1.1 TENDER FOR THE SUPPLY, INSTALLATION, AND SUPPORT OF A LEISURE FACILITY MANAGEMENT SYSTEM
(CF2012063; CM:ST)

Responsible Director: Carolyn McClean

RECOMMENDATION

That Council:
1. Accepts the tender of Links Modular Solutions Pty Ltd for the supply, installation, configuration, and ongoing maintenance for one year, of a Leisure Facility Management System for the GST inclusive sum of $170,859.

2. Authorises the Chief Executive Officer, at their discretion, to approve annual maintenance agreements for the subsequent five years to the value of $140,406 and a further $36,777 over five years, for hardware and software related services, all GST inclusive.

3. Authorises the Chief Executive Officer to approve a cost of $23,922 in the first year of the contract for compliance with the Payment Card Industry Data Security Standards

4. Authorises the Chief Executive Officer to execute the contract agreement.

INTRODUCTION

This report seeks Council’s approval to accept a tender for the provision of a Leisure Facility Management System for Council’s three Aquatic and Leisure Centres. This project is identified in Council’s IT strategy.

BACKGROUND

A Leisure Management System is a software package which allows operators to have a fully integrated platform from the front desk through to key back office and administrative functions. The system administers and manages the Centres’ key functions incorporating facility bookings, point of sale, direct debiting, access control, memberships, multi visit passes, learn to swim programs, sales and marketing.

The proposal to implement a new Leisure Facility Management System will support Council in:

a) Providing a more responsive and updated system with additional capabilities;

b) Providing extra security in the management of customer credit card information;

c) Enable the Leisure facilities to provide self service kiosks;

d) Providing a single point of membership category so that a resident can utilise a particular membership to attend any of the three leisure centres;
e) Allow residents to use internet based online booking and payment systems for Learn To Swim, Gym Memberships, Facility Bookings and Fitness Classes;
f) Providing additional communications channels with which to contact residents and members;
g) Providing software support via an Australian based company.

The primary operational beneficiaries of this proposed software will be the three Leisure Centres, namely the Monash Aquatic and Recreation Centre, the Clayton Aquatics and Health Club, and the Oakleigh Recreation Centre.

The scope of works includes the following elements:
• Provision, installation and configuration of Leisure Facility Management software, including Learn to Swim, Gym Memberships, Facility Bookings, and Fitness Classes;
• Migration of the existing information from the old leisure facility management system;
• Training of managers and staff;
• Implementation of various customer self service kiosks;
• Configuration of software for information exchange with Council’s Financial System;
• Provision of hardware for membership identification, access to facilities, and Point of Sale.

LEISURE CENTRE MANAGEMENT SOFTWARE REQUIREMENTS

The software will incorporate the following aspects:
• Memberships to the health and recreation centres, including the gymnasiums;
• Point of Sale for membership payments, casual entries, learn to swim payments, and apparel purchases;
• Facility Bookings, including swimming pool lane bookings, and training and exercise room bookings;
• Classes for group fitness, including the timings, personnel, and a ticketing system;
• Learn to Swim schools, including term bookings, personnel, and student grading;
• Stock control of apparel and merchandise;
• Online memberships signup and payment;
• Online Class and Facility Bookings;
• Electronic Funds Transfer and credit card payments in a secure environment;
• Integration with Council’s Financial System
**PUBLIC NOTIFICATION**

The tender for the facility management system was advertised in ‘The Age’ newspaper on 14 January 2012. The tender was also placed online at www.monash.vic.gov.au between 16 January 2012 and 7 February 2012.

**TENDERS RECEIVED**

- Centaman Pty Ltd
- DebitSuccess Pty Ltd
- Intelligenz Solutions Pty Ltd
- Links Modular Solutions Pty Ltd

Tenders were received from 4 companies for the initial supply of a core system, configured to Council’s minimum needs, basic training, POS hardware, and one year’s software maintenance which represented the supply of a minimum range of products and services that could be assessed on a like for like basis. The final recommended tender prices analysed in Phase 2 reflect allowances for professional services and adequate training of the new software, all hardware and licencing costs.

**TENDER EVALUATION PROCESS**

The evaluation panel consisted of:

- Bruce Mackay Manager Aquatic and Leisure Services;
- Kris Miller Centre Manager, Monash Aquatic and Recreation Centre, and the Clayton Aquatics and Health Club;
- Steven Truman 2IC Information Technology.

The tenders were assessed according to the following process:

**Phase 1:**
- Compliance with Functional Specification (15%);
- Cost, based over a 6 year contract life (60%);
- Experience and Solution Support (5%);
- Implementation Plan (5%);
- Technical Fit of Proposed Solution (5%);

**Phase 2**
- Verification of Functional Specification – software demonstrations and Product Usability (5%);
- References and site visit investigations (5%).

After the completion of the first phase of evaluation, a shortlist of tenderers was developed, which were evaluated in phase two. Full details of the Tender Evaluation are available in the Tender Evaluation Report, circulated separately.
SHORTLISTED COMPANIES

In order to establish the total cost of ownership over a six year period, a comparative financial assessment of the submissions was performed. After this evaluation, two companies were shortlisted for interviews and software demonstrations. These were:

• Centaman Pty Ltd
• Links Modular Solutions Pty Ltd

DISCUSSION

Links Modular Solutions Pty Ltd has been assessed, based upon Council’s criteria, as best meeting Council’s requirements. They submitted a very competitive price compared to other tenderers and have been assessed as best meeting Council’s functional requirements. Their performance and ability has been satisfactorily investigated through other reference sites.

After software demonstrations the system was shown to be highly functional, and modular allowing for future flexibility. From a price perspective, they rated the most cost effective solution based on a cost of ownership over six years. Their experience was deemed to be very high with a large number of implementations and members served by their software throughout Australia. They showed a good understanding of the sector, with training and local support offered in Australia and they offer a payment gateway that complies with Payment Card Industry Data Security Standards (PCI DSS). Compliance with the PCI DSS will provide a more secure environment and decrease risks for Council and customers surrounding the processing, storage or transmission of credit card information. From a technology point of view, they would fit well within Council’s IT environment. Overall Links Modular Software Pty Ltd’s tender was assessed as representing the best value for Council.

FINANCIAL IMPLICATIONS

Having regard to total costs, modelled over a six year period, Links Modular Solutions Pty Ltd represented the most cost effective tender.

The Links contract price of $170,859 (GST inclusive) includes software installation, professional services, attendant hardware, and 1 year of software maintenance. An additional five years of maintenance and support, is estimated at a GST inclusive sum of $140,406 in total.

A further provision of $38,500 (GST inclusive) provides for specific hardware, software and related services. These services could include expanded software functionality, additional reporting requirements, or further specialised training.

The estimated immediate operational implications of becoming PCI DSS compliant are $23,922 in the first year of the contract. This can be absorbed within existing budgets. Over the duration of the contract these costs are
forecasted to escalate up to $54,600 per annum. This forecast is based on some members of the Learn to Swim program choosing to use the direct debit option, and an option for members to use fortnightly instead of monthly account debiting. Council will monitor the take up of direct debit services over the course of the contract to fully assess the financial implications of compliance. Future increased costs will be considered as part of Council’s annual budget discussions over the life of this contract. It is expected this projected expenditure would be reflected in Council’s fee structure to deliver these improvements in a cost neutral manner to the ratepayer.

The analysis confirms that Links Modular Solutions Pty Ltd has an advanced technical solution, a high level of expertise and experience, and a competitive price.

Funds are available for this project from the approved 2011/2012 IT capital budget and the proposal is consistent with the Council’s information technology investment strategy. The project aligns with the Strategic Objective of the Council Plan, namely “Our People and Organisation”.

**CONCLUSION**

It is recommended that Council awards Links Modular Solutions Pty Ltd, the tender for the supply, installation and support of a Leisure Facility Management System with maintenance provided for the first year, and 5 one year maintenance support extensions at the discretion of the Chief Executive Officer.