

**Management report to Council**

**Agenda item 6.2**

**ITT Contract 3624 – Employee Benefit, Recognition and Wellbeing Platform**

**Council**

**Presenter:** Keith Williamson, General Manager Governance and Organisational Development

**30 June 2020**

**Background**

1. The purpose of this report is to award a tender for the provision of a new Employee Benefit, Recognition and Wellbeing Platform (Platform) for a term of three years with two, one year options to extend.
2. The Platform will enable improved recognition of City of Melbourne (CoM) employees, offering them industry-leading employee benefits and a recognition tool to acknowledge and reward their hard work and effort. The Platform also includes a wellbeing component to assist CoM employee's health and wellbeing. The Platform supports CoM's broader People Connect HR technology modernisation journey.
3. The current employee benefits offering being funded by CoM (at a cost of approx. \$160k annually), will cease on 30 June 2020. CoM went to tender in March 2020 via the Age newspaper for a product to replace the current employee benefits with a new, more contemporary option. Two tenders were received, both of which were compliant.
4. The weightings of the evaluation criteria were identified in the invitation to tender. They were; Cost 40 per cent, Experience and Past Performance for Cloud Solutions 10 per cent, Capability 50 per cent, Qualifying Criteria - meet a minimum of 85 per cent.
5. The evaluation panel reviewed the submissions and observed demonstrations from both providers and has recommended the award of the contract for the Platform to Reward Gateway Pty Ltd.
6. Total cost of the contract with Reward Gateway over the three year term is \$334,000 (plus the option of two, one year extensions). This cost is offset by the ending of the current funding as referred to in paragraph three.
7. The tender evaluation summary is contained in Attachment 1.

**Key consideration and issues**

8. Management conducted a review to look into the benefits, recognition and wellbeing options that were currently offered to employees and what was available in the market. The review revealed a number of more contemporary options available that would provide greater opportunities to recognise employee contributions in a meaningful way, and offer all of CoM employee's access to substantially increased benefits and wellbeing information and tools in a more cost effective solution for CoM.
9. The Platform replaces the current CoM supported employee benefits, allows for more focus on employee health and wellbeing by becoming a direct wellbeing interface for the CoM Safety and Wellbeing team and will include such things as exercise programs and healthy recipes.
10. Reward Gateway has primarily been selected as the preferred tenderer due to its alignment with CoM's Employee principles and values, its focus on people and that it was the more cost effective solution.
11. Implementation of the Platform is anticipated to begin in July/August 2020.

**Recommendation from management**

12. That Council awards the contract for the provision of an Employee Benefit, Recognition and Wellbeing Platform (contract 3624) to Reward Gateway Pty Ltd, for a term of three years with two options to extend the initial term by up to a further one year each, for the contract sum \$334,000 (plus GST) in the initial term and otherwise subject to and in accordance with the negotiated terms and conditions of contract.

**Attachment:**

1. Supporting Attachment (Page 2 of 3)

**Supporting Attachment****Legal**

1. Pursuant to section 186 of the *Local Government Act 1989* (Vic), before a Council enters into a contract for the purchase of goods or services to the value of \$150,000 or more (levels increased by Order in Council dated 7 August 2008), the Council must give public notice of the purpose of the contract and invite tenders from persons wishing to undertake the contract.

**Finance**

2. The funds for this new platform are offset by CoM ceasing funding to its current solution which will conclude in June 2020. Funding for employee benefits and recognition has been allocated in the proposed 2020-21 budget.

**Procurement**

3. This matter accords with the Centre Led Procurement Policy.

**Tender evaluation summary**

4. The tender was undertaken, in line with Council's procurement policy and guidelines.
5. The Invitation to Tender (ITT) was published in The Age newspaper in March 2020 and two very strong submissions were received. Submissions from the vendors were reviewed by the Tender Evaluation Panel (TEP) against specific evaluation and compliance criteria. The two tenderers were subsequently invited to present to the TEP. Presentations included demonstration of capability against how CoM employees would use the platform and what benefits both CoM and its employees would receive.
6. The tender evaluation report recommended Reward Gateway Pty Ltd as the preferred vendor for commercial and contractual negotiations.
7. Outcomes of the tender evaluation were endorsed by the project advisory panel and the project voting panel on 19 May 2020.

**Tender Evaluation Panel**

8. Responses to the ITT were evaluated by a TEP comprising of:

Title and Company	Generalist or Nominated Speciality	Full/Advisory Member
Portfolio Manager (TEP Chairperson) CoM	Procurement	Full
Strategic Projects Implementation Lead CoM	Generalist	Full
Strategy, Planning and Governance Specialist CoM	Human Resources	Full
Director People, Culture and Leadership CoM	Generalist	Full
Team Leader, Safety and Wellbeing CoM	Safety and Wellbeing	Full
Architecture and Data Capability Manager CoM	Technology	Full
Senior Architect CoM	Generalist	Advisory
Safety and Wellbeing Administrator CoM	Safety and Wellbeing	Advisory
Adviser to the CEO CoM	Generalist	Advisory
People Culture and Leadership Project Officer CoM	Generalist	Advisory

Title and Company	Generalist or Nominated Speciality	Full/Advisory Member
PCL Operations Manager CoM	Generalist	Advisory
Program Manager CoM	Generalist	Advisory
Business Analyst CoM	Generalist	Advisory
Solution Architect CoM	Technology	Advisory
Data Analyst CoM	Technology	Advisory

9. The summary of final scoring of the two conforming tenderers is shown below:

Summary of final scoring				
Company	Price <i>(Refer to Note 1)</i>	Financial score <i>(Refer to Note 2)</i>	Non-financial score	Total score
<b>Reward Gateway</b>	<b>\$334,000</b>	<b>40</b>	<b>46.26</b>	<b>86.26</b>
Tenderer 2	\$388,800	34.36	41.56	75.92

Note 1: this price applies to the lump sum component of the service for Years 1, 2 and 3 plus an extension of the schedules of rates by estimated quantities.

Note 2: this score includes an assessment of both lump sum pricing and schedules of rates.

**Conflict of interest**

10. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

**Health and Safety**

11. Occupational health and safety issues were a key component of the tender process. The Platform will provide comprehensive tools to support and improve the health of employees of CoM.

**Stakeholder consultation**

12. No external stakeholder consultation was undertaken as the Employee Benefits, Recognition and Wellbeing platform is for use only by CoM employees and their household.