Management report to Council

Open Data, Corporate and Community Contract No. 3518

Presenter: Colin Fairweather, Chief Information Officer

Purpose and background

1.   The purpose of this report is to award a tender for the provision of an external facing open data platform and hosting services for two years with three one year extension options.

2.   The services tendered were for a community facing open data platform and a secure, internally focused corporate data sharing platform. Responses were invited from companies that could deliver one or both of these platforms.

3.   The tender was advertised in 'The Age' newspaper on Saturday 6 September 2014. Four tender submissions were received. Three tenders were assessed as compliant and one tender was assessed as non-compliant.

4.   Management chose not to progress submissions for the internally focused corporate data sharing platform as no solution was deemed satisfactory. Alternative options are now being considered.

5.   The City Of Melbourne is currently running an externally facing pilot platform which is provided by Socrata until 28 December 2014.

6.   The weightings of the evaluation criteria were declared in the invitation to tender documents, and were Cost (40 per cent), Solution Requirements (40 per cent), Delivery Requirements (10 per cent), Operational Requirements (5 per cent), and Experience, Capability and Past Performance (5 per cent).

7.   The tender evaluation summary is contained in Attachment 1.

Key issues

8.   The market has revealed that there is no cost benefit in combining internal and external data sharing platforms due to the high costs to provide an internal data sharing solution based on this tender.

9.   An extensive assessment of the market was done prior to and during the pilot process. The evaluation panel did not think it necessary to interview any tenderers.

10.   The cost to Council of appointing the recommended tenderer is $89,200 over two years.

11.   Socrata is being recommended as preferred tenderer due to a number of factors including:

11.1. offering the lowest cost over the life of the contract

11.2. their experience in delivering open data solutions was assessed as being stronger than all other tenderers

11.3. their platform meeting the majority of the City of Melbourne's requirements without customisation thereby ensuring a low risk of additional costs and a fast implementation

11.4. having a strong and impressive ongoing development roadmap

Recommendation from management

12.   That Council awards the contract for the provision of a community facing open data platform to Socrata Inc for a term of two years commencing 28 December 2014 with options to extend the contract term by up to a further three, one year periods for an annual contract sum of $44,600 and otherwise in accordance with the negotiated terms and conditions of contract.

Attachments:
1.   Supporting Attachment

Supporting Attachment

Legal

1.	Pursuant to section 186 of the *Local Government Act 1989* 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 preferred tenderer submitted a summary of their financial position at August 2014, The current ratio is considered healthy for Socrata. This indicates that the business has enough liquid assets to cover any immediate debts.

3.	Based on the available financial information awarding the contract to Socrata Inc is considered to be an acceptable financial risk for the City of Melbourne.

4.	This expenditure has been budgeted for in 2014-15 and will also be included in 2015-16 budget.

Tender evaluation summary

5.	The membership of the tender evaluation panel was as follows.

Title and/or company	Generalist or Nominated Speciality	Full / Advisory Member
Business Analyst, CoM	Generalist (Chair)	Full
Business Analyst, CoM	Generalist	Full
Senior Research Advisor, CoM	Generalist	Full
Enterprise Architect, CoM	Generalist	Full
Smart City and Innovation Program Manager, CoM	Generalist	Advisory
Commercial Investments Officer, CoM	Financial	Advisory
Procurement Specialist, CoM	Probity	Advisory

6. The summary of final scoring for the community facing platform conforming tenderers is shown below:

Summary of final scoring (Community facing platform)				
Company	Price *(Refer to Note 1)*	Financial score *(Refer to Note 2)*	Non-financial score	Total score
Socrata	**$89,200**	**40.00**	**48.99**	**88.99**
Tenderer A	$543,600	6.56	43.59	50.15
Tenderer B	(see note 3) $1,232,058	(see note 3)	35.90	(see note 3)

Note 1: this price applies to the lump sum component of the service for Years 1 and 2.
Note 2: this score includes an assessment of only lump sum pricing as the schedules of rates will be utilised for variations only.
Note 3: this tenderer only submitted a combined price for the supply of both internal and external platforms

Conflict of interest

7. 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.

Stakeholder consultation

8. Consultation during the open data pilot phase included the Melbourne developer community, experienced practitioners from both private and public organisations and peak bodies including the Department of Treasury and Finance, Department of State Development Business and Innovation, the Federal Department of Finance and Deregulation, Open Knowledge Foundation Australia, Code for Australia, the Australian Urban Research Intelligence Network, Melbourne University and RMIT.

9. Two public open data events were hosted, and management participated in the annual open data GovHack event that drew over 280 subject matter experts.

Relation to Council policy

10. This contract supports the following Council Plan actions for 2013-14 in relation to Council Data:

    Action 4.2.1: Develop an open data policy

    Action 4.2.3: Develop a virtual platform to enable information sharing

Corporate social responsibility

11. The very nature of an open data platform allows council to be an open, transparent and accountable government to the community which is seen as a social benefit.