

### 7.3.3 2020065 PROVISION OF FINANCE AND CONTRACT MANAGEMENT SYSTEM VARIATION

<b>Responsible Manager:</b>	Adil Khan, Chief Information Officer
<b>Responsible Director:</b>	Simone Wickes, Director Corporate Services

#### RECOMMENDATION

##### That Council

- 1. Approves a \$429,183 variation to the contract funds available for the Oracle Cloud Services Agreement that forms part of the established Contract No. 2020065A;**
- 2. Notes that the originally approved \$200,000 Contingency is still available to cater for future requirements, including licences growth.**
- 3. Notes that the variation relates specifically to the Oracle Cloud Services Agreement that was entered into as part of the original award for the provision of a Finance System through aaX as an authorised Oracle Partner.**

#### INTRODUCTION

At the 24 November 2020 Council meeting, Council:

1. Awarded a tender from aaX for provision of a Finance System, Contract No. 2020065A for an estimated sum of \$2,630,826 (comprising an estimated \$1,297,516 implementation cost and a fixed sum of \$1,333,310 for licence fees for the initial five-year term), with an estimated total contract value of \$6,009,355 inclusive of all available extension options with a maximum contract term of 15 years;
2. Awarded a tender from Open Windows for provision of a Contract Management System, Contract No. 2020065B for a fixed sum of \$158,378 for the initial five-year term, with an estimated total contract value of \$457,115 inclusive of all available extension options with a maximum contract term 15 years; and
3. Approved an extra \$200,000 for contingency for the above two contracts.

#### COUNCIL PLAN STRATEGIC OBJECTIVES

##### **Sustainable City**

Ensure an economically, socially, and environmentally sustainable municipality.

##### **Good Governance**

Ensure a financially, socially and environmentally sustainable organisation.

## BACKGROUND

The two Finance and Contract Management system contracts respectively with aaX and Open Windows, were successfully implemented during 2021 using cloud-based technology with integration to other Council systems to improve efficiency and reduce duplication.

Unfortunately, in November 2022, the Adcorp Group (aaX's parent company in South Africa) announced that they undertook an Australian Division review and had determined that aaX was no longer part of their core business. Subsequently, aaX ceased trading and Council could not continue to purchase the Oracle Finance System licences through aaX under contract 2020065A.

## DISCUSSION

The aaX Contract had two distinct stages comprising of (i) implementation services and (ii) provision of Oracle Cloud Finance System licenses.

At the time of the aaX divestment in Australia, the aaX implementation services had been substantially completed and there was very little to no disruption to the implementation program as alternative service arrangements were put in place to complete this stage.

Whilst the licences were tendered and procured through aaX as an authorised Oracle Partner of the Oracle Cloud Finance System, Council was also required to sign a direct *Cloud Services Agreement* with Oracle as part of delivering the new Finance System. As such, Council is in a fortunate position to be able to continue to access the current Oracle Cloud Finance System that was procured through the contract established with aaX.

However, the financial terms of the Oracle *Cloud Services Agreement* differ from the negotiated aaX contract terms and this report seeks to clarify the variation funds required to continue with the contract.

## FINANCIAL IMPLICATIONS

Confidential Attachment 1 summarises the commercial terms available to Council under the original aaX contract and the variation required to continue with the Oracle Cloud Services Agreement.

## POLICY IMPLICATIONS

There are no policy implications to this report.

## CONSULTATION

Community consultation was not required.

## SOCIAL IMPLICATIONS

There are no social implications to this report.

## HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

## GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a 'policy', 'program' or 'service'.

## CONCLUSION

That the recommendations are approved.

## ATTACHMENT LIST

Nil