

6.4.2 Facility Management and Maintenance Extension of Term

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Recommendation(s)

That Council approves the proposed extension period as per the Deed of Variation, from June 2022 until 30 June 2023, for the Facility Management and Maintenance Contract with Campeyn Group P/L.

Attachments

Nil

Executive Summary

A Deed of Variation to extend the current contract until June 2022 was executed by all participating Councils in February 2021 and was agreed by the Service Provider - Campeyn Group P/L. The notification for further extension to contract or a decision not to extend was by 31/12/21.

Many meetings between the collaborating Councils have been held during 2021 with the result being that all Councils want to stay in the collaboration, but there are differing views on a contract extension.

The Facility Management & Maintenance Contract is proposed to be extended from June 2022 to 30 June 2023 for Cardinia Shire Council, whilst for Yarra Ranges Council to 30 June 2022, and the City of Greater Dandenong to 31 December 2024.

Background

In January 2017, the then Infrastructure Directors, Procurement and Facilities Management staff from the three participating Councils - Dandenong, Yarra Ranges and Cardinia, agreed to a framework to jointly tender for Facility Management and Maintenance Services. A collaborative working group was formed consisting of Procurement and Facilities Management Staff to manage the collaborative tender process. The collaborative working group met on a regular basis to update and harmonise their respective contract specifications and a procurement plan was also agreed.

Maddocks was engaged to assist with a common form of contract across all Councils. In addition, an independent probity auditor was engaged to oversee the collaborative tender process to ensure that it was performed in accordance with agreed procurement plan and best practice.

Five tenders were received with Campeyn Group P/L successfully being appointed in providing the best value for money offer and outcomes. The accepted tender had a term of 3-years with 3 x 2-year options, which could be exercised by Council, with an estimated Annual Lump Sum of \$1,528,934 (\$1,147,238 for the fixed Annual Routine Maintenance Fee and \$381,700 for the estimated Reactive Maintenance Service cost), exclusive of GST.

Policy Implications

Not applicable.

Relevance to Council Plan

2.1 We support the creation of liveable spaces and places

2.1.1 Advocate, plan for and deliver accessible community infrastructure and services that address community need.

2.1.2 Plan and maintain safe, inclusive and connected open spaces, places and active travel routes.

3.1 We value our natural assets and support our biodiversity to thrive

3.1.2 Actively move towards zero waste through increasing waste recovery and reuse.

3.1.4 Plan and advocate for better water cycle planning and management to reduce environmental impacts.

5.1 We practise responsible leadership

5.1.2 Manage our finances responsibly and leave a positive legacy for future generations.

5.1.4 Maximise value for our community through efficient service delivery, innovation, strategic partnerships and advocacy.

Climate Emergency Consideration

The Facility Management and Maintenance Contract has been developed to consider Council's climate change strategies and actions throughout the life-cycle of Services, and ensures that impacts to community and Council are mitigated.

Consultation/Communication

Our clients continually provide feedback on the performance and quality delivery of services, and Client Surveys are conducted to further understand how well or otherwise client expectations are being met, including key performance measures.

Feedback to date indicates that although some improvements on Services delivery have taken place, with our new contractor Campeyn Group P/L, customers are not altogether satisfied with response to service requirements, having clear understanding of customer needs, and in receiving value in return.

Financial and Resource Implications

The Council's annual Operating and minor Capital Expenditure budgets allocated for the relevant commitments are sufficient and maintained.

COVID19 has required more regular building asset inspections, whilst maintaining compliance and minor works requirements. However, the financial impact has been minimal and there is expectation that year end forecasts will be maintained.

For this report purposes please note Contract expenditure experienced to date is as follows:

- 2017/18FY - \$1,133,999 (March 2018 to June 2018. Note this figure includes expenditure by other Council areas and in addition to the Estimated Contract Sum).
- 2018/19FY - \$3,500,983 (Note this figure includes a number of minor capital works projects and other expenditure from Council areas, which is in addition to the Estimated Contract Sum).
- 2019/20FY - \$5,305,752 (June to January 2020. Note this figure includes a number of minor capital works projects and other expenditure from Council areas, which is in addition to the Estimated Contract Sum).

- 2020/21FY - \$3,396,509 Note this figure includes a number of minor capital works projects and other expenditure from Council areas, which is in addition to the Estimated Contract Sum).
- 2020/21FY - \$1,770,536 (June to November) Note this figure includes a number of minor capital works projects and other expenditure from Council areas, which is in addition to the Estimated Contract Sum).

Conclusion

The collaboration with all three Councils on this Contract has proven to be important, but in need of a charter to be drawn up for mutual and measurable goals for the next period, which will be worked through. In relation to the Facility Management and Maintenance Contract with Campeyn Group P/L it is recommended to approve the extension period as per the Deed of Variation, from June 2022 until 30 June 2023.