

## REPORTS OF OFFICERS (CONFIDENTIAL)

**Report Title:** Provision of Information Technology Services to Council  
**Item No:** 8.2  
**Date of Meeting:** 15 June 2021  
**Author:** Craig Mudge, Manager Corporate Services  
**Attachments:** Nil

### Confidentiality Clauses:

That:

1. Pursuant to Section 90(2) and 90(3)(b) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business, or to prejudice the commercial position of Council, and would, on balance, be contrary to the public interest.
2. In weighing up the factors related to disclosure:
  - disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations; and
  - non-disclosure of this item at this time will enable the Council to make an informed decision regarding its options for the sale for non-payment of rates.
3. Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public be excluded, with the exception of Sam Johnson, Chief Executive Officer, Jacqui Kelleher, Manager Administrative Services, Craig Mudge, Manager Corporate Services, Brenton Daw, Manager Infrastructure and Regulatory Services, and Ebony Rodda, Manager Community and Economic Development.

*(for resolution after consideration of the matter)*

4. Having considered Agenda Item 8.2 Provision of Information Technology Services to Council in confidence under Section 90(2) and 90(3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Local Government Act 1999 orders that the report, discussion and minutes be retained in confidence until the conclusion of signed agreement, reviewed at least every 12 months by Council.

### 1. EXECUTIVE SUMMARY

Council has for a considerable period of time engaged the services of Pit Stop Technologies Pty Ltd ("Pit Stop") for the purposes of managing its Information Technology (IT) requirements.

The new agreement with Pit Stop is for \$3,750 per month (not including GST) but is an 'all inclusive' cost. This agreement also covers the monitoring of 60+ computers that Council has (approx. \$55 per computer per month to monitor).

There will be certain items that are not covered under the agreement, but as a general rule these would be items such as project work or those 'outside the ordinary'. These items would be required on an occasional basis.

The previous agreement with Pit Stop ended in February 2021, and since that time Pit Stop have continued to provide their services to Council in line with that agreement.

The new agreement for Council consideration will take effect on 1 July 2021 and conclude on 30 June 2024. There is no price increase for the term of the agreement.

## **2. RECOMMENDATION**

That Council:

1. receives and notes the report;
2. approves dispensation pursuant to section five (5) of Council's Procurement Policy on the basis that there are limited suppliers with the capability, experience and suitability to meet Council's needs, and the value in a procurement process will not necessarily be achieved by the prescribed market approach of the policy; and
3. authorises the Chief Executive Officer to directly negotiate with Council's current provider, Pit Stop Technologies Pty Ltd, from the period of 1 July 2021 to 30 June 2024.

## **3. RELEVANT CORE STRATEGIES/POLICIES**

*Council's Procurement Policy*

*DCMR Community Plan 2021 to 2031*

6.4 – Provide Financial Sustainability

## **4. BACKGROUND**

Council has, for a number of years, engaged the services of Pit Stop Technologies Pty Ltd ("Pit Stop") for the purposes of managing its Information Technology (IT) requirements.

In the 2020/2021 financial year Council, through the services of LGA Procurement, engaged an external third party to conduct an Information and Communications Technology (ICT) Review of Council, and at the same time obtained prices for the provision of IT services to compare with the current arrangement.

The previous agreement with Pit Stop ended in February 2021, and since that time Pit Stop have continued to provide their services to Council in line with that agreement.

The new agreement for Council consideration will take effect on 1 July 2021 and conclude on 30 June 2024.

## **5. DISCUSSION**

Council has, for a number of years, engaged the services of Pit Stop Technologies Pty Ltd (“Pit Stop”) for the purposes of managing its Information Technology (IT) requirements.

In the 2020/2021 financial year Council, through the services of LGA Procurement, engaged an external third party to conduct an Information and Communications Technology (ICT) Review of Council (“the review”), and at the same time obtained prices for the provision of IT services to compare with the current arrangement.

The respondents who provided prices for the monitoring of IT equipment ranged from \$1,300 per month (both not including GST) to \$3,743 per month. This price was calculated on the monitoring of approx. 38 computers.

Following the completion of the review, a report was received and follow-up meeting conducted where the review was discussed in further detail, where it was pleasingly reported that whilst there was room for improvement in certain areas, the current IT systems in place are more than adequate for a Council of our size and requirements. Following this, discussions were held with Pit Stop regarding the review and discussing the recommendations that were contained within. Pit Stop already had several items identified, and discussions continue to be ongoing with regard to other requirements Council has.

The current agreement with Pit Stop is for \$1,182 per month (not including GST) for the monitoring of IT equipment plus on average another \$2,000 per month (not including GST) for other services not covered under the agreement (generally help desk requirements). This agreement was also under the provision of monitoring approx. 38 computers (approx. \$84 per computer per month to monitor).

The new agreement with Pit Stop is for \$3,750 per month (not including GST) but is an ‘all inclusive’ cost which includes some training and also the provision of help desk requirements. This agreement also covers the monitoring of 60+ computers that Council now has (approx. \$55 per computer per month to monitor).

There will be certain items that are not covered under the agreement, but as a general rule these would be items such as project work or those ‘outside the ordinary’. These items would be required on an occasional basis and would be considered as part of budgetary items for that specific project.

As part of the new agreement, Pit Stop will provide informal training sessions to staff and potentially Elected Members on a variety of IT matters. These services have generally not been provided to Council before.

The other benefit to Council is that Pit Stop are based closer (Kadina) than the other respondents to the ICT review who are all Adelaide based, and they also provide IT services to Northern Areas Council and Clare & Gilbert Valleys Council, and do some minor works for other Councils in the region. Their understanding of our Council, and others in the region, is extremely beneficial to us, and their response times to queries are generally swift.

The previous agreement with Pit Stop ended in February 2021, and since that time Pit Stop have continued to provide their services to Council in line with that agreement.

The new agreement for Council consideration will take effect on 1 July 2021 and conclude on 30 June 2024. There is no price increase for the term of the agreement.

## **6. ANALYSIS OF OPTIONS**

### **Option 1:**

That Council:

1. receives and notes the report;
2. approves dispensation pursuant to section five (5) of Council's Procurement Policy on the basis that there are limited suppliers with the capability, experience and suitability to meet Council's needs, and the value in a procurement process will not necessarily be achieved by the prescribed market approach of the policy; and
3. authorises the Chief Executive Officer to directly negotiate with Council's current provider, Pit Stop Technologies Pty Ltd, from the period of 1 July 2021 to 30 June 2024.

This option will allow Council to receive the report and enter into an agreement with Pit Stop Technologies for a period of three (3) years. This option would ensure that the present provision of services not only remain, but will be enhanced under the new agreement.

### **Option 2:**

That Council:

1. receives and notes the report;
2. does not approve dispensation pursuant to section five (5) of Council's Procurement Policy; and
3. requires the Chief Executive Officer to go to formal Tender for the provision of Information Technology services to Council.

This option will allow Council to receive the report but not enter into any agreement until a formal Tender process has been undertaken. Whilst this option would correctly follow the Procurement Policy it does not necessarily mean that the best value for money would be achieved in this circumstance.

### **Option 3:**

That Council receives and notes the report.

This option would enable Council to consider the report, but not enter into any agreement with Council's current provider at this point in time.

## **7. RECOMMENDED OPTION**

Option 1 is the recommended option.

**8. POLICY IMPLICATIONS**

**8.1 Financial/Budget**

The provision of Information Technology services to Council has been factored into the 2021/2022 financial year budget.

**8.2 Legislative/Risk Management**

In line with Council’s Procurement Policy, section five (5) provides circumstances for Council to provide dispensation from the policy.

**8.3 Staffing/Work Plans**

Nil.

**8.4 Environmental/Social/Economic**

Nil

**8.5 Stakeholder Engagement**

Nil

**9. REPORT CONSULTATION**

Discussions were held with the Chief Executive Officer regarding this item.

**10. REPORT AUTHORISERS**

Sam Johnson	Chief Executive Officer
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