

2.2 TENDER FOR ACTIVE MONASH SERVICE IMPROVEMENT PROGRAM (CF2020030: TO)

Responsible Director: Julie Salomon

RECOMMENDATION*

That Council:

- 1. Awards the tender from Bon Golf Pty Ltd trading as Bon Leisure for Active Monash Service Improvement Program, Contract No. 2020030 for an annual fixed Lump Sum of \$110,000 for the initial three year term with an estimated total contract value of \$660,000 inclusive of all available extension options (plus an annual CPI indexation);*
- 2. Authorises the Chief Executive Officer to execute the contract agreement;*
- 3. Notes that the contract initial term will commence on 1 November 2019 and end on 31 October 2022 and that the contract has one extension option of three years and authorises the Chief Executive Officer to approve the extension option subject to satisfactory performance; and*
- 4. Notes that the estimated initial three year cost is \$338,318.75 and that the estimated additional three year option cost is \$364,332.29 based on a CPI increases of 2.5% per annum.*

*(*Please note that all dollar figures are GST Inclusive unless stated otherwise)*

INTRODUCTION

Council has tendered for the provision of an Active Monash Service Improvement Program to be implemented across all Active Monash sites over an initial three year period followed by one option of a further three year term.

BACKGROUND

Council is seeking to appoint a contractor for the development and implementation of a comprehensive training and development program that will improve customer service and safety across Active Monash.

The program is expected to lead to the development of new service standards for each area of the business, with clearly identifiable and measurable standards. New service standards will be developed in consultation with staff and key stakeholders, combined with standards that are used in other like centres within the industry.

Following the rollout of service standards including staff engagement and training. The program will include ongoing monitoring, assessing and reporting of the delivery of service standards across all centres and departments within the centres for an initial three year period to assist in the service standards becoming ingrained within the culture.

The standards will be developed to provide direction to staff, support staff engagement and improve business through the effectiveness of service.

NOTIFICATION

A public notice was placed in The Age newspaper on Saturday 31 August 2019 and the tender closed on Friday 13 September 2019.

TENDERS RECEIVED

One tender submission was received by the appointed closing time.

The submission received is listed below:

- Bon Golf P/L TA Bon Leisure

Tender Conformance:

The submission was accessed for compliance with the tender conditions including the contractual terms and conditions and the requirements of the response schedules.

The tender submission was deemed conforming.

TENDER EVALUATION

The tender evaluation was completed in accordance with an approved Procurement Plan and included three senior officers within the Community Development & Services Division and an advisor from Council's Strategic Procurement Department. All members of the evaluation panel signed Conflict of Interest and Confidentiality forms and no conflicts were raised.

The conforming tenderer was assessed in accordance with the evaluation criteria published in the tender documentation:

Pass/Fail Assessment Criteria	Score
Quality Systems	<i>Pass</i>
OHS	<i>Pass</i>
Mandatory Insurances	<i>Pass</i>

KEY SELECTION CRITERIA	CRITERIA WEIGHTINGS	SUB WEIGHTINGS	SUB CRITERIA/RETURNABLE SCHEDULES LINK
40% NON-PRICE CRITERIA	Capacity and Capability	35%	15%
			5%
			5%
			Experience in providing similar programs to recreation and aquatic centres
			Experience of personnel
			Ability to meet the requirements of the Program

		5%	5%	Ability to access & use appropriate benchmarks in Recreation and Aquatic industry.
			5%	Experience in training programs for aquatic and recreation centres.
			3%	Local Sustainability
			2%	Social Responsibility
	Sustainability (Mandatory)	5%		
PRICE (60%)	Price*	60%	60%	Comparison of Whole of Life Cost or Total Project Cost or Estimated Annual Cost

*Minimum 60% price weighting required unless Council approves otherwise.

DISCUSSION

The following information supports the evaluation panel's recommendations.

The final evaluation scoring process (including the price and non-price evaluation criteria) scored Bon Golf highly and as such, the evaluation panel recommends Bon Golf as representing a good value outcome for Council.

Implementation of the Service Improvement Program (SIP) will place Monash in line with most major centres in Metropolitan Melbourne including those in Maroondah and Glen Eira, and in recognition of the complexities of operating multi-functional facilities for 100 hours a week, across multiple sites and the inherent difficulties that presents for line management and supervision. Introducing a robust service standards program, independently monitored and reviewed, will enable Active Monash to focus on areas identified through the program for improvement to drive service improvement particularly in the areas and at the times it is needed the most.

The decision to appoint and partner with an industry expert to work on service standards within Active Monash is consistent with Council's objective within the Council Plan 2017-21 to deliver responsive & efficient services where people can have a say in, and are at the centre of, our decisions. The Service Improvement Program will deliver affordable, respectful, responsive, reliable and high quality services through its rigorous auditing and reporting regime.

The nominated provider is currently working with more than 30 centres across Australia and will bring unparalleled experience, expertise and intellectual knowledge on the standards and performance of major centres across Australia, thus allowing Active Monash to leverage on the experience of some of Australia's leading centres. In most cases, operators with a dedicated SIP are able to demonstrate immediate business improvements in service and the financial performance of the centre by adopting best practice techniques.

As per the tender submission, a comprehensive plan will be developed to implement the program which will include more than 4,200 assessments across all areas of the business in the first three years of the program. The first phase of the program will include a review

of all existing business service standards, practices and reports by the contractor. The next phase will include working with senior management, holding a series of staff development workshops and the identification and evaluation of user expectations and business practice improvements. The final phase of the program will include the development and roll-out of the agreed business service standards followed by the commencement of independent assessments and reporting. The initial program will be conducted over a three year period with an option for Council to extend the program for a further three years at its absolute discretion.

Once implemented, the SIP will include regular audits and inspections to measure and assess Active Monash's performance against the standards incorporating active staff supervision, engagement, product and service knowledge, professionalism and presentation. All touch points of service will be assessed, including face to face, phone, email and web enquiries. Once implemented, the program has demonstrated through past practices that it will lift the level of service, improve business efficiencies and generate a return on investment through greater membership sales, attendances and an improvement in member retention rates.

It should also be noted that the preferred supplier has made a commitment to recruit and train local residents to implement and monitor the program for Active Monash.

Introduction of the business Service Improvement Program (SIP) is consistent with the broader agenda for Aquatics in Monash and its focus on people, improved process and strengthened systems.

The Active Monash SIP will specifically concentrate of developing staff motivation, focus and commitment to customer service. Fundamentally it is a system that creates buy-in with staff. It trains, educates and provides feedback on standards that are established in partnership with staff, quantified and measured.

In addition to SIP, officers will continue to review all major process within the service with a view to eliminating redundant or inefficient processes, whilst clearly identifying opportunities for further business and process improvement through system enhancements, most notably, the operation's point of sale and membership software.

FINANCIAL IMPLICATIONS

The 2019/20 Operating Budget of Active Monash makes provision for an allocated training and development & program budget as follows:

Operating Budget 2019/20	\$ GST Inc.
Operating Budget - Year 1 - Actual 1.50.527.3824.000.6762	\$110,000.00
Operating Budget – Year 2 – Proposed 1.50.527.3824.000.6762	\$112,750.00
Operating Budget – Year 3 - Proposed 1.50.527.3824.000.6762	\$115,568.75

TOTAL EXPENDITURE	\$338,318.75
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CONCLUSION

That Council approves the recommendations contained within this report.