

5.4 TENDER FOR WIDE AREA NETWORK REFRESH

(CF2019045: AJ)

Responsible Officer: Jarrod Doake, Chief Operating Officer

RECOMMENDATION*That Council:*

- 1. Awards the tender from NextGen Group for Wide Area Network Refresh, Contract No. 2019045 for Category A – Wide Area Network for a schedule of rates based contract with an estimated annual contract value of \$328,548 and an estimated contract value of \$2,299,836 inclusive of all available extension options; And for Category B – Internet Services for a schedule of rates based contract with an estimated annual contract value of \$92,492 and an estimated contract value of \$369,970 inclusive of all available extension options; and an estimated total (including both categories) contract value of \$2,669,806 inclusive of all available extension options;*
- 2. Authorises the Chief Executive Officer or her delegate to execute the contract agreement; and*
- 3. Notes that the contract will commence from 2nd May 2019, with an initial term of 5 years and 2 extension options of 1 year each for Category A – Wide Area Network and an initial term of 2 years and 2 extension options of 1 year each for Category B – Internet Services; and authorises the Chief Executive Officer to approve extension options subject to satisfactory performance.*

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

Council has tendered for Wide Area Network Refresh.

BACKGROUND

As demand for connectivity and bandwidth continues to grow rapidly, the City of Monash is looking to replace the existing Wide Area Network (WAN) and Internet services to a solution that can manage increased demand and is more adaptable to its changing needs.

City of Monash current Wide Area Network and Internet services are provided by TPG Telecom. The current solution is unable to provide the required bandwidth and speed to support new initiatives like Smart Cities and IP Telephony.

The goal is to provide Optic Fibre links for the delivery of Wide Area Network (WAN) to all major Council sites. Optic Fibre links will provide greater bandwidth and faster speeds over longer distances, better reliability as the fibre are immune to temperature changes, moisture or electromagnetic interference that can interrupt data transmission, and more flexibility for the future as bandwidth/speed requirement increases.

The City of Monash operates out of ten major locations.

NOTIFICATION

Two Tenderers were selected from the Municipal Association of Victoria contract TC4322-2013 – Telecommunications (Data) as allowed under the Local Government Act, Section 186, Part 5, in accordance with arrangements approved by the Minister for Local Government.

These two tenderers were selected because they are the only panel members able to provide Optic Fibre connectivity. The Tenderers were invited via Councils eTendering portal on 22 February 2019 with a closing date of 2 pm on 8th March 2019.

TENDERS RECEIVED

Tender submissions were received from the following two suppliers by the appointed closing time.

No.	Tenderer
1	NextGen Group
2	TPG Telecom

TENDER EVALUATION

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

Evaluation Criteria:

The remaining conforming tenders were assessed in accordance with the evaluation criteria published in the tender documentation: *(Note: Financial Viability may be treated as either a weighted percentage or pass/fail)*

Key	Key Evaluation Criteria	Weighting (%)
<i>Non-Price (40%)</i>	<i>Experience</i>	<i>15%</i>
	<i>Suitability</i>	<i>10%</i>
	<i>References</i>	<i>10%</i>
	<i>Timeframes</i>	<i>5%</i>
<i>Price (60%)</i>	<i>Price</i>	<i>60%</i>
	Total	100%
<i>Mandatory Items</i>	<ul style="list-style-type: none"> Completed and signed Quotation Response Schedule Insurance Certificates of Currency (as outlined in the Respondent Declaration) Australian Business Number (ABN) Certification 	<i>Pass</i>

	<ul style="list-style-type: none"> • Australian Company Number (ACN) Certification • Quotation Sum criteria outlined above 	
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DISCUSSION

The following information supports the evaluation panel's recommendations.

This tender includes two services, Category A – Wide Area network (Optical Fibre) and Category B – Internet Services.

These categories have different extension options to allow Council to benefit from rapid technology and requirement changes, including cost benefits, associated with Internet services.

Category A – Wide Area Network – 5 years + two 12 month extension options

Category B – Internet Services – 2 years + two 12 month extension options

NextGen Group specialises in the provision of fibre networks with innovative technology and operates an onshore Network Operation Centre to support customer across Australia.

1. Experience
 - a. NextGen Group has extensive experience providing WAN (Optic Fibre) and Internet services to government organisations, including the City of Melbourne and Victoria Police.
2. Suitability
 - a. The solution submitted by NextGen Group fully complies with required specifications
3. References
 - a. All contacted referees have provided positive feedback.
4. Timeframes
 - a. NextGen Group is able to deliver the proposed solution within the required timeframe.
5. Price
 - a. NextGen Group submitted the most competitive solution, with estimated savings of more than 20% of the current operational budget.

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

FINANCIAL IMPLICATIONS

The annual operational budget to provide Wide Area Network and Internet services is \$530,000. The estimated operational budget over the duration of the contract is \$3,710,000.

NextGen Group proposed solution annual cost is estimated at \$ 421,040 inc. GST. The estimated contract cost inclusive of all available extensions is \$2,669,806. The estimated savings over the contract term is \$1,040,194.

CONCLUSION

That Council approves the recommendations contained within this report.