

## 7.4.2 Contract Variation CT000067 Finance System

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### Recommendation(s)

That Council approve a contract variation to CT000067 of \$44,355 per annum in increased SaaS fees, indexed in line each year with CPI, and a one-off implementation fee of no more than \$26,200.

### Attachments

1. CONFIDENTIAL REDACTED - Contract Variation C T 000067 Confidential Attachment [7.4.2.1 - 1 page]

### Executive Summary

Council previously resolved to award a tender from TechnologyOne Limited to supply and implement a new finance system at the Council meeting held on 21 March 2022.

The implementation concluded on 2 July 2023 after the system went live, with the desired benefits delivered to Council as expected.

As the system becomes embedded into business as usual, it has become apparent that Council requires further system enhancement to effectively manage and account for external grant funding which will support the efficient delivery of works and services to the community.

TechnologyOne offers a Grants Management Module, which will seamlessly integrate with the current finance systems and processes, offering end-to-end grant lifecycle management.

### Background

At the Council meeting held on 21 March 2022, approval was given to implement a new finance system covering all aspects of everyday financial requirements including but not limited to Accounts Payable and Receivable, Banking, General Ledger, Budgeting and Forecasting, and Project Management. Council has now embedded the new system into business as usual and has an increased and ongoing understanding of the new system, its requirements and benefits delivered.

The new system has also provided opportunities for improvement in delivery of reliable information which will assist in data driven decision making. An opportunity that has been recently identified is improvement of the management and accounting of external grant funding opportunities and income which will assist in the delivery of programs, services and capital projects.

Investigations were undertaken to assess options for more efficient ways to manage this large and at times complex income stream. During this process, TechnologyOne delivered a new module which enables the capturing of grant revenue opportunities, allowing for a complete end-to-end grant life cycle.

This module will provide the ability to capture all potential external funding opportunities and track the identification and application process, with the ability to record if a funding

application was successful or not. This allows full visibility of all applications, and if successful, will enable the tracking and reporting of relevant milestones and associated grant income, providing the seamless integration into the finance modules, which will assist with the development of more accurate budgets, forecasts and cash flow reporting.

As sources of State and Commonwealth government funding become increasingly competitive and more restricted, Council endeavours to be proactive and creative in its approach to maximise opportunities presented via differing funding models. It is estimated that in any one year, Council manages in excess of \$50 million in external grant funding across its operational and capital programs. The implementation of a single source of truth of all grant applications which will also seamlessly integrate with our financial system, will provide a level of confidence that Council is managing its risk and while leveraging all available opportunities.

During the investigation process, a full review was also undertaken to source opportunities to reduce the additional costs as much as possible. One area that is included in the current SaaS agreement that has been assessed as not being required is the Expense Management module. In considering and balancing the risk and importance of each solution, it is considered that the offset for the license fees of the Expense Management module against the license fees for the Grants Management module is in the best interests of Council. The amount recommended in this report is the net impact of the withdrawal of Expense Management and introduction of Grants Management.

It should be noted that while further work is currently underway on Council's future strategic direction with its enterprise systems, the inclusion of this module aligns with the advice already received regarding existing investment in financial systems.

### **Policy Implications**

Council's Procurement Policy includes the requirement that variations for contracts previously approved by Council, must also be approved by Council.

The recommendation of this report is also supported by Council's 10-year Financial Plan and Annual Budget.

### **Relevance to Council Plan**

#### **5.1 We practise responsible leadership**

5.1.2 Manage our finances responsibly and leave a positive legacy for future generations.

### **Financial and Resource Implications**

The increase to annual SaaS fees if \$44,355, subject to annual fee increases as directed by the particulars of the contract. In addition, there will be one time implementation costs up to a maximum of \$26,200. In both instances, these costs will be managed within operational budgets.

### **Conclusion**

The implementation of a Grants module will assist with the administration, management and accounting of external grants income, allowing for more accurate and timely end to end grant lifecycle management.