

**5.6 CONTRACT VARIATION REPORT - CONTRACT NO. 2020023 PROCUREMENT AUSTRALIA - INFORMATION TECHNOLOGY PRODUCTS AND SERVICES**

Responsible Senior Officer: Jarrod Doake, Chief Operating Officer

**RECOMMENDATION**

*That Council:*

- 1. Notes that on 27 August 2019, it adopted the recommendation to appoint a panel of Suppliers utilising the Procurement Australia (PA) contract No. 2106/0712 for the provision of Information Technology (IT) Products & Services in line with PA expiry of 30/06/2022 for an estimated total expenditure of \$3,500,000 GST inclusive over the life of the contract (including available extensions).*
- 2. Notes that an additional estimated expenditure of \$1,665,000 is now required over the remaining life of this contract.*
- 3. Notes and approves that the revised estimated total expenditure under this contract has increased from \$3,500,000 to \$5,165,000.*

*(\*all dollar figures are GST Inclusive unless stated otherwise).*

**INTRODUCTION**

This contract for Information Technology products and services ensures the ongoing and continued provision of IT Products and Services across nine categories as required by Council.

**BACKGROUND/ DISCUSSION**

This report seeks the approval of an additional \$1,665,000 contract value for the period 1 October 2021 to 30 June 2022.

At the start of the COVID 19 pandemic and with extended lockdown periods (where staff are primarily working from home) Council shifted the focus from the provision of desktop hardware to laptops which are significantly more expensive. The additional expenditure was incurred against the contract to support Council's workforce working from home and other locations. This included the provision of laptops, monitors, webcams and headsets to a significant proportion of remote staff. Additional networking hardware and software was also required to provide support for this significantly expanded remote workforce.

As indicated in the table below, this additional expenditure was incurred primarily in the 2019/20 financial year. The additional contract value requested in this report supports the ongoing provision of this hardware,

software and professional services. This will enable Council to continue to support staff with cost effective equipment. Allowing the delivery of services to our customers, while staff are having to work from home due to restrictions.

Council utilises this panel arrangement, as do a number of other Local Government organisations, knowing that it is cost effective.

The alternative is to source a quotation on each need when and as required. However as an individual Council this is not as cost effective as the pricing for the collective thru the panel arrangement.

### **FINANCIAL IMPLICATIONS**

The provision of IT products and services will continue to be managed within the approved Business Technology operational and capital budgets.

It is estimated that Council will spend \$5,165,000 incl. GST inclusive over the life of this contract. This estimate includes previous expenditure of \$3,500,000 on this contract and the additional \$1,665,000 required over the remaining contract term.

The previous and estimated spend is summarised in the tables below.

<b>Category</b>	<b>FY 19-20</b>	<b>FY20-21</b>
Hardware	\$ 1,718,932.40	\$ 648,312.33
Peripheral Devices	\$ 72,208.20	\$ 92,409.04
Software	\$ 211,867.00	\$ 172,480.98
Professional Services	\$ 291,800.49	\$ 63,532.53
IP Phones	\$ 20,191.92	\$ 8,492.20
Telecommunication Hardware	\$ -	\$ 3,977.55
DRaaS	\$ 189,885.40	\$ 30,795.37
<b>Total</b>	<b>\$ 2,315,000.00</b>	<b>\$ 1,020,000.00</b>

<b>Financial Year</b>	<b>Expenditure</b>
2019/20 (Actual)	\$2,315,000
2020/21 (Actual)	\$1,020,000
2021/22 (Estimate)	\$1,830,000
<b>Total</b>	<b>\$5,165,000</b>

Future spend will be determined by the available operating and capital budgets and quotations will be sought from the panel in adherence with Council's Procurement Policy.

### **CONCLUSION**

That the recommendations of this report be adopted.