End User Computing Services
Concept paper
1 Providing feedback

The Department of Corporate and Information Services (‘DCIS’) invites feedback on this Concept Paper (the Paper). The Paper contains previous feedback provided from face to face consultation and engagement with industry on the End User Computing Services contracting model.

DCIS seeks to open the door for further feedback on matters referenced in the Paper.

Feedback is open for three weeks and due by Wednesday 4 September 2019.

Written feedback is preferred for this phase of consultation. Feedback can be provided in writing in the provider’s preferred format. Examples include ‘marked-up’ versions of this Concept Paper, email or written proposals in any format considered appropriate.

Feedback should be submitted via email to ictsourcing.ntg@nt.gov.au
2 Introduction

DCIS is currently undertaking industry engagement to inform planning and development of the contracting model that will replace D14-0076 – End User Computing Services contract (‘the current contract’).

Industry engagement commenced in January 2019, with four workshops (Darwin, Katherine, Tennant Creek via telephone and Alice Springs) held to enable open dialogue and seek feedback on the operation of the current contract. These workshops provided a forum for industry attendees to raise issues and concerns that they would like considered in the development of a revised contract model.

This Concept Paper is the next step in the industry engagement process and includes advice on industry feedback received to-date. Industry is invited to provide feedback on the concepts outlined in this Paper, which have been informed by the feedback provided through the initial workshops, along with a proposed model for the replacement contract.

3 Current contract

The current contract commenced on 1 January 2015 and is held by NEC IT Services Australia Pty Ltd. The contract is the largest service contract managed under the AoG arrangement for the delivery of ICT Services across NTG. The services provided under the current contract are broad, however include at a high level, workstation management, server management, printer equipment management, on-site support services (across the NT), email management and service desk services.

DCIS has committed that a structured engagement with industry would be undertaken to inform a review of the current contract model prior to any Request for Tender (RFT) being put to market.

The overarching principles for reviewing the contract model stem from the ICT Services Contract Sourcing model that was finalised in July 2016. The ICT Services Sourcing model identified the potential for an Asset Logistics contract that could change the way services are delivered under the current contract.

As part of the industry engagement, DCIS has tested the concept of an asset logistics contract and the options and concepts identified by the NTG agencies and ICT industry are under consideration.
4 Industry engagement approach

DCIS is committed to engaging with industry as outlined at table 1 below. This approach has been communicated through ICT industry briefings and in writing to key stakeholders and representative bodies.

<table>
<thead>
<tr>
<th>Actions</th>
<th>Description</th>
<th>Status</th>
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<tbody>
<tr>
<td>Stage 1 – Engagement Workshops</td>
<td>Series of four workshops to provide industry stakeholders the opportunity to provide frank, open feedback in a facilitated and structured environment</td>
<td>Complete</td>
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<tr>
<td>Stage 2 – Concept Paper</td>
<td>Publication of this Concept Paper as a discussion draft outlining the proposed contracting approach to enable stakeholders to provide comment / feedback.</td>
<td>Complete</td>
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<tr>
<td>Stage 3 – Release of draft Scope of Services</td>
<td>Draft Scope of Services for inclusion in a future Request for Tender (RFT) to be published on the NT Government’s Quotes and Tender Online (QTOL) portal for comment.</td>
<td>Not started</td>
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<tr>
<td>Stage 4 – Publication of RFT</td>
<td>Release to market of a RFT that has been informed by stages 1 to 3 (above).</td>
<td>Not started</td>
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5 Feedback from industry workshops

The feedback captured through industry workshops held on 8 January, 1 and 13 February 2019, teleconference on 18 February and via email is provided below in two categories. The model concepts section contains discussion on feedback that has the potential to alter the End User Computing contracting model. The other feedback relates to general comments on administration, contract management or operations.

In some instances, assumptions had to be made about the precise nature of the feedback. DCIS welcomes discussion on the concepts in this Paper, including clarity around any of the concepts.

Consultation has also been undertaken concurrently with NT Government agencies and other stakeholders.
6 NT Government business drivers

Advancement in digital technology continues at pace never before seen since the advent of computing. Technology gets faster and more sophisticated at an exponential rate and this drives improved price points for consumers of digital services and solutions.

The NT Government is facing an exceptionally difficult fiscal as publically reported and articulated in the Plan for Budget Repair – Final Report released in April 2019. The NT Government has accepted and is working to implement most of the Report’s recommended actions to address the current structural deficit and return the Northern Territory to a more balanced fiscal position over a period of years.

Delivering service improvements through technology advancement has always been a key outcome for government ICT procurement, similarly efficiency has always been a key focus of government ICT contracting.

In the current fiscal environment, industry is encouraged to consider an increased focus on efficiency when developing proposals for government’s consideration. While maintaining and (where practicable) improving service quality remains a key driver for government, proposals that support the work being undertaken to repair the Territory Budget will receive favourable consideration.

7 Model concepts

7.1 Asset logistics

Feedback

The asset logistics contract proposed by DCIS is not cost effective as it is more efficient to make the freight and transportation of hardware the responsibility of the vendor responsible for the management of the hardware in each of the major regions. I.e. The EUC provider (responsible for the management of the provider) should be responsible for the receipt of hardware and fleet management.

NTG discussion

The asset logistics contract was identified in the ICT Services Contracting Model published in July 2016 as a prospective opportunity that would allow local industry to contract with NTG in their own right, promote competition and give smaller organisations an opportunity to bid for ICT Services contracts.

The asset logistics services (which are currently provided as a service within the End User Computing contract) would include all or part of the following services: ICT fleet management (including the registering, labelling of assets, etc), warranty/repairs and management, disposals, gifting and storage of NTG hardware. The NTG has five staging areas across the NT (Darwin, Katherine, Tennant Creek, Nhulunbuy and Alice Springs) that hold hardware and provide asset logistics services.

The concept and potential contracting model for an asset logistics service was being considered as part of these engagements, such as whether one contract would be awarded or single contracts in Darwin and Alice Springs. NTG research has indicated that work volume in the smaller regions (Katherine, Nhulunbuy, and Tennant Creek) would not support these services as a viable option for standalone contracts.

Industry feedback on the uptake of asset logistics has not been overly supportive. Concern has been expressed that the scope of services would potentially make it unattractive and / or unviable as the asset logistics contracts are seen by some as ‘non-ICT’ packages of work.

A counter view is that a model such as this would provide opportunities for smaller organisations to bid and establish a capability and past performance to undertake government contracts in their own right. Industry are encouraged to provide further feedback on the asset logistics concept.
7.2 End user computing services model

Feedback
There is a strong industry view from the regions that remote site visits could be separated from the main contract and serviced by road which also includes the Department of Education (DoE) remote sites that are serviced under a separate contract.

NTG discussion
DCIS has no logistical preference to how remote sites are serviced. There is a prevailing view in feedback being received that DCIS has a requirement for the use of aircraft for remote site visits. This is incorrect. The requirement is for remote sites to be serviced with the manner in how that requirement is met, left to the market to propose solutions.

Given that not all remote sites are accessible by road and others are season dependant service providers may have found that the management complexity of coordinating alternative methods of logistics made it unviable in delivering a consistent service.

DCIS and DoE have been examining the arrangement for remote site services under both contracts with a view to potentially consolidate those services.

Given the strong feedback received, a model is being proposed for industry feedback that accommodates the separation of remote site services packages (by region and includes DoE remote site services) from the prime End User Computing Contract.

Each package can be tendered separately or as part of the entire End User Computing contract. The packages are described below in table 2.

Table 2

<table>
<thead>
<tr>
<th>Package</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Package 1:</strong> End User Computing Services</td>
<td>All current End User Computing Services, excluding Proactive Remote Site Support services as specified in the other packages. This contract will be the lead service provider for the End User Computing contracting model. It will provide assistance, where necessary, to support the Proactive Remote Site service providers. The resolution of incidents through ICT toolsets, including remote resolution, will continue to be the primary form of incident resolution and will remain under this package for remote sites. Where on-site attendance is required at remote sites, the jobs will be allocated to the appropriate Proactive Remote Support service provider.</td>
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<td>Package</td>
<td>Description</td>
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<tr>
<td><strong>Package 2:</strong> Proactive Remote Site Support Services – Darwin Region</td>
<td>A contract that provides the following services:</td>
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<td>Visit each NTG agency site within the Darwin region locations and at the frequencies defined on a predefined schedule to perform:</td>
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<td></td>
<td>• proactive ICT device/service health checks</td>
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<td></td>
<td>• maintenance of hardware and software</td>
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<td></td>
<td>• break/fix visits for scheduled repairs of hardware or software</td>
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<td></td>
<td>• delivery of new subscriptions</td>
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<td>• targeted end user education / knowledge share sessions on topics requested by NTG (objective is to improve the level of user knowledge in remote regions including technical knowledge as well as general ‘how to’ knowledge - e.g. how to reset a password, how to contact someone for support) and</td>
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<td>• other tasks required to deliver an end-to-end service.</td>
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<td></td>
<td>On-site incident resolution will be done during the proactive visits.</td>
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<td></td>
<td>Provide transportation for Other Service Provider’s (OSPs) Services Personnel, including hardware or other equipment required by OSPs, to NTG agency sites.</td>
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<td></td>
<td>Visit DoE school sites for the maintenance of WAN Customer Edge devices. Coordinate these visits with the DoE Schools OSP so as to not duplicate visits. With support from the OSP responsible for network management perform:</td>
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<tr>
<td></td>
<td>• proactive health checks and maintenance of such WAN Customer Edge devices and</td>
</tr>
<tr>
<td></td>
<td>• break / fix visits for scheduled repairs of WAN Customer Edge devices.</td>
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<td></td>
<td>Maintain records of visits and services performed.</td>
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<td></td>
<td>The Proactive Remote Site Service providers are required to have capacity and skillsets to undertake the services.</td>
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</table>
7.3 Complexity of Conditions of Contract

Feedback
The complexity of the contract (due to the size of the EUC contract) can be discouraging to smaller companies. This includes the scale of the reporting, performance management, relationship management and liabilities.

NTG discussion
It is proposed to continue using non-standard Conditions of Contract for Package 1 – End User Computing Services and simpler non-standard Conditions of Contract for the three Proactive Remote Site Services Packages.

The contract for Package 1 would remain similar to the current End User Computing contract, as it is the main provision of services. The non-standard Conditions of Contract is required to ensure operational needs are met and provides adequate management capability.

The three Proactive Remote Site Services packages will not require the same level of performance management, contract management or reporting, as they will be providing one simple stream of services. It is proposed to use the standard NTG Conditions of Contract for services which can be located at the following website: https://nt.gov.au/industry/government/what-you-need-to-know-about-procurement/terms-and-conditions/conditions-contract/supply-of-services/supply-of-services-period-contract

7.4 Subcontractor involvement in prime contract

Feedback
The existing model could be enhanced by providing regional partners with active involvement in the higher levels of the contract. For example, a regional business may have a number of staff directly employed that work with the prime contractor's team day-to-day in different areas. This would promote greater information flow, skill sharing etc. simply by having more direct relationships with their colleagues. This approach would also promote a higher level of ‘truly’ local participation that could not be achieved otherwise.

NTG discussion
The feedback is noted and acknowledged that it would benefit smaller partnering organisations. Notwithstanding that tenderers could propose such an arrangement in their tender response as part of their local content submissions, DCIS is considering how it could be incorporated into other areas of the contracting model.
7.5 Regional skillsets

Feedback
As services have increasingly been able to be delivered remotely (through technology changes, improved infrastructure, etc.) the regional areas have seen a reduction in skillsets. Those skilled staff that have wished to move onto other opportunities and advance, either have to move to Darwin or interstate. This often results in a skillset drain from the NT.

NTG discussion
Unfortunately, with improvements in technology and communications infrastructure, specialised skillsets are being centralised and grouped, usually outside of regional centres. In order to return skillsets to those regions, components of those specialised skillsets need to be positioned in those regions. This is challenging because the NT demographic (including Darwin and Alice Springs) already struggles to attract and retain the calibre of skillsets needed for many of those roles.

It is acknowledged that steps should be taken to build capability in the regions. Proposals are encouraged on which ICT services could be undertaken in the regions and how the skillsets could be attracted and retained.

7.6 Bundling of customer facing services

Feedback
Bundle front-end facing services, such as the ICT Service Centre technicians and the End User Computing on-site engineers.

NTG discussion
This bundle will substantially alter the role of the ICT Service Centre in the MSP model by expanding the service offerings beyond acting as a first point of contact. It will not be possible to make this adjustment without a fundamental adjustment to the roles of the ICT Service Centre and the End User Computing contracts.

7.7 Potential to consolidate DoE ICT services with End User Computing

Feedback
The Department of Education (DoE) have a separate contracting model that consists of a single contract for the supply of service desk, desktop/server support and voice telephony services. The DoE contracts service DoE corporate and schools exclusively. Both DCIS and DoE are currently considering whether any of those services could be consolidated into the DCIS ICT Services contracts and would appreciate any feedback the industry may be able to provide on the consolidation of services.
8 Other feedback

Other feedback that was identified as part of stakeholder engagement is in the below table 3. DCIS would appreciate any feedback on these issues.

Table 3

<table>
<thead>
<tr>
<th>Issue</th>
<th>Description provided (summarised)</th>
<th>DCIS Comment</th>
</tr>
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<tbody>
<tr>
<td>Remote Region Infrastructure</td>
<td>Infrastructure in the regions (e.g. network links) can be slow and unreliable, and this not only affects the quality of services, but also the ability for support teams to resolve issues remotely.</td>
<td>Noted. Despite the improvements in remote communications infrastructure it is still slow and unreliable in comparison to the communications infrastructure in the metro areas. Improvements are constantly sought in the delivery of ICT Services to improve remote servicing outcomes and that will continue to occur.</td>
</tr>
<tr>
<td>Remote Region Communications – User knowledge</td>
<td>The level of user knowledge in remote regions is generally much lower than elsewhere – this includes technical knowledge as well as general ‘how to’ knowledge (e.g. how to reset a password, how to contact someone for support).</td>
<td>As indicated above, the Remote Servicing Model includes the requirement to work with and build end user capability.</td>
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</tbody>
</table>

9 Procurement principles

All DCIS contracts operate within the NTG’s Procurement Framework and follow the five procurement principles set out in the framework.

Additionally, development and management of the contract is based on the following principles:

9.1 Buy Local

DCIS is committed to local content inputs such as employment, industry development, up-skilling, regional and Aboriginal development which industry will convert into tangible, long-lasting local benefits for the Territory. The contract will:

- comply with the NT Government’s Buy Local Policy; and
- establish local content contractual obligations for suppliers and require them to report compliance with their content commitments.

9.2 Competition

- Promote competition and encourage suppliers to submit tender responses.
- Value for Territory (and quote selection post award) is considered by having regard to standard procurement principals that ensures that agency budgets are expended efficiently.