

7.4.2 2020047B CLEANING SERVICES - GROUP 4 SANITARY SERVICES; 2020047C CLEANING SERVICES - GROUP 3 CLEANING PUBLIC CONVENIENCES AND BBQS - VARIATIONS EXCEEDING OFFICERS' DELEGATION - NON-EXCEPTIONAL CIRCUMSTANCES

Responsible Manager:	Dino De Melis, Manager Facilities and Infrastructure Maintenance
Responsible Director:	Jarrod Doake, Director City Services

RECOMMENDATION

That Council:

1. Approves a variation to Contract 2020047B Cleaning Services - Group 4 Sanitary Services, by Oita Facility Management Pty Ltd in the amount of \$126,000 being greater than 10% of the original contract sum awarded, for the remainder of the contract should all options be exercised;
2. Notes that the revised total 2020047B contract value will be increased from \$687,174 to \$813,174 inclusive of all available extension options;
3. Approves a variation to Contract 2020047C Cleaning Services - Group 3 Cleaning Public Conveniences and BBQs in the amount of \$725,220 being greater than 10% of the original contract sum awarded, for the remainder of the contract should all options be exercised; and
4. Notes that the revised total 2020047C contract value will be increased from \$1,502,927 to \$2,228,147 inclusive of all available extension options.

BACKGROUND

On 25 August 2020 Council approved the tenders for:

1. Contract 2020047B Cleaning Services - Group 4 Sanitary Services with an annual fixed lump sum price of \$84,180.60 (incl GST) and a contingency sum of \$ 5,500 per annum for a combined estimated total contract value of \$687,174 inclusive of all available extension options (assuming 3% CPI).
2. Contract 2020047C - Group 3 Cleaning Public Conveniences and BBQs for an annual fixed lump sum of \$ 168,141.60 (subject to annual CPI adjustment) with an extra \$28,000 per annum for Contingencies, for a combined estimated total contract value of \$1,502,927 inclusive of all available extension options (assuming 3% CPI).

A copy of the original Council Report is attached for supporting background information.

The contracts are for an initial period of three (3) years with two optional extensions of two years exercisable at the discretion of the CEO.

Contract 2020047B Cleaning Services - Group 4 Sanitary Services includes provision for Hygiene Services throughout the municipality to facilities occupied or directly managed or supported by Council.

An amended variation to the amount is \$126,000 is sought in response to the volume of sanitary services having increased due to several factors.

These include:

- the growth in female participation within sports across the City of Monash.
- providing sanitary units in newly constructed facilities at Caloola Reserve, Galbally Reserve, Mulgrave Reserve, and Waverley Park playground.
- addressing community feedback and increased demand to provide sanitary units in male toilets at Council's aquatic facilities to aid Council's recreational changeroom facilities being more Gender Friendly and support males with incontinent hygiene.
- the opening of additional public amenities as part of the Public Toilet Strategy approval.

As a result, the total number of Hygiene assets have increased by 130 units to cater for the increase in demand across these sites requiring an increased service level to pavilions, recreational facilities, and public toilet assets.

Contract 2020047C Cleaning Services for Public Conveniences and BBQs includes the provision of cleaning to 42 Public Conveniences and 29 BBQs.

An amended variation to the amount is \$725,220 is sought in response to the volume of public toilets and BBQs having increased due to several factors.

These include:

- Since contract commencement, an additional fifteen public toilet locations have been included in the service, including new facilities at Caloola Reserve, Galbally Reserve, Mulgrave Reserve and Waverley Park playground; and the eleven public toilet locations opened as part of implementing the Public Toilet Strategy.
- The frequency of cleaning to nominated sites has also been increased as part of implementing the Public Toilet Strategy.
- An additional nine BBQ locations have been included in the service resulting from Council taking on maintenance responsibilities for the Waverley Park Estate and new playground improvements delivered through the Capital works program.

FINANCIAL IMPLICATIONS

In line with Council's Financial Delegation Limits (Item 3.5 Delegation Manual), Council must approve variations to Council Approved Contracts that are greater than 10% of the awarded sum including Contingency, or greater than \$100,000 of the original contract sum.

Funding for the variations to the contracts has already been provided for in the approved 2023/24 operational budget.

Contract 2020047B Cleaning Services for Group 4 Sanitary Services

Contract Value	3yr Initial period November 2020 to October 2023 (the current term)	1 st Extension Option 2yrs to 31 Oct 2025	2 nd Extension Option 2yrs to 31 Oct 2027 Estimated	Total estimated value
Current	\$ 281,072	203,051 *	\$203,051 *	\$ 687,174*
Proposed	\$ 335,072	\$ 239,051*	\$ 239,051*	\$ 813,174.00*
\$ increase	\$ 54,000	\$ 36,000*	\$36,000*	\$ 126,000*

*Subject to CPI adjustments

Contract 2020047C Cleaning Services for Group 3 Cleaning Public Conveniences and BBQ's

Contract Value	3yr Initial period October 2020 to September 2023 (the current term)	1 st Extension Option 2yrs to 30 Nov 2025	2 nd Extension Option 2yrs to 30 Nov 2027 Estimated	Total estimated value
Current	\$ 611,911	\$ 445,508*	\$ 445,508*	\$ 1,502,927 *
Proposed	\$ 797,131	\$ 715,508*	\$ 715,508*	\$ 2,228,147*
\$ increase	\$ 185,220	\$ 270,000*	\$ 270,000*	\$ 725,220*

*Subject to CPI adjustments

CONCLUSION

That Council approves the recommendations contained within this report.

ATTACHMENT LIST

1. Tender for Cleaning Services - 25 August 2020 [7.4.2.1 - 6 pages]

4.2 TENDER FOR CLEANING SERVICES FOR COUNCIL FACILITIES AND PROPERTIES (CF2020047: PM)

Responsible Director: Ossie Martinz

RECOMMENDATION*

That Council:

1. Awards the tender from Alpha Corporate Property Services for the following categories for Cleaning Services for Council Facilities and Properties, Contract No. 2020047:
 - Group 1. Major Facilities, for a fixed Annual Lump Sum of \$1,549,089.80 (subject to annual CPI adjustment) with an extra \$44,000 per annum for Contingencies; for a combined estimated total contract value of \$ 12,206,990 inclusive of all available extension options (assuming 3% CPI);
 - Group 2. Clayton Community Hub, for a fixed Annual Lump Sum of \$187,267.80 (subject to annual CPI adjustment) with an extra \$10,500 per annum for Contingencies, for a combined estimated total contract value of \$ 1,515,388 inclusive of all available extension options (assuming 3% CPI)
2. Awards the tender from Storm International from Council Facilities and Properties, Contract No. 2020047 Cleaning Services:
 - Group 3. Cleaning Public Conveniences and BBQ's for a fixed Annual Lump Sum of \$ 168,141.60 (subject to annual CPI adjustment) with an extra \$28,000 per annum for Contingencies, for a combined estimated total contract value of \$1,502,927 inclusive of all available extension options (assuming 3% CPI)
3. Awards the tender from OITA Facility Management PTY LTD for the following categories from Council Facilities and Properties, Contract No. 2020047:
 - Group 4. Sanitary Services, for a fixed Lump Sum of \$84,180.60 (subject to annual CPI adjustment) with an extra \$5,500 per annum for Contingencies, for a combined estimated total contract value of \$687,174 inclusive of all available extension options (assuming 3% CPI)
4. Authorises the Chief Executive Officer to execute the contract agreement;
5. Notes that the:-
 - a. Services contained in Groups 1 Major Facilities and Group 2 Clayton Community Hub contract will commence progressively for September 1, 2020 through to 1 December 2020 and the expected latest completion date is November 30, 2027;
 - b. Group 3 Cleaning Public Conveniences and BBQ's contract will commence on 1 October 2020 and the expected latest completion date is November 30, 2027;
 - c. Group 4 Sanitary Services contract will commence on 1 November 2020 and the expected completion latest date is November 30, 2027;
6. Notes that the total allocated budget for year one available for this contract including the fixed Lump Sum and contingencies is \$1,890,301 exc GST

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

INTRODUCTION

Council has tendered for Cleaning Services for Council Facilities and Properties

BACKGROUND

Council is seeking to appoint Alpha Corporate Property Services, OITA Facility Management Pty Ltd and Storm International to provide cleaning and sanitary services to approximately 106 buildings/facility's and structures throughout the Municipal District. These buildings which include public amenities are occupied or used by Council staff, various groups, managed by Committees of Management, service operators, tenants and public, and are currently maintained by Council and occupiers.

Council is seeking to form a creative relationship with a suitably qualified and experienced Contractors) to manage and deliver Building Cleaning Services to all nominated facilities. The Contractors are required to manage and maintain the properties in compliance with the Council's objectives and to meet the needs of the Occupiers and Users.

Council has divided the services into the following four categories:

- Group 1. Major Facilities
- Group 2. Clayton Community Hub
- Group 3. Cleaning Public Conveniences and BBQ's
- Group 4. Sanitary Services

Council currently engages the services of Alpha Corporate Property Services PTY LTD, Blue Sky Cleaning & Property Services, Ausbright Facilities Management, Quad Services Pty Ltd Quayclean Australia PTY LTD and Rentokil Initial PTY LTD.

NOTIFICATION

A public notice was placed in The Age newspaper on 23 May 2020 and the tender closed on 12 June 2020.

TENDERS RECEIVED

29 tender submissions were received by the appointed closing time.

The tenders received are listed below:

- Alpha Corporate Property Services Pty Ltd
- ARA Property Services Pty Ltd
- Ausbright Facilities Management
- Blue Sky Cleaning & Property Services
- Business Manager (Elite Property Care)
- Centrepont Cleaning PTY LTD
- Cleaning Melbourne Pty Ltd
- Cloverdale Group
- Enterprise Services Pty Ltd
- Envy Cleaning Solutions
- Facilities First Australia Pty Ltd
- GJK Facility Services
- GT Cleaning Group Pty Ltd
- Happsa Group
- KC Facility Services Pty Ltd
- MA Services Group Pty Ltd

Cleaning Services For Council Facilities and Properties

- Makkim Pty Ltd
- O.S Group Australia Pty Ltd
- OITA Facility Management Pty Ltd
- Origin Cleaning & Property Maintenance
- Peopleworks Cleaning Services Pty Ltd
- Pickwick Integrated Facilities Services
- Quad Services Pty Ltd
- Quayclean Australia PTY LTD
- Rentokil Initial PTY LTD
- RP Facility Services
- Storm International Pty Ltd
- Strategic Fluency
- Water estate cleaning

Some submissions tendered for all groups

TENDER CONFORMANCE:

All submissions were assessed for their compliance with the tender conditions including the contractual terms and conditions and the requirements of the response schedules.

PRE TENDER PROCESS

A mandatory online Pre-Tender Supplier briefing was undertaken to provide Tenderers with an opportunity for clarification.

TENDER EVALUATION

All members of the evaluation panel signed Conflict of Interest and Confidentiality forms and no conflicts were raised. All tender submissions were deemed conforming

The following five (5) tenderers were shortlisted:

1. Ausbright
2. Alpha
3. Happsa
4. OITA
5. Storm

and assessed in accordance with the evaluation criteria published in the tender documentation.

COVID-19

To ensure the possible impact of Coronavirus (COVID-19) on services is being effectively managed, tenderers were asked to provide information on how they would manage risks associated with this event.

Pass/Fail Assessment Criteria	Score
Mandatory Pre Tender Meeting	<i>Pass/Fail</i>
Quality threshold concerning resource hours and pay	<i>Pass/Fail</i>
Tender compliance	<i>Pass/Fail</i>

Cleaning Services For Council Facilities and Properties

KEY SELECTION CRITERIA		CRITERIA WEIGHTINGS	SUB WEIGHTINGS	SUB CRITERIA/RETURNABLE SCHEDULES LINK
40% NON-PRICE CRITERIA	Capacity and Capability	30%	12%	Experience
			13%	Resources
			2%	Risk Management
			3%	Performance and Innovation
	Sustainability (Mandatory)	10%	3%	Environmental Sustainability
			3%	Local Sustainability
			4%	Social Sustainability
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.

Tender interviews were held and reference checks were conducted.

For this category, the panel confirms that no more than 3 suppliers are required to satisfy Councils service needs. The final evaluation (including price and non-price evaluation criteria) ranked the following 3 suppliers the highest.

1. Alpha Corporate Property Services, Group 1. Major Facilities & Group 2. Clayton Community Hub
2. Storm International, Group 3. Cleaning Public Conveniences and BBQ's
3. OITA Facility Management PTY LTD, Group 4. Sanitary Services

As such, the evaluation panel recommends these suppliers as representing the best value outcome for Council.

Monash City Council (Council) required Probity Advisor Services (Advisor) for the tender of Cleaning Services for Council Facilities and Properties.

The Advisor provided process oversight and advice to ensure that the tender process complied with:

1. Section 186 of the Local Government Act 1989;
2. Council's Procurement Policy; and
3. The principles of the Victorian Local Government Best Practice Procurement Guidelines 2013.

The Probity Advisor Services scope included reviewing and advising, as required for the procurement process for the Cleaning Services for Council Facilities and Properties Contract included:

Cleaning Services For Council Facilities and Properties

1. Procurement planning;
2. Document creation;
3. Public Request for Tender including addendums;
4. Tender Briefing;
5. Evaluation;
6. Clarifications and contract negotiation; and
7. Evaluation recommendation report and Award

FINANCIAL IMPLICATIONS

The total recommended tender's annual lump sum subject to annual CPI adjustment, inclusive of contingencies for unplanned works and minor changes to the services levels is \$2,076,680 (GST inclusive). CPI over the contract period is estimated at 3% p.a. Therefore the total estimated cost over a maximum seven year period should all options be exercised for all three contracts is \$15,912,480 (GST inclusive).

An independent financial assessment was conducted on the preferred tenderer(s) by Corporate Scorecard.

The Corporate Scorecard checked the financial viability of the three (3) contractors proposed to undertake the separate parts of the work. The conclusion drawn by the Manager Financial Services advice is that Alpha Corporate Property Services, Storm International and OITA Facility Management Pty Ltd are considered satisfactory to undertake the categories proposed.

The 2020/21 Operating Budget makes provision for an allocated budget as follows:

Cost Centre	2020/2021 Budget Excluding GST
Expenditure	
0140 MONASH HALLS	271,331
0141 BATSEFORD HUB	50,850
0142 CLAYTON COMM CENTRE	205,804
0145 CIVIC CENTRE OPERATIONS	178,421
0165 OAKLEIGH OFFICE	22,105
2345 HACC ADULT DAY SUPPORT (HALCYON)	10,600
2360 HACC SENIOR CITIZENS GROUP SUPPORT	22,308
2535 BRINE ST CHILD CARE CENTRE	21,000
2565 MATERNAL CHILD HEALTH	61,144
2660 PRE-SCHOOLS	14,390
2670 YOUTH SERVICES	45,000
2680 EARLY CHILDHOOD & FAMILY SERVICES	44,314
3001 LIBRARIES	166,556
3035 MONASH GALLERY OF ART	44,000
3775 OAKLEIGH OPERATIONS	167,148
3826 MARC OPERATIONS	234,500
4061 NEIGHBOURHOODS & PLACE MAKING	6,130
6115 FLEET MANAGEMENT	55,000
6410. 000 FACILITY MAINTENANCE	70,000
6780 WASTE TRANSFER STATION	17,070
6410.857 FACILITIES CLEANING	182,630
Expenditure Total	1,890,301
Total	1,890,301

Cleaning Services For Council Facilities and Properties

Total inclusive of GST	2,079,331
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CONCLUSION

That Council approves the recommendations contained within this report.