

CM13.4. Supply of Cleaning Services for Community Properties Contract No. 21/01077

DATE	15 June 2021	FIL REFERENCE	FIL21/01077-02
CONFIDENTIAL	No		
FURTHER ENQUIRIES	Steven Millett Assets, Sustainability and Environment	PHONE	6023 8111
AUTHOR	Richard Boucher		

Purpose of Report

To recommend a preferred contractor to supply Cleaning Services for AlburyCity Community Properties, through a quantitative and qualitative 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 five individual contracts as follows:

- **City Area** – Library/Museum, Retro Lane Youth Café, MAMA, and the Collections Storage Space at Thurgoona;
- **Community Properties** – currently encompassing: 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 and Airport;**
- **Public Amenities and Depots** – Currently encompassing: all public amenities including sports grounds, as well as Depots - Lavington, Albury, Botanic Gardens, Jelbart Pump Station, Wagirra Depot and Albury Waste Management Centre;
- **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.

The cleaning of Volt Lane car park was previously included in the Community Properties cleaning contract, although the work undertaken was more aligned to the Public Amenities and Depots cleaning contract. Following consultation with key stakeholders, it was agreed that the future monitoring of the car park cleaning contract would be better monitored if included within the Public Amenities and Depots cleaning contract. The Volt Lane site was therefore removed from the list of sites prior to tender.

The current cleaning contract for Public Amenities and Depots is due to expire on 31 January 2022, and the Volt Lane car park will be added to this as a new site. In the short term, the current contractor servicing the Public Amenities and Depots contract agreed to accept Volt Lane car park as a new site under existing contract arrangements at a comparative and competitive cost.

Glenecho Neighbourhood House, Glenmorus Memorial Gardens & Crematorium, and the recently constructed buildings at Lavington Sports Ground have all been incorporated into this tender as new sites having previously had no formal arrangements in place for cleaning services.

Tenders were invited for the Supply of Cleaning Services for AlburyCity Community Properties for a three-year term commencing 1 August 2021, on a fixed price basis for the initial 12 months followed by provision for optional annual rate adjustments, calculated on 1 July. The price will be adjusted in line with any Fair Work Australia announcement relating to an increase in Award Wages specifically the Cleaning Services Award Number MA000022; but if there is no announcement by Fair Work Australia, then the increase is based upon changes in CPI.

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 both experienced staff that manage the existing cleaning contractor and in consultation with occupiers of the relevant sites. 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 other cleaning service providers and will continue to be refined over the duration of the new contract. This has been noted in the tender documents and will enable the successful contractor to demonstrate the maintenance of service levels and continued satisfaction of occupiers of the quality of cleaning services provided.

This contract comprises the cleaning of the Albury Visitor Information Centre, Banjora Children's Centre, Emergency Management Centre, Albury Family Day Care Centre, Glenecho Neighbourhood House, Glenmorus Memorial Gardens & Crematorium, Lavington Hall, Lavington Library, Lavington Sports Ground Complex, Mirambeena Community Centre, Orana Community Centre, Thurgoona Community Centre & Hall, Waterview Laboratory, and the Westside Community Centre.

Prior to submitting tenders, all contractors were required to attend guided site inspections at selected buildings that were subject to this cleaning contract.

The following eight companies (listed in alphabetical order) were represented at the site walk through:

- Building Services Contractors Ass Vic T/As Border Cleaning Services;
- Fernando Enterprises (Australia) Pty Ltd T/As Ausbright Facilities Management;
- HACCP International Property Services Pty Ltd;
- Prime Facilities Management Pty Ltd;
- Principal Asset Services Pty Ltd;
- RP Facility Services;
- Smart Cleaning Solutions; and
- Sunrise CFM Pty Ltd.

Tenders were invited for Contract No. 21/01077 - Cleaning Services – AlburyCity Community Properties, and advertised in The Border Mail on 3 April 2021, and on Tenderlink from 31 March 2020. Tenders closed at 12 noon on Tuesday 20 April 2021.

This tender is considered an essential service for the maintenance and operation of these sites. Offering a three-year contract term (1 August 2021 to 31 July 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 this contract, and the additional 'Health Event' cleaning specification was therefore included as a further fixed price tender option.

Based upon the scope of this contract and historical cleaning expenditure, there is an existing budget allocation (excluding additional COVID-19 cleaning) of \$171,000 per annum (including GST) totalling \$513,000 for a period of three years.

The additional information included in the tender documentation is summarised below:

- detailed specification of the cleaning requirements, frequency of cleans and hours of work in every area for each building;
- floor plans for each building; and
- specification of the extra cleaning required during a 'Health Event'.

Tender Assessment

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

- Building Services Contractors Ass Vic T/As Border Cleaning Services (Wodonga, VIC);
- Fernando Enterprises (Australia) Pty Ltd T/As Ausbright Facilities Management (Shepparton, VIC);
- GJ Collins Services Pty Ltd T/A Southern Assets (Thurgoona, NSW);
- HACCP International Property Services Pty Ltd (Thebarton, SA);
- Prime Group Facilities Management; (Oakleigh South, VIC);
- Principal Asset Services Pty Ltd (Ultimo, NSW);
- Smart Cleaning Solutions (Mount Waverley, VIC); and
- Sunrise CFM (Thomastown, VIC).

As part of the tender process, and noted in the tender documentation, all interested parties were instructed to attend a compulsory inspection of nominated sites to ensure that they had seen examples of the specific type of buildings to be cleaned. Of the eight companies to tender, all but one contractor (GJ Collins Services Pty Ltd) were represented at the inspection. GJ Collins Pty Ltd did not advise prior to the inspection that they would be unable to attend, did not request an alternative arrangement be made, nor were they the existing service provider for this cleaning contract.

The evaluation of the tenders was undertaken in a three-stage process beginning with a general conformity assessment followed by quantitative and qualitative assessments. The general evaluation of the tenders was conducted by the contract assessment panel comprising the Acting Building Services Coordinator (Craig Dainer), Assistant Building Services Coordinator (David Elliot), Team Leader Property & Building (Richard Boucher) and in consultation with the Team Leader Procurement Services (Elisha Lieschke).

Conformity Check

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

Company	Pricing Details	Supporting Information	Compulsory Inspection	Comment
Building Services Contractors Ass Vic	✓	✓	✓	Fully Complies
Fernando Enterprises (Australia) Pty Ltd	✓	✓	✓	Fully Complies
GJ Collins Services Pty Ltd	✓	✓	x	Non Compliant
HACCP International Property Services Pty Ltd	✓	✓	✓	Fully Complies
Prime Group Facilities Management	✓	✓	✓	Fully Complies
Principal Asset Services Pty Ltd	✓	✓	✓	Fully Complies
Smart Cleaning Solutions	✓	✓	✓	Fully Complies
Sunrise CFM	✓	✓	✓	Fully Complies

GJ Collins Services Pty Ltd did not submit a compliant tender as they were not in attendance for the compulsory inspection of sites undertaken on 13th April 2021. For this reason, their tender submission was not considered further.

The remaining seven submissions were assessed as conforming tenders and all companies provided the necessary WHS documentation to be successfully registered with AlburyCity.

Quantitative Assessment (100%)

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

Rank	Company	Estimated Contract Value (including GST) for 3 Year Term	Rating (100)
1	Prime Group Facilities Management	\$457,785	100
2	Fernando Enterprises (Australia) Pty Ltd	\$470,565	97
3	Sunrise CFM	\$470,913	97

Rank	Company	Estimated Contract Value (including GST) for 3 Year Term	Rating (100)
4	HACCP International Property Services Pty Ltd	\$478,764	96
5	Smart Cleaning Solutions	\$669,813	68
6	Building Services Contractors Ass Vic	\$710,943	64
7	Principal Asset Services Pty Ltd	\$2,765,409	17

The budget allocation for the three-year period for the provision of this service, based on scope and specification, is \$513,000 (including GST). Four of the seven submissions received were within the existing budget allocation.

The above table shows that the tender price submitted by Prime Group Facilities Management was the lowest received and 2% below the next lowest price from Fernando Enterprises (Australia) Pty Ltd. The prices received from the next three companies Fernando Enterprises (Australia) Pty Ltd, Sunrise CFM and HACCP International Property Services Pty Ltd provided a very competitive tender grouping all within the existing budget. The remaining three tender prices from Smart Cleaning Solutions, Building Services Contractors Ass Vic and Principal Asset Services Pty Ltd were at least 39% more than the next lowest price and all were in excess of the existing budget allocation.

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

- Fernando Enterprises (Australia) Pty Ltd;
- HACCP International Property Services Pty Ltd;
- Prime Group Facilities Management; and
- Sunrise CFM.

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 four tenders is provided below.

Company	Past Performance (30%)	Methodology & Program (30%)	Capacity (15%)	Capability (15%)	Local Benefit (10%)	Total (100%)
HACCP International Property Services Pty Ltd	22	24	12	11	8	77
Sunrise CFM	18	20	10	10	6	64
Prime Group Facilities Management	14	22	7	10	3	56
Fernando Enterprises (Australia) Pty Ltd	12	14	10	5	4	45

The above table identifies that the submission received from HACCP International Property Services Pty Ltd was assessed as providing the highest qualitative score, followed by Sunrise CFM and Prime Group Facilities Management. The submission from Fernando Enterprises (Australia) Pty Ltd scored lowest in the qualitative assessment. Further details for each of the four tendering companies is provided below.

HACCP International Property Services Pty Ltd is based in Thebarton, South Australia and operates in SA, WA, QLD, NSW, and VIC. It has an annual turnover of \$3M, operates from a local office and are the current provider of this contract. Monitoring of this contract together with feedback from property occupiers, is that HACCP International Property Services Pty Ltd has provided a very good service over the last three years. This company is also the current provider of cleaning services to the Administration Building & Airport and has similar sized cleaning contracts throughout the State and with other local organisations including cleaning for Greater Hume Council.

The company has over 40 years in the service industry and have been externally certified in Management Systems Accreditation (PAS 99) ISO 9001:2015, ISO 14001:2018, AS-NZS 4801:2001. Its submission demonstrated a strong methodology and responsiveness to changes in work requirements, along with fast delivery of staff training and implementation of COVID-19 response procedures. New staff appear to be well inducted and trained in all procedures on each site. Management work closely with frontline staff and show a proactive approach to inspections and auditing.

The contractor is a medium sized business, has a capacity to manage numerous similar cleaning contracts with a focus on local government. Their submission documentation along with experience from existing contracts indicates staff receive both site specific, as well as contract wide training, to ensure any changes in staffing do not impact on service provision.

As incumbent providers of this contract, this contractor has demonstrated capability to deliver the required services. This is supported by a broad range of similar contracts held in other local

government areas. Referees indicate they demonstrate high levels of staff retention. Documentation provided as part of their submission indicates they hold the capability for further cleaning and other services beyond the scope of this contract.

HACCP International Property Services Pty Ltd operates a local office and has indicated that it hires staff and procures all cleaning products locally. It employs 9 staff from the Albury-Wodonga region and its submission focused on its belief to give back to the local community. The company currently supports local community groups via provision of services gratis and has committed to financial assistance being made available to local community organisations. The contractor is a supporter of 'Mens Sheds' and if successful has committed to sponsorship of sporting groups in the Albury-Wodonga region.

Sunrise CFM is based in Epping, Victoria and operates in NSW and Victoria, with an annual turnover of \$1.7M. It has over 20 years of experience in the cleaning industry. The contractor is current provider of our City Cleaning Services contract where the feedback from Council occupiers is that overall, it provides a high level of service. Other referees' comments were mainly positive regarding reliability and punctuality, that they operated well on industrial-type sites, and generally show a proactive attitude to record keeping and reporting. There was some concern raised around staffing levels and the company's addressing of safety issues on site.

The company provided a well thought through methodology and good examples of in-house work safety policies and procedures. Referees identified this contractor as historically reliable and generally quick to respond to any requests. The contractor is reported to have been very obliging and cooperative during the cleaning challenges presented by the COVID-19 pandemic and undertook additional work with total flexibility. It is generally proactive in identifying and implementing changes to improve procedures, equipment, and products specific to site challenges. One referee reported that recent frontline staffing changes had led to a decline in this area at their site.

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 generally maintain 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 generally demonstrates good record keeping and has an excellent record of work safety.

This tender noted that it has more than 11 years of experience in the Albury-Wodonga region, and it currently holds the AlburyCity's City Cleaning Services contract. It indicated that current frontline cleaning staff and local supervisor are from the Albury/Wodonga area. This contractor indicated it engages local labour hire firms for additional recruitment as required. It provides annual financial support to Junction Support Services and to local Youth Sporting Groups and have committed to continue this arrangement if successful with this contract. Their tender provided insufficient details on the proposed transfer of skills and training and made no reference to the use and benefits of performance indicators that are currently using in the AlburyCity's City Cleaning Services contract that it operates.

Prime Group Facilities Management is based in Oakleigh South, Victoria, with an annual turnover of \$8.4M. It currently holds several contracts with large commercial clients. Reference checks for this contractor were mixed with concern expressed regarding Environmental and WHS Management, and inconsistent quality of service.

Referees identified generally acceptable levels of staff allocation and resourcing, with mixed feedback regarding communications and generally good co-operation. The tender included methodology documentation that was detailed and well thought through, although reference checks indicated that in practice WHS management was not always robust. Overall, the reference checks suggest policies and procedures were very good but not always well implemented at a delivery level.

This is the largest contractor in size to tender for the contract and has regional offices in each capital city with the capacity to manage large cleaning contracts of this kind. It currently maintains large contracts for a variety of commercial clients, including retail and office cleaning. The submission offered little information on work being performed in regional areas, and although similar local government contracts were being undertaken, no referees for similar cleaning contracts were provided.

Their tender included comprehensive and detailed management system documentation, and they are Certified under ISO9001 (quality management systems), ISO14001 (environmental management systems) and AS4801 (WHS management systems).

The tender noted that, if successful, they would engage local staff and suppliers for this contract. This contractor indicated that it supported various organisations on a national level without detailing any support for groups in the Albury/Wodonga area. For this reason the contractor received the lowest score in this section. This tenderer made no provision for opportunities for skills or technology transfer to local organisations/individuals or commitment to any local innovation or development.

Fernando Enterprises (Australia) Pty Ltd is based in Thomastown, Victoria with a branch in Shepparton. It has an annual turnover of \$5M and has existing contracts with Greater Shepparton City Council and Wangaratta Rural Council. Reference checks for this contractor were mixed with some 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, primarily from this contractor allowing insufficient time, resulting in rushed cleaning to an unacceptable standard and the need for additional contract management. Referees indicated that Fernando Enterprises (Australia) Pty Ltd has experienced high levels of staff turnover, with concerns raised around staff training and internal communication.

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.

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 of current contract commented on contract implementation issues.

This tender noted that it had no current contracts in the Albury-Wodonga region but, if successful, they would attempt to employ most staff from Albury/Wodonga and provide mandatory training plans for all employees. This tenderer indicated they have developed strategies to help long term unemployed engage with the workforce without further information on how it would be applied to this contract. This tender offered no commitment to support local organisations.

Risk

- **Business Risk** – Our Community Properties form a key component of a wide range of facilities we offer our residents and community groups. They play a key role in connecting our people and residents and in many cases are the public face of our organisation. The scope of works for this cleaning contract reflects the wide & varied usage of our Community Properties, and a need for high quality cleaning of the facilities to ensure that Council's ongoing delivery of services is not at risk. This contract has provisions to include annual cost increases fixed to the Fair Work Australia Cleaning Services Award.
- **Corporate Risk** – Albury 2030 clearly sets out community expectations in relation to Council's infrastructure and assets being professionally 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 quality 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 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 intrinsically 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 building occupiers.

Summary

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

Company	Quantitative (100%)	Qualitative (100%)
HACCP International Property Services Pty Ltd	96	77
Sunrise CFM	97	64
Prime Group Facilities Management	100	56
Fernando Enterprises (Australia) Pty Ltd	97	45

The quantitative assessment of the shortlisted tenders identified this was an extremely competitive tender with the lowest four tender prices within 4.5% of each other.

Prime Group Facilities Management provided the most price competitive tender, followed by Fernando Enterprises (Australia) Pty Ltd, Sunrise CFM and HACCP International Property Services Pty Ltd. All four shortlisted tenders were within the existing budget allocation.

The qualitative assessments for the four shortlisted tenders identified that HACCP International Property Services Pty Ltd provided the highest quality submission. This was followed by Sunrise CFM, Prime Group Facilities Management and Fernando Enterprises (Australia) Pty Ltd.

The tender assessments indicate that the submission from HACCP International Property Services Pty Ltd provides the highest level of service quality for minor additional cost.

In summary, based upon the quantitative and qualitative assessments above, HACCP International Property Services Pty Ltd submission offers the best value to Council for the provision of this contract.

Conclusion

Council invited tenders for cleaning services for AlburyCity Community Properties for a three-year term commencing 1 August 2021, and received eight submissions, one of which was non-compliant.

Tenders were invited in a schedule of rates format with weekly, monthly and annual service frequencies for cleaning the Albury Visitor Information Centre, Banjora Children's Centre, Emergency Management Centre, Albury Family Day Care Centre, Glenecho Neighbourhood House, Glenmorus Memorial Gardens & Crematorium, Lavington Hall, Lavington Library, Lavington Sports Ground Complex, Mirambeena Community Centre, Orana Community Centre, Thurgoona Community Centre & Hall, Waterview Laboratory, and Westside Community Centre.

Quantitative and qualitative assessments indicated that HACCP International Property Services Pty Ltd as the most favourable submission. Its tendered price of \$478,764 (including GST) is below the current budget allocation of \$513,000 (including GST) over three years.

Recommendation

That Council accepts the tender from HACCP International Property Services Pty Ltd for the Schedule of Rates Contract No. 21/01077 for Cleaning Services for AlburyCity Community Properties for a three-year period commencing 1 August 2021, for the estimated contract value of \$478,764 (including GST).