

GENERAL REPORTS

1 PROVISION OF FACILITIES MAINTENANCE AND MANAGEMENT SERVICES

FILE REFERENCE INT1781956

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RECOMMENDATION

That:

- 1a. Council award the tender from Campeyn Group Pty Ltd for the Provision of Facilities Maintenance and Management Services for a 3-year period. The tender price consists of an estimated Annual Lump Sum value (a fixed Annual Fee for Routine Maintenance Services and an estimated Reactive Maintenance Service cost), exclusive of GST and any tendered discounts.
- 1b. Council note, should the Regional tender by Campeyn Group Pty Ltd be awarded to all participating Councils, a further Annual reduction, exclusive of GST will apply.
2. The common seal of the Council be affixed to the contract documents.
3. That the Confidential Memorandum to Councillors - Summary Collaborative Regional Tender Report attached remain confidential indefinitely as it relates to matters specified under Section 89 (2) (d) of the Local Government Act 1989.

Attachments

- 1 Confidential memorandum circulated to councillors only 10 Pages

EXECUTIVE SUMMARY

This report summarises the process and evaluation by the three participating Regional Councils (Shire of Yarra Ranges, City of Greater Dandenong and Shire of Cardinia) in their collaboration to seek competitive market value-add tenders for the provision of the Facility Management and Maintenance Services, with the Shire of Yarra Ranges acting as the agent on behalf of the participating Councils in tendering the provision of the said Services.

The collaboration sought to achieve the benefits of competitive pricing, economies of scale due to volume and consistency with service needs, customised and specialist provisions related to ESD and social procurement, consistency in practice and in minimising errors of rework, innovation and continuous improvements, sharing of resources, and improved contract performance.

The report provides an analysis of the three tender submissions, benefits and value-add differences, and together with the Confidential Memorandum to Councillors - Summary Collaborative Regional Tender Report, makes recommendations for the endorsement and in the appointment of the recommended contractor.

The recommendations in this report have been formally endorsed by the evaluation panel.

BACKGROUND

The provision of Routine Maintenance Services, Reactive Maintenance Services (Building Repairs and Improvements) and Planned Minor Capital Works (e.g. security access & monitoring, Essential Safety Measures & Compliance management (electrical, mechanical, fire, etc.), asbestos risk monitoring & management, building management systems, handyworker repairs, wastewater systems and pump stations, air-conditioning, roof anchor points, lifts & EWPs, grease traps, plumbing & hydraulics, pest control, Pool plant, Testing & tagging, residual current devices, thermostatic mixing valves, etc.), at the Shire across 760 buildings, structures and related assets is currently being delivered under an existing contract with UMS Pty Ltd and various other smaller supplier/service contracts. The existing contract in particular with UMS Pty Ltd has been in place now for over 10 years and will expire on 4 December 2017.

The 2-year extension Option at the end of the contract term with UMS Pty Ltd was not exercised, due to the opportunity in collaborating with Regional Councils such as the City of Greater Dandenong and the Shire of Yarra Ranges, in jointly seeking competitive pricing, improved performance and value-add services.

In January 2017, representatives from each of the collaborating Councils over a number of months set out to prepare a single and effective tender document platform, which included such key aspects as (i) detailed pricing schedules pertaining to each Council, (ii) Performance Based contract with focus on Innovation and Value Add Services, (iii) Social Procurement in providing employment opportunities within each Municipality for socially disadvantaged people, (iv) Accredited Quality System to ensure high standards of work, minimisation/control, improved efficiencies in delivery of services, best practice, and reducing rework and achieving consistency, (v) legal assistance by Maddocks in structuring of the contract to minimise liabilities, and (vi) engagement of an appropriate Probity Auditor in ensuring due diligence of the Procurement Plan.

Due to each participating Council having current service contracts expiring on different dates, and in particular Shire of Yarra Ranges not having any contract extensions beyond term end date of December 2017, there was a requirement in calling for tenders no later than on Saturday 15 July 2017. This tender deadline would allow the Shire of Yarra Ranges to have the appropriate contractor to commence delivery of Services by December 2017 and ensure respective transition across the remainder Councils, should the same contractor be recommended for all participating Councils.

The term for the new Contract was set at 3 years with a fixed price over this period, and includes 3no. x 2-years Options, which can be exercised by each Council respectively. The Cleaning Service will not form part of the provision of the Facility Management and Maintenance Services and will be tendered separately at a later stage.

The Shire of Yarra Ranges was nominated to act as the agent on behalf of the participating Councils in tendering the provision of the said Services.

An independent probity auditor was also appointed to overview the collaborative tender process and to ensure accordance with the agreed procurement plan and best practice.

In summary, the best offer was tendered by Campeyn Group Pty Ltd.

Please refer to the Confidential Memorandum to Councillors - Summary Collaborative Regional Tender Report for further details of the Regional Collaborative Tender process and outcomes.

POLICY IMPLICATIONS

Nil.

RELEVANCE TO COUNCIL PLAN

The provision of the Facility Management and Maintenance Services addresses the following key result areas and objectives of the Council Plan:

- 1.1 Access to a variety of for all.
- 1.1.1 Continually review services to ensure those provided by Council meet Community needs.
- 1.7 Minimised impact of emergencies.
- 1.7.1 Implement plans that support people in times of emergency.
- 1.7.2 Implement effective plans and procedures that minimise the impact of all emergencies in the Shire.
- 2.1 Our diverse Community requirements met.
- 2.1.4 Plan for the provision of facilities to service and support the changing Community.
- 3.1 Provision and maintenance of assets on a life-cycle basis.
- 3.1.3 Provide accessible facilities to meet identified Community needs.
- 3.1.4 Manage Council's assets like roads, drainage, footpaths and buildings, etc. in a way that ensures they are adequately maintained over their life.
- 4.1 Increased business diversity in Cardinia Shire.
- 4.1.1 Plan for and support local employment opportunities.
- 4.1.2 Support the development of existing and new businesses within the Shire.
- 4.1.6 Encourage procurement of local products and services.
- 5.3 Long term financial sustainability.
- 5.3.1 Make financial decisions that achieve the objectives of Council and long-term financial sustainability.
- 5.3.5 Identify ways to contain Council's cost base by a focus on innovation and efficiency.

CONSULTATION/COMMUNICATION

Clients and stakeholders were engaged throughout the process to ensure alignment with Council's expectations on achieving best value outcomes, in delivering a contract document that fulfils best practice in the provision of the Facility Management and Maintenance Services, and in supporting Council's strategy for long term financial sustainability.

FINANCIAL AND RESOURCE IMPLICATIONS

The new Contract will commence on 5 March 2018, as there will be a requirement from January 2018 for the existing contractor to transition needs, expectations and required Services to the new Contractor, as well as allowing sufficient time for the establishment of the new Contractor across the Shire of Cardinia.

There are no financial or resource implications.

CONCLUSION

The Collaborative Tender Process has facilitated the opportunity to each Council to explore best value and best practice in the provision of the Facilities Management and Maintenance Services, and in aligning these with new and growing demands across the Shire of Cardinia.

Considerations in the new Contract to Social, Environmental, Financial Sustainability and Performance Management will provide greater long term benefits to both the Council and our Community, including a clearer and transparent working relationship with the recommended Contractor.

With this in mind, it is recommended that Council endorse the Recommendations in this report and award the tender to Campeyn Group Pty Ltd for the Provision of Facilities Maintenance and Management Services to the Shire of Cardinia.