

## **12 CONTRACT NO. 18/03 CLEANING & INTERNAL WASTE SERVICES**

FILE REFERENCE INT1846450

RESPONSIBLE GENERAL MANAGER Michael Ellis

AUTHOR Walter Carmignani

### **RECOMMENDATION**

That:

1. Council award the tender from Pickwick Group Pty Ltd for the Cleaning & Internal Waste Services with a tender price of \$718,033.74. The tender price submitted is for the first year of the 3 year term Contract. 1% annum increases will be applied by Pickwick Group for the following 2 years of the term.
2. The common seal of the Council be affixed to the Contract documents.
3. All tenderers be advised accordingly
4. The Confidential Memorandum attached to this report remain confidential indefinitely as it relates to matters specified under Section 89 (2) (d) of the Local Government Act 1989.

### **Attachments**

- 1 Confidential memorandum circulated to councillors only 3 Pages

### **EXECUTIVE SUMMARY**

This report summarises the process and evaluation in seeking to achieve the benefits of competitive pricing, whilst obtaining more detailed cleaning appropriate to Council's needs and improved and better managed outcomes in indoor air quality, delivery performance, customer service, quality control, OHS and risk management.

The recommendations in this report have been formally endorsed by the evaluation panel.

### **BACKGROUND**

The Facilities Maintenance and Management Services (FMM) contract under the past contractor UMS, provided for the management and delivery of Cleaning Services. With the recent advent of the re-tendering of the provision of the FMM Services, the Cleaning Service has been annexed from the new FMM contract, to achieve improved quality, better performance and a competitive market price.

The present contractors are Mermaid Property Services (Civic Centre, Pakenham Hall and providing sanitary napkin disposal) and Pickwick Group (which have 21no. buildings such as Childrens' Services, Depot, Community Centres, Libraries, Youth and the Cultural Centre, 34no. Public Amenities, 50no. BBQs and also provide relative sanitary napkin disposal).

Both service providers have been operating the Cleaning Service at Cardinia since 2012, delivering an acceptable level of service, and when and where required, immediately attending to and addressing customer complaints. Both service providers have been responsive and have been compliant with the expectations of the agreement as set with UMS.

In reviewing the existing arrangement, the new Contract has a number of added provisions such as greater control by Council when using sub-contractors, improved risk management - e.g. particularly in addressing cross-contamination in the use of mops over different surfaces, introduction of strict key performance indicators with formalised electronic reporting, added cleaning frequencies and a broader scope for cleaning in various buildings.

In providing best value outcomes:

- A community and client/stakeholder consultation process was implemented to seek feedback on present cleaning standards and in reviewing expectations. The received feedback and comments have been included as part of the revision of the relevant documentation.
- An external cleaning service consultant was engaged to help to prepare relevant specifications, cleaning activity schedules, inform on pricing structure to be adopted and in developing a plan to achieve desired objectives.
- Expressions of interest were sought initially from cleaning service providers, before enacting the pricing of the Service.
- The EOI process delivered seventeen (17) responses. In order for any EOI to progress to tender pricing, an evaluation panel considered all submissions together with reference checks attesting in particular to achieved delivery outcomes. Six (6) EOIs were selected to tender. Of the six (6) EOIs chosen, only five (5) submitted a tender price, with all conforming to the tender requirements.

In summary the best offer was tendered by Pickwick Group and includes:

- The lowest tendered price with only a 1% price increase per annum over the term of the Contract, providing best overall financial benefit to Council.
- Supporting good references across a variety of industry areas such as Health, Government and the Commercial sectors. All references spoke highly of Pickwick Group being a responsible, fair, innovative and achiever of quality service outcomes.
- A national service provider that is respected and well established, providing very good personalised cleaning services across numerous industry sectors such as Health, Government, Private, Commercial, with more than 1000 staff in Victoria alone.
- Various innovations to better approach cleaning needs, improve the quality outcomes from this Service, and in reducing ongoing servicing costs. Some innovations are (a) hospital quality cleaning of surfaces 99.9% germ free using a new product called Tersano; (b) introduction of IMop which combines typical mopping activities with an automated powerful scrubbing motion, thereby improving the finish quality; (c) use of specialist filters in plant and equipment, thereby reducing culmination of dust and improving air quality; (d) introduction of decomposable bags for rubbish, positively minimising environmental impact.
- Engaging at least 2no. people from socially disadvantaged backgrounds as part of their staff resourcing in the delivery of the Service.
- A demonstrated focussed Customer Service philosophy with an effective delivery model.
- Meeting local economic sustainability requirements by engaging locals in the delivery of the Service.

Please refer to the Confidential Memorandum for further details.

## **POLICY IMPLICATIONS**

Nil.

## **RELEVANCE TO COUNCIL PLAN**

The provision of the Cleaning & Internal Waste Services addresses the following key result areas and objectives of the Council Plan:

**1.1** Access to a variety of for all.

**1.1.1** Continually review services to ensure those provided by Council meet Community needs.

- 1.7 Minimised impact of emergencies.
  - 1.7.1 Implement plans that support people in times of emergency.
  - 1.7.2 Implement effective plans and procedures that minimise the impact of all emergencies in the Shire.
- 2.1 Our diverse Community requirements met.
  - 2.1.4 Plan for the provision of facilities to service and support the changing Community.
- 3.1 Provision and maintenance of assets on a life-cycle basis.
  - 3.1.3 Provide accessible facilities to meet identified Community needs.
- 4.1 Increased business diversity in Cardinia Shire.
  - 4.1.1 Plan for and support local employment opportunities.
  - 4.1.2 Support the development of existing and new businesses within the Shire.
  - 4.1.6 Encourage procurement of local products and services.
- 5.3 Long term financial sustainability.
  - 5.3.1 Make financial decisions that achieve the objectives of Council and long-term financial sustainability.
  - 5.3.5 Identify ways to contain Council's cost base by a focus on innovation and efficiency.

## CONSULTATION/COMMUNICATION

The Community, Clients and Stakeholders were engaged throughout the process to ensure alignment with Community and Council's expectations on achieving best value outcomes, in delivering a Contract that fulfils best practice in the provision of the Cleaning & Internal Waste Services, and in supporting Council's strategy for long term financial sustainability.

Feedback received from Community consultation meetings held in various Wards, written and verbal comments, including from Clients and Stakeholders have been all been included in the relevant Cleaning Service documents.

## FINANCIAL AND RESOURCE IMPLICATIONS

The recommended contractor is the current main Cleaning Service contractor (Pickwick Group) providing cleaning services to the Council, except at the Civic Centre and Pakenham Hall. To ensure a proper set up across all required buildings and assets, a short transition has been included, with the new Contract commencing on 30 July 2018.

The new Contract has been set as a 3 year term Contract with 3no. x 1 year options, which can be exercised by Council.

The Standard Financial Assessment has been carried out and the determination is a rating of 'Sound' with subsequent 'Pass' relating to financial position.

17/18FY budget for Cleaning - \$730,000.00  
Pickwick Group Tender Price submitted for consideration - \$718,033.74.

Thus, the new Contract spend can be accommodated from existing 17/18FY Cleaning budget provisions.

Please note that the new Contract allows for any existing buildings to be removed or added to the Contract, depending on circumstances. Where a new building may need to be added, thereby

changing the Contract price, the submitted Schedule of Rates, as part of the tendered pricing, will inform the basis for the additional costs.

## CONCLUSION

The re-tendering of the Cleaning Service has facilitated the opportunity to explore best value and best practice in the provision of the Cleaning & Internal Waste Services and in aligning these with new and growing demands across the Shire of Cardinia.

Considerations in the new Contract to Social, Environmental, Financial Sustainability and Performance Management will provide greater long term benefits to both the Council and our Community, including a clearer and transparent working relationship with the recommended Contractor.

With this in mind, it is recommended that Council endorse the recommendations in this report and award the tender to Pickwick Group Pty Ltd for the provision of the Cleaning & Internal Waste Services to the Shire of Cardinia.