming 2% CPI for each year of any approved extension period);*
- 2. Authorises the Chief Executive Officer to execute the contract agreement subject to any required negotiations;*
- 3. Notes that the contract will commence on 11 November 2019, with an initial term of five years and the contract has two separate extension options of five years each and authorises the Chief Executive Officer to approve these extension options subject to satisfactory performance;*

*(\*Please note that all dollar figures are GST Inclusive unless stated otherwise)*

**INTRODUCTION**

Council has conducted an EOI for On-premises and Software as a Service (SaaS) Asset Management Information System followed by closed tender for Software as a Service (SaaS) Asset Management Information System.

**BACKGROUND**

Monash Council has been using the Confirm software from Pitney Bowes Australia Pty Ltd since 1998 and given the recent innovation in asset management technology, Council took a decision to run this expression of interest and tender process to ensure it is receiving best value and is best positioned to meet its strategic and operational needs into the future.

**EXPRESSION OF INTEREST NOTIFICATION**

A public notice seeking Expressions of Interest was placed in The Age newspaper on 13<sup>th</sup> July 2019 and the Expression of Interest closed on 2<sup>nd</sup> August 2019.

**EXPRESSION OF INTEREST RECEIVED**

Expression of Interest submissions was received from the following six suppliers by the appointed closing time.

- 1 Pitney Bowes Australia Pty Ltd
- 2 Asset Finda
- 3 SyncIT Development Pty Ltd
- 4 Assetic Australia Pty Ltd
- 5 aaX
- 6 Infosense Pty Ltd

**EXPRESSION OF INTEREST CONFORMANCE SUMMARY**

All submissions were accessed for their compliance with the tender conditions including the contractual terms and conditions and the requirements of the response schedules.

Four submissions were deemed non-conforming and these submissions were not evaluated further.

**EXPRESSION OF INTEREST EVALUATION**

In accordance with the Procurement Policy, the evaluation panel and evaluation criteria weightings were nominated prior to opening the Tender.

All members of the evaluation panel signed Conflict of Interest and Confidentiality forms.

Pass/Fail Assessment Criteria	Score
Requirements Specifications	Pass/Fail
OHS	Pass/Fail

	KEY SELECTION CRITERIA	CRITERIA WEIGHTINGS	SUB WEIGHTINGS	SUB CRITERIA/RETURNABLE SCHEDULES LINK
65% NON-PRICE CRITERIA	Capability	30%	15%	Core AMIS functions
			15%	Efficiencies, Effectiveness
	Usability and Management	20%	10%	Technical, Reporting, Integration
			10%	Platform sustainability & development
	Project Execution	10%	10%	Experience, resources and proposed approach
Sustainability	5%	5%	Environment, local and social sustainability	
PRICE (35%)	Price	35%	35%	Comparison of indicative prices including implementation, support and maintenance

**EXPRESSION OF INTEREST EVALUATION**

The final evaluation ranking (including the price and non-price evaluation criteria) had two vendors ranked highest and as such, the evaluation panel recommended a closed tender for both the vendors.

**CLOSED TENDER NOTIFICATION**

The shortlisted parties were invited to participate in the selective Tender stage on 3<sup>rd</sup> September 2019 with submissions closing on 10<sup>th</sup> September 2019.

**CLOSED TENDER CONFORMANCE SUMMARY**

The submissions were assessed for their compliance with the tender conditions and the requirements of the response schedules.

**CLOSED TENDER EVALUATION**

In accordance with the Procurement Policy, the evaluation panel and evaluation criteria weightings were nominated prior to opening the Tender.

All members of the evaluation panel signed Conflict of Interest and Confidentiality forms and no conflicts were raised.

The shortlisted tenders were assessed in accordance with the following criteria as per the tender documentation.

<b>Pass/Fail Assessment Criteria</b>	<b>Score</b>
Requirements Specifications	<i>Pass/Fail</i>
OHS	<i>Pass/Fail</i>

	KEY SELECTION CRITERIA	CRITERIA WEIGHTINGS	SUB WEIGHTINGS	SUB CRITERIA/RETURNABLE SCHEDULES LINK
40% NON-PRICE CRITERIA	Capability	20%	10%	Core AMIS functions
			10%	Efficiencies, Effectiveness
	Usability and Management	10%	5%	Technical, Reporting, Integration
			5%	Platform sustainability & development
	Project Execution	5%	5%	Experience, resources and proposed approach
	Sustainability	5%	5%	Environment, local and social sustainability
PRICE (60%)	Price	60%	60%	Comparison of indicative prices including implementation, support and maintenance

The final evaluation ranking (including the price and non-price evaluation criteria) had Pitney Bowes Australia Pty Ltd ranked highest and as such, the evaluation panel recommends Pitney Bowes Australia Pty Ltd as representing the best value outcome for Council.

Panel members found the features and functionality along with the professional services offered by Pitney Bowes Australia provides the best value for the council. The Panel also found the current state and future road map of features and functionality offered by Pitney Bowes Australia were the most suited to Monash's current and future needs. By selecting Pitney Bowes Australia the risk on Monash will also be reduced in terms of migrating to a new vendor.

### **SUSTAINABILITY OUTCOMES**

Council actively pursued sustainability outcomes for this tender with the returnable schedules and associated scoring specifically targeting social, local and environmental sustainability benefits to the Monash community.

#### **Environment Sustainability:**

1. Pitney Bowes is the founding member of Green Power market development group, an industry partnership with the EPA to promote the development and purchase of alternative energy.
2. Cross-functional Energy Task Force has raised employee awareness about energy conversation and led to a significant reduction in energy consumption.

3. Since 2007 baseline, Pitney Bowes has saved 34.6 Kilowatt-hours in electricity consumption and reducing carbon footprint by 16,134 metric tons. Initiatives have included more efficient lighting fixtures and computer monitors as well as site consolidations.

**Social Sustainability:**

1. Pitney Bowes recognise the value of having employees with different abilities within our workforce and offer numerous supporting programs. E.g. collaboration with Virginia Department for Aging and Rehabilitative Service to attract and develop new employees.
2. Pitney Bowes also celebrate National Disability employment awareness month with featured stories about individuals with disabilities who are an important part of their team.

**FINANCIAL IMPLICATIONS**

The initial contract term (five years), of this Confirm Contract with Pitney Bowes Australia Pty Ltd is expected to cost Monash \$1,657,945 (fixed lump sum \$1,313,895 together with an estimated \$344,050 for professional services).

The professional services cost estimate is based on historical usage and an estimate of future requirements.

The total cost of the contract over the possible 15-year period (inclusive of all extension options) is estimated to be \$4,983,709 (including GST) with costs beyond year 6 in the contract period adjusted assuming a 2% CPI increase per annum. Contract costs increase for the two separate five-year extension options has been capped to CPI.

Council plans to migrate to a Software as a Service (SaaS) operating model this financial year. By moving to this model, the Vendor hosts the system and Council only pays an annual maintenance and customer support fee rather than supporting and maintaining on-premise services internally. With this option, Monash will no longer have to manage disaster recovery and perform regular updates to the software as and when they are released keeping the on-premise software up to date is expensive and resource-intensive. Pitney Bowes will take on the responsibility to ensure our data is secure and backed up as well as performing updates to the system on a regular basis thus enabling Council to have access to the latest features and functionality.

Migration to SaaS solution will require \$186,000 funding this financial year which will be covered within the existing Business Technology budget allocation.

**CONCLUSION**

That Council approves the recommendations contained within this report.