CAMPBELLTOWN CITY COUNCIL

Confidential Item

For Council meeting to be held on

Tuesday 17 December 2024 at 7:00 pm

Refer Item 11.15

Confidential Item

11.15 ICT Digital Strategy

Manager Information & Communication Technology, Tarun Sidhwani's Report

Purpose of Report

To consider commencing the implementation of the TechnologyOne, OneCouncil solution including the funding required.

Strategic Plan Link

Focus Area 4.3.2 Deliver stable, secure and innovative ICT systems and services

Previous Council/Committee Resolution

Nil.

Background

At the 15 October 2024 Council meeting, Elected Members were presented with the ICT Digital Strategy to enable some urgent items to be addressed immediately. This included moving the remaining TechnologyOne Modules to a supported platform (CiAnywhere) which predominantly is the Property and Rating module. The report also included a comment on bundle pricing as the fees for Property & Rating were negotiated based on a bundle offer acceptance from TechnologyOne (ie OneCouncil Solution).

There were a range of key initiatives outlined in the strategy that have a starting point of an Enterprise Resource Planning (ERP) model utilising TechnologyOne systems, however these were yet to be fully assessed. In the last few weeks, Staff have been involved in various demonstrations and workshops organised by TechnologyOne to get a deeper understanding of the products and their features. Meetings were also held with other Councils who have implemented TechnologyOne solutions to get their feedback on performance and efficiencies.

TechnologyOne have recently submitted a few cost options for Council to consider which include adopting the OneCouncil solution. Staff have been working closely with TechnologyOne to review the options and have leverage our relationship with TechnologyOne to deliver the Digital Strategy whilst ensuring that we don't unnecessarily commit ourselves to modules that the subject matter experts have not fully assessed before determining whether they would be beneficial for Council.

The prices quoted in this report are based on today's dollars and would be subject to indexation in future years. The LTFP projections include indexation based on December CPI for the relevant financial year.

Discussion

OneCouncil Solution:

OneCouncil underpins the strategic and day-to-day operational requirements of Local Government with a single, integrated solution to simplify IT systems and transform digital experience and better connect with the Community. OneCouncil combines all the tools needed to run operations smoothly and efficiently in one software solution, covering finance, property, compliance, enterprise assets, human resources payroll and document management functions.

The OneCouncil Solution delivers the following functions:

- Corporate Strategy & Planning : To align corporate and operational goals and integrate strategic plans into day-to-day Council operations.
- Financial Management : To capture all financial information in a single place, providing powerful dynamic reporting and enquiries for real-time decision making.
- Property & Revenue Management : To manage supply of goods and services to ensure capital work programs and asset maintenance are supported across Council.
- Human Resources Management : To manage the entire employee lifecycle from recruitment through development and OHS, to payroll and transition.
- Capital Planning & Delivery: To manage projects from conception and submission through to approval, prioritisation, optimisation and funding and works delivery.
- Asset & Work Management: To enhance operations through scheduled rather than reactive maintenance and ensure assets are safe, reliable and available.
- Customer Relationship Management: To keep customers satisfied by improving responsiveness and service delivery.
- Policy & Compliance Management: To comply with regulatory and sustainability requirements.
- Documents & Record Management : To store, use and manage enterprise information from a central location.

TechnologyOne have presented three cost models to consider:

1. Phased implementation of full OneCouncil
2. Phased implementation of full OneCouncil with future acquisitions of Digital Experience and/or Enterprise Asset Management to be determined within the next 9 months.
3. Implementation of Property & Rating only

Options	Discount	Additional Recurring costs (over 10 years)	Additional Consulting Costs (once off) Charged over 3 financial years commencing 2025/2026
1) OneCouncil Phased Solution	18.8%	$9,552,692	$352,130
2a) All but DXP & EAM	13.8%	$5,498,570	$352,130
2b) All including DXP &/or EAM during 9 months price freeze	13.8%	$10,819,485	$352,130
3) P&R Only	0.0%	$5,549,817	$235,000 (already approved)

Proposed Roadmap:

Phase 1: Finance
Phase 1: Human Resources and Payroll
Phase 1: Corporate Performance Management
Phase 1: Supply Chain Management
Phase 1: Contracts
Phase 2: Enterprise Content Management
Phase 3: Enterprise Cash Receipting and Spatial
Phase 3: Performance Planning
Phase 3: Final Property and Rating Buildout.

While previous versions of the Phase 1 products are currently being used by Council, they would require a reimplementation to align with OneCouncil Chart of Accounts and access the superior functionality.

The OneCouncil solution is designed as a package solution which comes with a 50% discount.

Option 1: Complete OneCouncil Phased Solution

This option includes implementation of the complete OneCouncil suite of products. Refer to the diagram below to better understand the current and proposed future state.



TechnologyOne is offering an extra 18.8% discount on the full OneCouncil phased implementation through a variation to the existing contract, provided it is signed by 20 December 2024.

If Option 1 is chosen, the total additional recurring costs for a complete OneCouncil solution over 10 years would amount to $9,552,692.

Option 2a: OneCouncil excluding Digital Experience and Enterprise Asset Management

TechnologyOne is offering a 13.8% discount on the full OneCouncil phased implementation, excluding the Digital Experience and Asset Management modules. They have also agreed to a 9-month price freeze on these two modules, allowing Staff extra time to conduct a market analysis to make an informed decision on whether to proceed with these modules or not. To secure this offer, the contract variation must be signed by 20 December 2024. This is a great benefit to Council as it locks in the discounted price if Council opts to include Digital Experience and Asset Management during the 9-month freeze. If Council decided later that they needed to implement these modules, the pricing would increase and the bundled discount will no longer apply to these two modules. However, Staff may also decide to use other 'best of bread' products rather than these two modules.

If Option 2a is selected, the additional recurring costs over 10 years for a complete OneCouncil solution, excluding Digital Experience and Enterprise Asset Management, will amount to $5,489,570.

Option 2b: Complete OneCouncil Phased solution including Digital Experience and Enterprise Asset Management during the 9 month price freeze period.

TechnologyOne is offering a 13.8% discount on the full OneCouncil phased implementation, including the Digital Experience and Asset Management modules, if selected during the 9-month price freeze period. To secure this offer, the contract variation must be signed by 20 December 2024.

If Option 2b is ultimately selected over the next 9 months, the additional recurrent costs for adopting the complete OneCouncil solution over 10 years would amount to $10,819,485.

This option is similar to Option 1, with the only difference being a 5% lower discount due to the inclusion of the additional 9-month price freeze, to enable Staff sufficient time to consider whether these modules are the best option for Council.

Option 3: Implementation of Property & Rating only

If only the Property & Rating module is implemented, this would be implemented as a standalone product and not OneCouncil. Therefore, the OneCouncil bundle discount will be removed, resulting in the price increasing to $528,544 per year. The total additional recurrent license fee over 10 years would increase by $5,549,817. Furthermore, choosing only the Property & Rating module will forfeit the secured implementation timeline, pushing the project out to the 2027/2028 financial year.

Option Analysis

The complete OneCouncil solution, with the built-in 18.8% discount, is an attractive option; however, Staff require more time to assess the Digital Experience and Enterprise Asset Management modules. This means that the most beneficial option available to Council is Option 2a or 2b attracting a 13.8% discount.

Option 3 is the least favourable due to the removal of the bundle discount, leading to higher ongoing recurrent costs as well as a delayed implementation timeline, which poses a greater risk to the organisation.

It is recommended to select Option 2a, as it provides an additional 9 months for Staff to continue their investigation and market analysis to determine the best product mix for Council, whilst securing a prize freeze on the additional modules. The total cost of Option 2a is lower than implementing Property & Rating as a standalone product and it also provides additional functionality that will enhance internal efficiency.

A comprehensive evaluation of the Digital Experience Platform and Enterprise Asset Management will be conducted during the next 9-months, with a report to be presented to the Council within the required timeframe, if Staff believe that these modules would be beneficial to purchase,

Social Implications

There are no social implications in relation to this report.

Environmental / Climate Change Implications

There are no environmental / climate change implications in relation to this report.

Asset Management Implications

There are no asset management implications in relation to this report.

Governance / Risk Management

If Council does not proceed with the recommended solution, Council will need to spend almost double the costs for a similar solution in the future, including the P&R Modules which is critical to Council’s operations.

The proposed solution will assist Council to be well placed to provide improved efficiency, maintain compliance and support its workforce to be mobile and dynamic.

Community Engagement

There are no Community engagement implications in relation to this report.

Regional Implications

There are no regional implications in relation to this report.

Economic Development Implications

There are no economic development implications in relation to this report

Financial Implications

From a LTFP perspective, Option 2a is the most financially viable option out of the options presented in this report. The table below compares some of the options with the Budget Update LTFP:

Option	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034
Budget Update	2,317	(376)	348	611	835	1,249	1,421	1,664	2,107	2,527
Option 2a	2,317	(655)	250	(96)	432	822	970	1,189	1,605	1,996
Option 3	2,053	(932)	(241)	(12)	176	552	685	888	1,287	1,661

The increase in operating deficits when compared to the Budget Update are primarily due to the one-off time and materials costs to implement Phases 2 and 3 of the TechnologyOne project. As these are one-off in nature, they do not have an ongoing impact on the LTFP. For example, if the time and materials were not included in the projected operating result for 2027/2028, Council would be projecting an operating surplus of $236,000.

Recommendation

That Council:

1. **agrees to support Option 2a and authorise the Chief Executive Officer to sign the contract variation to facilitate this option**

2. **allocates the following amounts in the next revision of the Long Term Financial Plan:**

Financial Year	Recurrent (ongoing)	New Initiative (one-off)
2025/2026	$292,000	$0
2026/2027	$20,000	$17,750
2027/2028	$300,200	$332,000

3. **request Staff further investigate and review the Digital Experience and Enterprise Asset Management Modules as identified in the report within the next 9 months and if it's determined that it would be beneficial for Council to purchase those modules, prepare a further report for Council's consideration.**