

30 November 2015

IRO-4926

Mr Ian Apperley
(Via email: fyi-request-2701-08d6cad3@requests.fyi.org.nz)

Dear Mr Apperley

Review of request for Shared Services ICT and Infrastructure Regional Detailed Business Case dated 27 February 2015 Decision

As you are aware, following the Council decision to withhold the information you requested on 8 May 2015, you made a complaint to the Office of the Ombudsman. In notifying the Council of your complaint and the Ombudsman's decision to investigate the matter, the Council has reviewed the decision and has decided to release a copy of the February SIIP business case with some redactions given the procurement process has concluded and a preferred supplier has been identified and a contract signed.

The redactions are primarily to protect the details of commercial bids by three potential suppliers. Most financial information remains available to read, providing a clear account of the financial comparison of the status quo approach to ICT infrastructure provision, ie continuing with the current practice, against the shared services approach, ie changing to common ICT infrastructure shared across the participating councils, including Wellington City Council.

To assist your understanding of the information and assessments made at the time of the report and in the *first stage* of the procurement process, I provide the following information:

- Chief Executives of several of the councils in the region decided in August 2013 to investigate a shared services approach to improving service delivery and reducing costs in several areas, one being Information and Communications Technology provision. After considering a feasibility study, the Chief Executives of four councils decided in February 2014 to develop a business case to assess the use of shared ICT infrastructure services.
- As a result, the regional business case was delivered to the Chief Executives in February 2015 (the February business case you requested in May). This compared the status quo costs, along with other benefits, to the cost of implementing and operating a shared services approach to ICT infrastructure provision. The shared services costs were developed from an RFP process and provided a range of costs based on the pricing submitted by the three potential suppliers who scored highest in the RFP evaluation.

- The purpose of the business case was to provide the opportunity for the Chief Executives to assess whether there was a solid business case for pursuing shared ICT infrastructure services further and obtain their approval to undertake due diligence with the potential suppliers, and so obtain the suppliers' best and final offers, and complete the work to identify a preferred supplier and undertake commercial negotiations. As a result your request was received in the middle of the procurement process and release of the February business case would have disclosed potential supplier pricing and was likely at that stage to undermine commercial negotiations to the detriment of the councils involved.

Under the Local Government Official Information and Meetings Act 1987, some information has been redacted in the report to protect third party information.

Under section 7(2)(b)(ii) and (c) of the Act, this information has been withheld as it would be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information and to protect information which is subject to an obligation of confidence and would be likely to prejudice the supply of similar information and it's in the public interest that such information should continue to be supplied.

If you disagree with the decision to withhold some of the information in the report, you can apply in writing to the Ombudsman to have the decision investigated and reviewed under section 27 (3) of the Local Government Official Information and Meetings Act 1987.

If you have any further questions please contact me.

Yours sincerely



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CC. Priti Patel – Office of the Ombudsman