

Contract Variation - Frontier Software Pty Ltd**File No: S095194.009****Contract No: 2655****Summary**

This report seeks Council approval for a contract variation to the Frontier Software contract, specifically to incorporate a license for the new Mobile HR 21 (MHR21) software module. This module will enable all City employees to conveniently access their payroll information, manage leave requests, and review pay entitlements through their mobile devices.

Frontier Software Pty Ltd provides the City with its core payroll and human resource software, Chris21. While Chris21 includes an employee and manager self-service portal named HR21, it currently lacks mobile phone/device accessibility.

The introduction of Mobile HR21 will enable employees to access their data anytime and anywhere.

On 11 March 2024, Council approved the request for an Exemption from Tender for IT Licence, Subscription, Maintenance and Support Contracts.

The Frontier Software contract, providing Chris21 (core payroll and human resources system) and HR21 (employee and manager self-service portal) was included in this approval for the period of three years, plus a three-year option from 1 September 2024.

In May 2024, the HR Systems team in the People and Culture conducted a system review of Chris21 and HR21. The resulting report recommended integrating the mobile self-service module MHR21 into the HR21 employee and manager self-service platform.

This report recommends that Council approve a contract variation as detailed in Confidential Attachment A, in order to purchase the additional mobile self-service module for the Chris21 system.

Recommendation

It is resolved that:

- (A) Council approve a variation of the contract with Frontier Software Pty Ltd to add a licence for the Mobile Self Service module, MHR21;
- (B) Council approve the revised total contract value and the contingency (inclusive of the additional scope) as detailed in Confidential Attachment A to the subject report; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer any contract variations required to give effect to this approval.

Attachments

Attachment A. Financial Implications (Confidential)

Background

1. The City relies on Chris21 as its core payroll and human resource software system. Both Chris21 and HR21 (the employee and manager self-service module, also referred to as 'Kiosk') are essential for daily operations and crucial for payroll and human resource functions. Currently, the HR21 module, which provides self-service capabilities for employees and managers, is accessible exclusively via computer.
2. The City has a contract with Frontier Software Pty Ltd for the provision of licences, maintenance and support for the Chris 21 payroll system. The current contract expires 31 August 2024.
3. The Frontier Software contract encompasses user licenses and support for the HR21 self-service portal, enabling City of Sydney employees to handle leave requests and managers to approve them. Additionally, the HR21 portal facilitates employees in updating their personal information and accessing their payslips. Managers can designate substitute leave approvers when necessary. Moreover, the portal hosts the City's diversity questionnaire, which collects and records workforce diversity data in Chris21 for reporting purposes. All City of Sydney employees have access to HR21.
4. As the workforce continues to mobilise and become increasingly distributed, access to employee and personal information is vital for an engaged and productive workforce. Mobile HR 21 will make this data accessible anytime and anywhere. This is particularly important for the large number of operational employees who do not work at a desk.
5. The MHR21 module enables all City of Sydney employees to access their leave balances, review pay history, submit leave requests, and update their personal details using their mobile devices. Managers can also review their team's leave balances, approve leave requests, and manage Absent Manager Delegation remotely. The MHR21 module is compatible with both Android and iOS devices, ensuring accessibility across different platforms.
6. On 11 March 2024, Council approved the request for an Exemption from Tender for IT Licence, Subscription, Maintenance and Support Contracts. The Frontier Software contract was included in this approval for the period of three years, plus a three-year option from 1 September 2024.
7. In April and May 2024, the HR Systems team initiated a Chris21 system review, or health check, with Frontier Software to ensure the system was performing and functioning to its fullest capacity. One recommendation from the subsequent report from Frontier was the purchase and implementation of the Mobile Self Service MHR21 module.

Financial Implications

8. The value of this variation is over 10 per cent of the total contract value in the initial three-year period due to the cost of the one-off purchase of the MHR21 licences for all employees. The costs outlined in Confidential Attachment A show the initial purchase cost of licences and the annual maintenance cost over a three-year contract period.
9. There are sufficient funds in the People and Culture budget in 2024/25 to cover the cost of purchase and the first year of maintenance, and sufficient funds in the HR Systems budget in future years to cover the annual maintenance cost of the additional module.

10. Funding for this variation is available in the People and Culture budget for 2024/25

Relevant Legislation

11. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
12. Attachment A contains confidential commercial information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
13. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

14. The current contract for the City's Chris21 and HR21 human resources platform expires 31 August 2024. On 11 March 2024, Council approved the request for an Exemption from Tender for IT Licence, Subscription, Maintenance and Support Contracts. The Frontier Software contract was included in this approval for the period of three years, plus a three-year option from 1 September 2024.
15. The implementation of MHR21 can be initiated following Council approval and will be completed by 30 November 2024.

Options

16. An alternative option is to not purchase the Mobile Self Service MHR21 module. This option is not recommended because the mobile solution enables employees and managers to access, request and approve critical and timely payments and employee entitlements accurately and efficiently, without the need to return to a fixed computer or laptop.

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