1.9 CONTRACT FOR SCHOOL CROSSING SUPERVISION
(Contract 2017096:TC:PP)

Responsible Director:  Peter Panagakos

RECOMMENDATION

That:

1. Council accepts the tender from Chandler Macleod Group Pty Ltd at an estimated cost of $3,324,580.37 (including GST) for the provision of 80 School Crossing Supervisors for three years with an option, at Council’s discretion, of a further two years.

2. The Chief Executive Officer be authorised to sign and seal the contract documents.

3. The Chief Executive Officer be authorised to approve an extension to the three year contract agreement, subject to satisfactory performance.

4. The Chief Executive Officer be authorised to approve any variations required under the contract agreement.

INTRODUCTION

At present school crossing supervision is primarily delivered through a contractual arrangement whereby the contractor provides 80 School Crossing Supervisors. An additional 16 supervisors are directly employed by Council but are managed by the contractor under the terms of the current contract.

Chandler Macleod Pty Ltd is the current contractor that provides School Crossing Supervisors to the City of Monash and has held the contract to provide School Crossing Supervisors since 2002. The current contract commenced in July 2012 for an initial term of three years and in June 2015 an option to extend the contract for a further two years was exercised by Council. The current contract expires on 30 June 2017.

Council provides 96 School Crossing Supervisors at 86 sites that either meet the VicRoads warrants (criteria set regarding the number of children using the crossing and traffic volumes) or ‘special needs’ warrant the crossing due to factors affecting safety such as excessive vehicle speed, road geometry, sight distances, volume of heavy vehicles or road width.

While overall the number of supervisors has remained static the number of Supervisors provided under the contract has gradually increased as Council has not replaced staff that have retired or resigned. Instead these positions have been incorporated into the contractual arrangement.
**SCOPE OF SERVICE**
The service includes the following key activities:

- Supervising various school crossings with fully trained and equipped Supervisors
- Provision of relief Supervisors at all crossing locations
- Recruitment and replacement of all Council Supervisors as they retire or resign
- Annual refresher training for all contracted Supervisors
- Annual medical checks for all Supervisors
- Regular Working with Children checks for all Supervisors at frequencies nominated in the relevant legislation

**SERVICE CHARACTERISTICS**
The service is for the provision, training, support, supervision and equipping of School Crossing Supervisors to various locations in the City of Monash. Currently 80 Supervisors are provided by contract and 16 are directly employed by Council. As the Council employees retire or resign, the replacement is provided by the contractor.

The contractor is also responsible for providing both long and short term relief supervision at all crossing locations created through absent Supervisors.

**PERFORMANCE ASSESSMENT METHODOLOGY**
The Contract is supervised and administered by the Coordinator of Community Laws as the Client Manager for the City of Monash. Monthly reporting and statistical comparisons of attendances and response times have been the primary methods of measuring and evaluating performance. Weekly claims, minutes of contract meetings, performance reports and other relevant documentation relating to the provision of the service are kept on the contract file.

Chandler MacLeod and Council officers work in accordance with the performance criteria detailed in the Specification. The performance measurement follows indicators that provide details based on past performance and expectations. They refer to items including the monitoring and correcting of staff performance, provision of relief Supervisors and equipment and attendance to refresher training.

Regular inspections by the contractor and Council’s Client Manager of on duty Supervisors are conducted to assess individual performance.

**TENDER EVALUATION**
Following a review of the Specification, tenders were called for in The Age for the provision of training, support, supervision and equipping of School Crossing Supervisors as a schedule of rates contract. The Specification also provides for a
fee deduction per occasion that the contractor fails to supply a Supervisor at any crossing.

Tenders closed on 24 March 2017.

A tender evaluation panel consisting of Greg Talbot, Manager Community Amenity, Mick Ross, Manager of Strategic Procurement and Talana Cook, Coordinator Community Laws, was convened to evaluate tenders.

Only one tender was received – that of Chandler Macleod Pty Ltd. The assessment panel analysed the tender in accordance with Council Policy and the criteria set out in the invitation to tender. Chandler MacLeod has the financial capacity to provide this service in addition to extensive experience in the provision of the service, both at Council and at other municipalities over many years.

**FINANCIAL IMPLICATIONS**

The Chandler MacLeod tender price is based on a comprehensive hourly rate that covers all expenses, including administration and supervision and all other costs incurred directly or indirectly in providing the service.

Annual payment adjustments will be based on the increase in Industry Allowance as per City of Monash EBA as specified in Clause 4.1A of the Service General Conditions.

It is estimated that the three years of the contract will cost approximately $3,324,580.37 (including GST). This figure may increase slightly to account for Council staff that resign or retire and are replaced by the contractor and instances where the contractor’s relief supervisors cover absences for supervisors directly employed by Council.

Council receives an annual Operational Subsidy from VicRoads which varies from year to year. For the past three years Council received:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Amount Received</th>
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<tbody>
<tr>
<td>2014–2015</td>
<td>$320,397</td>
</tr>
<tr>
<td>2015–2016</td>
<td>$328,391</td>
</tr>
<tr>
<td>2016–2017</td>
<td>$342,891</td>
</tr>
</tbody>
</table>

In the next financial year Council will receive a significantly increased subsidy amount of $508,177 ($165.2k increase). The subsidy is provided under the provisions of the School Crossings Subsidy Scheme which in recent times has amounted to 25-30% of the total annual costs associated with the delivery of the School Crossings Supervision Program. Importantly however, the State Government announced in December 2016 that the subsidy scheme would be modified to closer reflect a 50:50 funding model from 1 July 2017.
BUDGET IMPLICATIONS

The cost of this contract is included in the proposed budget for School Crossing Supervision in 2017/18.

IMPLEMENTATION

By accepting the Chandler MacLeod tender, there are no “changeover” issues to be dealt with in the lead up time to the commencement date of 1 July 2017.

CONCLUSION

Chandler MacLeod offers the expertise and experience of a provider currently delivering a similar service to this and other Councils. Their financial capacity, considerable experience and expertise provide some assurance for the continued proper regulation and safety at those school crossings to which their staff are assigned.