

18 CONFIDENTIAL ITEMS**18.2 PAYROLL SOLUTION TENDER - AWARDING OF CONTRACT**

177

RECOMMENDATION

That:

1. Pursuant to Section 90(2) & (3) of the Local Government Act 1999 the Council orders that the public, with the exception of the Chief Executive Officer, Manager Corporate Services, Manager Infrastructure Services, Manager Property and Development Services, Manager Major Project Delivery, Coordinator Executive Services and Coordinator Organisational Development be excluded from attendance at the meeting held on Wednesday 21 July 2021 for Agenda Item 18.2 Payroll Solution Tender - Awarding of Contract;
2. The Council is satisfied that pursuant to section 90 (3) (k) of the Local Government Act 1999, the information to be received, discussed or considered in relation to the Agenda Item 18.2 Payroll Solution Tender - Awarding of Contract is:
tenders for the supply of goods, the provision of services or the carrying out of works.
3. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to discuss this Agenda Item 18.2 in confidence.

**MOVED COUNCILLOR REBECCA BOSELEY
SECONDED COUNCILLOR PAUL IRELAND**

That:

1. Pursuant to Section 90(2) & (3) of the Local Government Act 1999 the Council orders that the public, with the exception of the Chief Executive Officer, Manager Infrastructure Services, Manager Property and Development Services, Manager Major Project Delivery, Coordinator Executive Services and Coordinator Organisational Development be excluded from attendance at the meeting held on Wednesday 21 July 2021 for Agenda Item 18.2 Payroll Solution Tender - Awarding of Contract;
2. The Council is satisfied that pursuant to section 90 (3) (k) of the Local Government Act 1999, the information to be received, discussed or considered in relation to the Agenda Item 18.2 Payroll Solution Tender - Awarding of Contract is:
tenders for the supply of goods, the provision of services or the carrying out of works.
3. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to discuss this Agenda Item 18.2 in confidence.

CARRIED.

18.2 PAYROLL SOLUTION TENDER - AWARDING OF CONTRACT

Responsible officer: Katrina Bell, Coordinator Organisational Development

- Attachments:**
1. Payroll System - Cost Comparison
 2. Payroll System - Bid Comparison Summary

Section under the Act	The grounds on which part of the Council or Committee may be closed to the public are listed in Section 90(2) & (3) of the <i>Local Government Act 1999</i> .
Sub-clause and Reason:	(k) - tenders for the supply of goods, the provision of services or the carrying out of works.

Executive Summary

Council allocated funding in its 2021/22 annual budget to transition the payroll system to a cloud-based Software as a Service (SaaS) system. The purpose of this report is to enable Council to select a software provider to deliver the new payroll system.

Council sought tenders from four companies and all four submitted quotes. The submissions were evaluated against predetermined assessment criteria. The preferred supplier is IT Vision with Altus Payroll for a tender price of \$53,788 (ex GST).

RECOMMENDATION

That Council purchases IT Vision’s Altus Payroll, as the new payroll software system, for the contract price of \$53,788 (excluding GST).

**MOVED COUNCILLOR PAUL IRELAND
 SECONDED COUNCILLOR REBECCA BOSELEY**

That Council purchases IT Vision’s Altus Payroll, as the new payroll software system, for the contract price of \$53,788 (excluding GST)

CARRIED.

Background

Council’s has a long standing relationship with IT Vision as Council’s sole payroll and financial management software provider and is currently using their product Synergysoft. The payroll system Council currently uses is a very manual and paper-based system and is heavily reliant on one employee for payroll processing. For improved efficiencies and reduction in paper usage, more and more Councils are transitioning to a cloud-based SaaS system. These systems reduce the double handling and inputting of payroll data (eg. timesheet, leave, overtime and plant usage).

Context

Council staff went through a selective tender process and sought proposals from IT Vision, Magiq Software, Aurion and CouncilFirst. All software providers have a reputable history of providing services to local government authorities nationally. The proposals were assessed by a tender panel made up of the Coordinator Organisational Development, Manager Corporate Services and Corporate Services Officer (Finance). A bid comparison summary and evaluation of the proposals have been provided in the attachments.

Policy and statutory implications

Council has a Procurement Policy and the tender process has been undertaken in accordance with the policy.

All Council purchases must be carried out in compliance with the Local Government Act 1999 (the Act). Section 49 (a1) of the Act requires Council to develop and maintain procurement policies, practices and procedures directed towards:

- Obtaining value in the expenditure of public money, and
- Providing for ethical and fair treatment of participants, and
- Ensuring probity, accountability and transparency in the procurement process.

Council is not obliged to accept the lowest tender or any tender.

Issues

The tender assessment panel was unanimous in its preference of selecting IT Vision as Council's payroll software provider and implementing their new Altus Payroll product. While all systems can meet the needs of Council, this comes at varying costs. There are additional complexities that arise by using a new provider including the cost to integrate Synergy with a third-party product. The cost to do this is unknown at this point, as it is subject to the software specifications and has currently not been included in the budget figure. Software support can also become more challenging as a result of having multiple products to integrate and trying to determine the source of software errors that arise.

Altus Payroll is part of a suite of products that IT Vision are developing with Altus Financials scheduled for release in mid-2022. Council could potentially transition more areas of its financial management system in future years.

Alternate options

This project is identified in Council's capital works program for this financial year. This project will require a considerable amount of time to implement, therefore delaying the project could limit the ability to complete the transition to the new SaaS system within the financial year.

Council could choose an alternative provider for its payroll software services. This would then necessitate consideration of changing the entire software suite in the future to achieve consistency in software across the organisation.

Financial implications

The budget allocation for this project is \$53,788. If Council were to choose an alternative software provider, this could exceed the budget allocation figure.

Work Health and Safety and Risk implications

There are no work, health and safety implications associated with this matter. The new system will strengthen Council's internal financial control by increasing the efficiencies in reporting, manager approvals and accuracy in data collection with an updated system.

Consultation

This item was included in the draft 2021/22 Annual Business Plan and Budget, which was released for public consultation following the May 2021 meeting and adopted in June 2021. Members of Council's Executive Team have been included in software presentations.

CONFIDENTIAL

BID COMPARISON SUMMARY

Payroll System Tender										
BID COMPARISON SUMMARY										
Vendors Name	IT Vision (Altus Payroll)		Magiq Software		Aurion		CouncilFirst		Weighted Score	Total Score
	Point Score (out of 5)	Weighted Score	Point Score (out of 5)	Weighted Score	Point Score (out of 5)	Weighted Score	Point Score (out of 5)	Weighted Score		
Tendered Price		\$53,788.00		\$49,180.00		\$74,232.00		\$69,112.00		
Price	25	4.6	22.9	5.0	25.0	3.3	16.6	3.6	17.8	
Software Capabilities	25	5.0	25.0	2.0	10.0	5.0	25.0	5.0	25.0	
Ready to Intergrate with Synergy	20	5.0	20.0	3.0	12.0	3.0	12.0	3.0	12.0	
Customer Service	20	4.0	16.0	3.0	12.0	3.0	12.0	2.0	8.0	
Quality of Proposal	10	5.0	10.0	3.0	6.0	3.0	6.0	2.0	4.0	
TOTAL (out of 100%)	100		93.9		65.0		71.6		66.8	

Recommendation:

Median Price = \$61,450.00

Council has allocated \$53,788 (excluding GST) in it's 21/22 Annual Business Plan & Budget

4 companies approached to supply a proposal for Southern Mallee's new payroll system were IT Vision, Magiq Software, Aurion & Council First

All 4 companies submitted proposals.

Katrina Bell, Tony Secomb & Janelle Hyde undertook an evaluation of the proposals received

Recommendation: Council award the contract to IT Vision for their Altus Payroll System

Evaluator's Name: Katrina Bell

Date: 7-Jul-21

Approved by Manager:

Date:

Supplier / Contractor / Consultant Rating:
5 = Excellent
4 = Very good
3 = Good, better than average
2 = Acceptable
1 = Marginally adequate - success likely but not assured

Southern Mallee District Council Confidential

18 CONFIDENTIAL ITEMS**18.2 PAYROLL SOLUTION TENDER - AWARDING OF CONTRACT****RECOMMENDATION**

That having considered agenda Item 18.2 in confidence under section 90 (2) and (3) (k) of the Local Government Act 1999, the Council pursuant to section 91 (7) of the Act orders that the documents considered by the Council, including the officer's report and all minutes be retained in confidence. This order is to be reviewed at or before the ordinary Council meeting to be held in January 2022, as to if this order is to continue in operation.

MOVED COUNCILLOR REBECCA BOSELEY**SECONDED COUNCILLOR NEVILLE PFEIFFER**

That having considered agenda Item 18.2 in confidence under section 90 (2) and (3) (k) of the Local Government Act 1999, the Council pursuant to section 91 (7) of the Act orders that the documents considered by the Council, including the officer's report and all minutes be retained in confidence. This order is to be reviewed at or before the ordinary Council meeting to be held in January 2022, as to if this order is to continue in operation.

CARRIED.