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**20151209 Item 16.2.1 TELECOMMUNICATIONS CONTRACT TENDER REPORT**

**Objective Reference:** A709229  
Reports and Attachments (Archives)

**Attachment:** [Evaluation Criteria](#)

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General Manager Organisational Services

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**PURPOSE**

This report is for Council to delegate authority to the Chief Executive Officer (CEO) to enter into negotiations with Optus SingTel (Optus) as the preferred supplier for Telecommunications and Networking services to Redland City Council.

**BACKGROUND**

As in most contemporary customer focused businesses, the telecommunication systems are the central point of internal and external communications.

Redland City Council relies heavily on its telecommunication system to keep in touch with our community and stakeholders. As technology matures and business evolves, the need to expand our communications platform to deliver front line service and reduce the overall spend on the telecommunications becomes a major priority for the organisation.

Council uses a wide range of communications systems to engage with their clients while support areas use various forms of fixed line, mobiles and mobile technology to liaise with contractors and internal business stakeholders.

Council needs to ensure technology in place to enhance critical business communications that support disaster management, with performance measures to meet emergency and business continuity plans for council and emergency response agencies

**ISSUES**

Currently, Council has multiple communications providers to provide fixed line, mobile and data services. Historically, Council has engaged Telstra as the primary provider for fixed line and mobile services and Optus to provide Data and Internet. This approach has the following implications:

- **Multiple Vendors** – This requires the Information Management Group to manage two business relationships for telecommunication services that could be consolidated into a single provider delivering economies of scale in to the purchasing power and functionality
- **Unification** – With the maturing of traditional telephony services, Mobility and specialist software, Council is able to utilise new technology to provide significant benefit to our customer service, remote workforce and new

collaborative work environments. This is most beneficial when all components are integrated together and therefore best provided by a single telecommunication platform.

- **High Operational cost** – A review of the current services and costs are at the high end of the market which produces a high operational cost to the organisation. Given the market growth and similarity of services that can now be provided by other telecommunications providers, there is no compelling cost benefit to continue the current arrangement.
- **Customer Service and Support** – A review of service levels has indicated multiple complaints (eg IP Telephony and Contact Centre) with the current incumbent and a more competitive environment to deliver reliable and quality services.

## BENEFITS

Negotiating a primary supplier agreement with Optus provides the following benefits:

- A single supplier of fixed line, mobile and data service with a comprehensive service level agreement.
- Reduction in operating cost to Council's telecommunication services
- Significant increase in telecommunications infrastructure built within the Redland City district providing both reliance and redundant connectivity with the wider south east Queensland.
- Unified approach to the technologies used to ensure all integrated services are consistent, reliable and cost effective
- Access to more telecommunications technologies such as Microsoft's Skype for Business, Satellite Connectivity and a Premium Support Service.

## PROCUREMENT PROCESS

A select tender process was carried out in accordance with the sound contracting principles in s104 *Local Government Act 2009* and the procurement requirements of the *Local Government Regulation 2012* and Council's Procurement Policy.

Three suppliers were selected as accredited by the Queensland Government Information Technology Contract (GITC) and having the experience and capability of consolidating all equipment and services proposed under a State Government Panel arrangement and or Local Government Authority Qld - Local Buy Contract.

The purpose of this process is to evaluate the proposals to renew or enhance our Fixed Line, Mobile and Data services and leverage new Unified Communication technologies such as voice and instant messaging, video conferencing, presence and Communication Enabled Business Processes (CEBP).

The tender evaluation panel consisted of members from the Information Management Group and the Procurement and Contracts Unit.

On 9 September 2015 a Request for Tender was sent directly online to suppliers through Q-Tenders inviting suppliers to submit a tender to perform the service.

On 11 September 2015 Council officers briefed the interested suppliers on the requirements and outcomes.

On 12 October 2015 tenders closed with 3 proposals being lodged.

On 12 November 2015 each supplier made a presentation of the services to select council officers.

On 30 November 2015 the evaluation panel assessed the proposal and subject to negotiation of the contractual detail considered Optus to be the preferred proposal as per the attached confidential tender evaluation matrix.

#### Key Performance Indicators and Enhancements:

The selected provider will provide the following enhancements:

- Significant gains will be made with the selected vendor utilising unlimited services offerings. This will allow council employee's to use their land line and mobiles as often as required without impacting the monthly cost to the organisation.
- Optus will provide full redundancy of Internet and connectivity to the greater Brisbane area. This will ensure council can continue to operate if primary services are disrupted.
- The centralisation of Data Services will allow more council branches and facilities to connect to head off at high speed. Other strategic sites such as Indigiscapes and RPAC will also enjoy high speed connectivity to leverage multimedia and collaborative technologies.

Key performance Indicators and support will be negotiated with a comprehensive service level agreement with the selected Vendor

## **STRATEGIC IMPLICATIONS**

### **Legislative Requirements**

A select tender process was carried out in accordance with the sound contracting principles in s104 *Local Government Act 2009* and the procurement requirements of s235(f) *Local Government Regulation 2012* and Council's Procurement Policy.

### **Risk Management**

The procurement risks is managed by conducting the process in accordance with the legislative requirements of the LGA2009 and LGR2012 and adherence to all Council policies, guidelines and procedures relating to the procurement process and probity principles.

### **Financial**

The service cost is within the approved budget, with potential for negotiated savings.

### **People**

Suitably qualified and experienced staff is available to support the implementation of the service.

## Environmental

There are no identified environmental impacts in conducting the tender or service. However it is noted that Optus produces an annual Sustainability Report.

## Social

The service is pivotal to interconnecting council operations and community customers and stakeholders.

## Alignment with Council's Policy and Plans

The proposed contract aligns to Council's Corporate Plan 2015 - 2020 as follows:

6.1 Council supports infrastructure that encourages business and tourism growth.

## CONSULTATION

Consultation has occurred with key operational areas.

## OPTIONS

The tender proposals have been assessed against the *Local Government Act 2009*, Local Government Regulation 2012 and relevant Policies and principles and it is recommended the delegation be provided to complete the process.

Council's options are:

1. That Council resolves as follows:
  1. To delegate authority to the Chief Executive Office, under s.257(1)(b) of the *Local Government Act 2009* to negotiate, make, vary, discharge and sign all associated documentation with regard to the supply of Telecommunications and Networking services to Redland City Council; and
  2. That the attachment to this report remains confidential as commercial in confidence.
2. That Council resolves to defer the decision subject to further information and documents.
3. That Council resolves to delegate the decision to negotiate and contract.

## OFFICER'S RECOMMENDATION

That Council resolves as follows:

1. To delegate authority to the Chief Executive Officer (under s.257(1)(b) of the *Local Government Act 2009*) to negotiate, make, vary, discharge and sign all associated documentation with regard to the supply of Telecommunications and Networking services to Redland City Council; and
2. That the attachment to this report remains confidential as commercial in Confidence.