

### **CM13.5. Supply of Cleaning Services City Area Contract No. 20/02007**

<b>DATE</b>	8 February 2021	<b>FIL REFERENCE</b>	FIL20/02007-02
<b>CONFIDENTIAL</b>	No		
<b>FURTHER ENQUIRIES</b>	Steven Millett Assets, Sustainability and Environment	<b>PHONE</b>	6023 8111
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#### **Purpose of Report**

To recommend a preferred contractor to supply cleaning services for Council Buildings in the City Area, through a qualitative and quantitative assessment.

#### **Background**

Council owns and manages 593 sites across the City. To ensure these facilities meet the demands of our community, cleaning services are separated into seven individual contracts as follows:

- City Area – Library/Museum, Retro Lane Youth Café, MAMA, and the Collections Storage Space at Thurgoona;
- Albury Community Properties – Thurgoona Community Centre, Banjora Child Care Centre, Springdale Heights Community Centre, Mirambeena Community Centre, Lavington Library, Lavington Hall, Lavington Sports Ground, Albury Family Day Care, Westside Community Centre, Waterview Laboratory, Volt Lane Car Park, Emergency Management Centre and the Visitor Information Centre;
- Administration Building;
- Depots - Lavington, Albury, Botanic Gardens, Jelbart Pump Station, Wagirra Depot and Albury Waste Management Centre;
- Albury Airport;
- Public Amenities – all public amenities including sports grounds; and
- Bus shelters and utility boxes.

Consideration has previously been given to combining some of these contracts, but a number require specialised and diverse services. And given the relatively large size of Council's property portfolio within the region, these smaller contracts offer more opportunities to be managed through local contractors.

Tenders were invited for the Supply of Cleaning Services for the City Area for a three-year term commencing 1 April 2021, on a fixed price basis with no provision for rate adjustments.

The tenders were in the format of a schedule of rates with weekly, monthly and annual service frequencies, based upon current cleaning requirements, and developed in consultation with experienced staff that manage the existing cleaning contractor. The scope of works has been further developed and details added since the previous contract tender in 2017, and now includes an

obligation for the contractor to report on a number of Key Performance Indicators (KPIs). These KPIs have been trialled by the current service provider and will continue to be refined over the duration of the new contract. They will enable the successful contractor to demonstrate their continued improvement in the quality of the cleaning service provided.

Prior to submitting tenders, all contractors were invited to attend guided site inspections at the three high profile buildings subject to the cleaning contract; the Library/Museum, Retro Lane Youth Café and MAMA. Floor plans of all sites, including the Collections Storage Space at Thurgoona, were provided as part of the tender pack.

The following 14 companies (alphabetical order) were represented at the site walk through:

- Building Services Contractors;
- Cleveland Property Services;
- Command 51;
- Fernando Enterprises Australia;
- Fudz Mercury Services;
- GJ Collins Services;
- Guardian Property Services;
- HACCP International Property Services;
- MK Solution;
- New Scope Services;
- Newserv;
- Pickwick Cleaning Services;
- Principal Asset Services; and
- Storm International.

Tenders were invited for Contract No. 20/02007 - Cleaning Services for City Area, and advertised in the Border Mail on 17 October 2020, Sydney Morning Herald on 13 October 2020, and on Tenderlink on 12 October 2020. Tenders closed at 12 noon on Tuesday 17 November 2020.

There were two contractors (KC Facility Services and Ausbright Facilities Management) that submitted tenders, but were unable to enter NSW for a site inspection, due to COVID-19 health restrictions. These two contractors were granted a subsequent opportunity to inspect the three sites on 30 November 2020, and were asked to confirm their submissions.

The tender is considered an essential service for the maintenance and operation of these sites. Offering a three-year contract term (1 April 2021 to 31 March 2024) provides surety of service, economy of scale, and minimises AlburyCity's exposure to unpredictable price rises.

During the COVID-19 pandemic, Council required additional cleaning from the current service providers for these properties, and the additional 'Health Event' cleaning specification was therefore included as a further fixed price tender option.

Based on the scope of the contract and historical cleaning expenditure, there is an existing budget allocation (excluding additional COVID-19 cleaning) of \$122,284 per annum (including GST). It should be noted that this budget has not increased since the last tender was awarded in 2017.

The scope of the works included in this contract is summarised below:

- detailed descriptions of the cleaning requirements, frequency of cleans and hours of work in every area for each building;
- floor plans for all buildings;
- full specification of the extra cleaning required during a 'Health Event'; and
- reference to current Key Performance Indicators to be used during the contract.

### **Tender Assessment**

At the close of tenders, submissions were received from the following ten companies (alphabetical order):

- Building Services Contractors (Wodonga, VIC);
- Fernando Enterprises Australia (Shepparton, VIC);
- GJ Collins Services (Thurgoona, NSW);
- HACCP International Property Services (Thebarton, SA);
- KC Facility Services (Keysborough, VIC);
- Newserv (Five Dock, NSW);
- Pickwick Cleaning Services (Caringbah, NSW);
- Smart Cleaning Solutions (Mount Waverley, VIC);
- Storm International (Yennora, NSW); and
- Sunrise CFM (Epping, VIC).

Of the ten companies to tender, one (Smart Cleaning Solutions) was not represented at the site walk through, one (Sunrise CFM) was the existing contractor, and the remaining eight were represented.

All tenders were evaluated in accordance with Council's Procurement Policy and Guidelines. The assessment panel for the tender comprised Coordinator Procurement and Contract Management (Gerard Coyle), Team Leader Property & Buildings (Richard Boucher), Acting Building Services Coordinator (Craig Dainer), and Assistant Building Services Coordinator (David Elliott).

### **Conformity Check**

A conformity assessment was undertaken to ensure all submissions received were in accordance with the contract documentation and specification.

<b>Company</b>	<b>Pricing Details</b>	<b>Supporting Information</b>	<b>WHS Documentation</b>	<b>Comment</b>
<b>Building Services Contractors</b>	✓	✓	✓	<b>Fully Complies</b>
<b>Fernando Enterprises Australia</b>	✓	✓	✓	<b>Fully Complies</b>
<b>GJ Collins Services</b>	✓	✓	✓	<b>Fully Complies</b>

<b>HACCP International Property Services</b>	✓	✓	✓	<b>Fully Complies</b>
<b>KC Facility Services</b>	✓	✓	✓	<b>Fully Complies</b>
<b>Newserv</b>	✓	✓	✓	<b>Fully Complies</b>
<b>Pickwick Cleaning Services</b>	✓	✓	✓	<b>Fully Complies</b>
<b>Smart Cleaning Solutions</b>	✓	✓	✓	<b>Fully Complies</b>
<b>Storm International</b>	✓	✓	✓	<b>Fully Complies</b>
<b>Sunrise CFM</b>	✓	✓	✓	<b>Fully Complies</b>

As indicated above, all submissions were assessed as conforming tenders, and all companies provided the necessary WHS documentation, to be successfully registered with Council.

#### **Quantitative Assessment (100%)**

The lump sum tender prices and ratings relative to the lowest price for the three-year contract period are tabulated below.

<b>Rank</b>	<b>Company</b>	<b>Estimated Contract Value (incl. GST) for 3 Year Term</b>	<b>Rating (100)</b>
<b>1</b>	Fernando Enterprises Australia	\$296,456	100
<b>2</b>	KC Facility Services	\$406,619	73
<b>3</b>	Pickwick Cleaning Services	\$431,708	69
<b>4</b>	Sunrise CFM	\$434,745	68
<b>5</b>	GJ Collins Services	\$442,692	67
<b>6</b>	Building Services Contractors	\$588,089	50
<b>7</b>	HACCP International Property Services	\$611,431	48
<b>8</b>	Smart Cleaning Solutions	\$707,763	42
<b>9</b>	Storm International	\$999,113	30
<b>10</b>	Newserv	\$1,175,709	25

The above table shows that the tender price submitted by Fernando Enterprises Australia was the lowest received and 37% below the next lowest price. The prices received from KC Facility Services, Pickwick Cleaning Services, Sunrise CFM and GJ Collins Services provide an extremely competitive tender grouping (\$400-\$450K). The remaining tender prices ranged between \$588K and \$1.176M.

Based on the quantitative assessment, the tender from Fernando Enterprises Australia was the only one received within the current budget allocation for the three-year contract of \$366,851 (including GST). If this quotation is not accepted, there will be a resulting minor shortfall for FY2020/21 that will need to be addressed in the quarterly budget review.

Based on the quantitative assessment, tender submissions from the following five companies (alphabetical order) were shortlisted and subject to further consideration in this report.

- Fernando Enterprises Australia;

- GJ Collins Services;
- KC Facility Services;
- Pickwick Cleaning Services; and
- Sunrise CFM.

The five tenders not being considered further, as they were all in excess of \$500K, are listed in alphabetical order below.

- Building Services Contractors;
- HACCP International Property Services;
- Newserv;
- Smart Cleaning Solutions; and
- Storm International.

#### **Qualitative Assessment (100%)**

A qualitative assessment of the shortlisted tenders considered a range of issues including:

- past performance – including referee checks, relevant experience, and expertise in performing same or similar projects;
- methodology and program – project methodology and proposed program;
- capacity – current and future commitments and workload;
- capability – including availability of resources, equipment, and contract management capabilities; and
- benefit to local region – social and community benefit to the Albury/Wodonga region.

A summary of the qualitative assessment for the remaining five tenders is provided below.

<b>Company</b>	<b>Past Performance (30%)</b>	<b>Methodology &amp; Program (20%)</b>	<b>Capacity (20%)</b>	<b>Capability (20%)</b>	<b>Local Benefit (10%)</b>	<b>Total (100%)</b>
Sunrise CFM	24	16	16	16	6	78
GJ Collins Services	21	9	14	17	9	70
Pickwick Cleaning Services	17	14	13	13	4	61
KC Facility Services	17	7	10	12	5	51
Fernando Enterprises Australia	15	8	9	11	4	47

The above table identifies that the submission received from Sunrise CFM was assessed as providing the highest qualitative score, followed by GJ Collins Services and Pickwick Cleaning Services. The submissions from KC Facility Services and Fernando Enterprises Australia scored the lowest qualitative assessment.

**Sunrise CFM** is based in Epping, Victoria and operates in NSW and Victoria, with an annual turnover of \$1.7M. They have over 20 years experience in the cleaning industry. They are the current provider of our City Cleaning Services contract and feedback from Council occupiers is that they provide an excellent service. Other referees commented that this contractor is reliable and punctual, operates well on high risk industrial sites, and has a proactive attitude to record keeping and reporting.

Sunrise CFM provided a well thought through methodology and good examples of in-house work safety policies and procedures. Referees identified this contractor as always reliable and quick to respond to any requests and that issues are rarely encountered. The contractor is reported to have been very obliging and cooperative in response to cleaning challenges presented by the COVID-19 pandemic and undertook additional work with total flexibility. They are proactive in identifying and implementing changes to improve procedures, equipment, and products specific to site challenges.

The contractor is a medium sized business with current capacity to manage several similar cleaning contracts with local businesses such as Amcor, Boral National and Opal Packaging. Their submission and referees identify that they demonstrate good levels of staff retention.

Their tender included excellent examples of employee guidance notes, standard working manuals and they are Certified under ISO9001 (quality management systems), ISO14001 (environmental management systems) and AS4801 (WHS management systems). Referees identify that this contractor demonstrates good record keeping and has an excellent record of work safety.

Their tender noted that they have more than 10 years of experience in the region, and all existing cleaners used for this contract are employed from the Albury Wodonga region.

**GJ Collins Services** is based in Thurgoona, NSW and trades under the name Southern Asset Services with an annual turnover of \$1.7M. Reference checks were mixed in their response with the majority having positive comments about this contractor's performance. Cooperation for daily activities was reported by referees as good, as was their responsiveness to complaints. However, one referee did comment that the equipment being used should be upgraded or replaced.

The tender provided limited information on their intended methodology and program and was therefore scored down for this element.

The contractor is a medium sized business with a good capacity to undertake the contract with 40 existing clients and high levels of staff retention.

The contractor's capability was supported, with recently renewed similar sized cleaning contracts for PRD, Woolworths Distribution, Taghleef Industry and Wodonga Middle Years College.

Their submission provided the best response for local support and community benefit, offering support programs for new employees, training opportunities, transition of existing employees, and has nominated community sponsorship with several local clubs and associations.

**Pickwick Cleaning Services** is based in Caringbah, NSW, has over 40 years of experience and is the largest shortlisted company with an annual turnover of \$72M. All referees commented that they had

concerns over the allocation of time and resources to perform cleaning tasks adequately, resulting in the need for additional contractor management. Referees also commented that the contractor's capacity was hampered by cleaning staff requiring better training and noting that they have a higher than usual turnover of staff. However, they received positive feedback on their level of cooperation, paperwork and invoicing.

This tender provided comprehensive methodology and program although it did appear quite generic in places with limited local focus and tailoring to our portfolio. They referenced several comprehensive standardised systems and procedures that would be expected from a contracting company of this size.

Being the largest in size, the contractor has the capacity to manage large contracts, most recently taking on COVID-19 cleaning for NSW State Government properties in Sydney. They currently manage large cleaning contracts including ones for Brisbane City Council, Hills Shire Council, Hay Shire Council, Logan City Council and East Gippsland Shire Council. The company complies with the principles of ISO 26000-2010 through a Corporate and Social Responsibility Policy.

This contractor provided summaries of their gender and equal opportunities employment policies, which, along with a positive commitment to recycling, scored well in the benefits to local region assessment. They currently have no local presence, with one referee commenting that they make limited use of local employees, although in their tender made a commitment to employ locally if successful.

**KC Facility Services** is a Melbourne based company established in 2012 that has a local office, employs five local staff, and has an annual turnover of \$2.3M. KC Facility Services were Council's cleaning contractor at Albury Airport for three years until 10 January 2019, where the contract value was \$248K per annum. During this contract they developed a good reputation for quality with Airport staff.

Referees commented that the contractor's capacity was sometimes hampered by cleaning staff requiring better training, and noted that they have a higher than usual turnover of staff.

The contractor provided limited information on their intended methodology and program and was therefore scored the lowest of all tenders for this element.

The tender included good examples of safety and environmental check lists, and work safety procedures. The company has its own corporate facilities management smart phone app, but this was not specifically referred to in the local submission. As the previous contractor for airport cleaning, this contractor has the capacity to undertake a contract of this size.

The tenderer services similar cleaning contracts with Murrindindi Shire Council, South Gippsland Shire Council and Maroondah City Council. KC Facility Services has good safety and environmental check lists and work safety procedures, being accredited to ISO 9001 quality and safety requirements.

Their tender noted that, if successful, they would employ local cleaners and provide mandatory training plans for all employees.

**Fernando Enterprises Australia** is a Shepparton based company with an annual turnover of \$5M. They have existing contracts with Wodonga Senior Secondary College and Wangaratta Rural Council. Reference checks for this contractor were mixed with concern that there is a general under provision of allocated hours resulting in an inadequate service provision and increased contract management.

All referees identified that they had experienced issues, mainly resulting from this contractor allowing insufficient time, resulting in rushed cleaning to an unacceptable standard and the need for additional contract management. Referees claim that Fernando Enterprises Australia has experienced high levels of staff turnover with staff not well trained or appropriately allocated to their position.

The contractor previously held similar cleaning contracts with Councils in Bendigo, Stonnington and Maroondah. They have the capability to manage contracts of this size, although most referees commented on issues of site safety, unmaintained equipment, and a lack of new starter inductions.

This is a medium sized company whose tender scored well for capacity, including a service delivery methodology that comprises contract transition arrangements, cleaning process, equipment maintenance, environmental impacts, waste reduction action plan and damage reporting.

Their tender noted that they do not have any current contracts in the region but, if successful, they would employ local cleaners and provide mandatory training plans for all employees.

Based on the above, Sunrise CFM, GJ Collins Services, Pickwick Cleaning Services and KC Facility Services are best placed to undertake this contract and were shortlisted for further consideration. Based on the qualitative assessment, Fernando Enterprises Australia was excluded from further consideration.

## **Risk**

- **Business Risk** – LibraryMuseum, Retro Lane Youth Café and MAMA are Council owned buildings that form part of what is known as the Cultural Precinct. The Collections Storage Space at Thurgoona is used by the Museum and MAMA to house items that are not on public display, and need to be safely and appropriately stored away from the city centre for future use. The scope of works for this cleaning contract reflects the high profile nature of buildings within the Cultural Precinct, and a need for high quality cleaning of the facilities to ensure that Council's ongoing delivery of services is not at risk.
- **Corporate Risk** – Albury 2030 clearly sets out community expectations in relation to Council's infrastructure and assets being well managed and maintained. The priority to be applied to the maintenance and cleaning of Council facilities contributes to the visitor economy and cultural experiences available in the City. To this extent, these priorities can be met by ongoing maintenance and cleaning, ensuring that the facilities are presented at their best.
- **WHS and Public Risk** – WHS risks due to the cleaning works will be controlled in accordance with AlburyCity procedures. The contractor will also have adequate policies and comprehensive systems in place to safely manage their staff, and to provide the services provided for in the contract.



- **Environmental Risk** – Most contractors are committed to locally sourcing cleaning products and will be encouraged to use those that pose minimal harm to the environment.
- **Delivery Program Risk** – The risk to the delivery program is assessed as low.

### Community Engagement

Well presented and clean community facilities have been identified consistently as a high priority in Community Satisfaction Surveys undertaken by AlburyCity.

This tender is relevant and closely linked to the Albury 2030 Strategic Plan that was subject to extensive community consultation and engagement.

The scope of works included stakeholder consultation with the occupiers of Council facilities subject to the contract. Any previous feedback from the community was also considered in changes to the scope of work recommended by the buildings' occupiers.

### Summary

The scoring for the qualitative and quantitative assessments of the shortlisted tenders is provided below:

Company	Quantitative (100%)	Qualitative (100%)
<b>Sunrise CFM</b>	68	78
<b>GJ Collins Services</b>	67	70
<b>Pickwick Cleaning Services</b>	69	61
<b>KC Facility Services</b>	73	51

The quantitative assessment of the shortlisted tenders identifies that KC Facility Services provided the most cost price competitive tender, followed by Pickwick Cleaning Services, Sunrise CFM and GJ Collins Services.

The current budget allocation for the three-year contract is \$366,851 (including GST), and the tenders received are between \$13K and \$25K per annum greater than this provision.

The qualitative assessments for the four shortlisted tenders identified that Sunrise CFM provided the highest quality submission, followed by GJ Collins Services, and were best placed to provide Council with a quality service.

In summary, based upon the quantitative and qualitative assessments above, the Sunrise CFM submission offers the best value to Council for the provision of this contract.

### Conclusion

Council invited tenders for the Supply of Cleaning Services for the City Area for a three-year term commencing 1 April 2021, and received ten submissions.

Tenders were invited in a schedule of rates format with daily, weekly, monthly and annual service frequencies for cleaning the LibraryMuseum, Retro Lane Youth Café, MAMA, and the Collections Storage Space at Thurgoona.

Quantitative and qualitative assessments indicated that Sunrise CFM is the most favourable submission. Their tendered price of \$434,745 (including GST) is \$23K per annum above the current year's budget allocation. It should be noted that since it was last tendered in July 2017, this contract has been on a fixed price and the scope of works has been developed and refined during the contract period.

### **Recommendation**

That Council accepts the tender from Sunrise CFM for the Schedule of Rates Contract No. 20/02007 for Supply of Cleaning Services for City Area for a three-year period commencing 1 April 2021, for the estimated contract value of \$434,745 (including GST).