



# MEETING OF THE PORT PHILLIP CITY COUNCIL 2 SEPTEMBER 2020

## 14.4 AWARDING OF PANEL CONTRACT FOR PAINTING SERVICES

**EXECUTIVE MEMBER:** CHRIS CARROLL, GENERAL MANAGER, CUSTOMER, OPERATIONS AND INFRASTRUCTURE

**PREPARED BY:** LACHLAN JOHNSON, EXECUTIVE MANAGER CONSTRUCTION, CONTRACTS AND OPERATIONS

JIM MACLEAN, COORDINATOR BUILDING MAINTENANCE

### 1. PURPOSE

- 1.1 To seek Council's approval to enter into Contract 2350 - Painting Services Panel with Sweeney Commercial Painting Pty Ltd ATF The Sweeney Family Trust and Quayclean Australia Pty Ltd.

### 2. EXECUTIVE SUMMARY

- 2.1 The previous contract for Council's Painting Services Panel expired on 24 August 2020. This new contract is proposed to commence on 7 September 2020 and run until 6 September 2023 (three-year initial term) with a further two-year option to extend at Council's discretion.
- 2.2 This contract will provide scheduled and reactive painting works across Council's assets. Scheduled painting maintenance along with Council's minor capital upgrade program are critical to ensuring that Council's buildings and assets are maintained in a presentable condition and their asset life is prolonged.
- 2.3 The estimated contract value is \$2,000,000 exclusive of GST for the full five-year term (three years plus the two-year option). The contract sum is calculated on a schedule of rates and is based on Council's historical spend on reactive and scheduled maintenance works along with an estimate of future minor capital works.

### 3. RECOMMENDATION

That Council:

- 3.1 Enters into Contract 2350 Painting Services Panel with Sweeney Commercial Painting Ltd ATF The Sweeney Family Trust and Quayclean Australia PTY Ltd for a three-year period commencing on 7 September 2020. A further option of two years is available (at Council's discretion).
- 3.2 Affixes the Common Seal of the Port Phillip City Council to Contract 2350 between Council and Sweeney Commercial Painting, ATF The Sweeney Family Trust and Quayclean Australia Pty Ltd.

### 4. KEY POINTS/ISSUES

- 4.1 In accordance with the provisions of the Local Government Act 2020, a public procurement process has been conducted for the proposed service. The tender was advertised in The Age 6 June 2020 and closed on 26 June 2020.
- 4.2 The proposed panel contract is for a three-year period commencing on 7 September 2020 with a further option of two years (at Council's discretion)
- 4.3 The composition of the Tender Evaluation (TEP) is set out in Table 1 below.



TABLE 1: COMPOSITION OF TEP	
Name	Title
Jim Maclean	TEP Chairperson- Coordinator Building Maintenance
Nick Dunstan	Coordinator Service Transformation
Jeanene Simmons	Contracts & Procurement Advisor
David Long	Building Maintenance Officer
COMPOSITION OF TECHNICAL REFERENCE GROUP	
Name	Title
Hayley Short	External Probiity Advisor (Pitcher Partners)

4.4 All TEP members signed the standard form indicating they had no conflict of interest to declare and they would keep the tender information confidential.

4.5 The evaluation criteria and weightings are detailed in Table 2:

TABLE 2: TENDER EVALUATION CRITERIA	
Filter Criteria	Pass/fail
<b>OHS Management system to AS/NZS ISO 45001 or equivalent</b>	
Criteria	% Weighting
Price	40
Capacity to meet the requirements of the specification	20
Relevant experience and track record	20
Environmental Management	10
Corporate Social Responsibility <ul style="list-style-type: none"> <li>• Environmental Sustainability</li> <li>• Social Responsibility</li> </ul>	10

4.6 Council received a total of twelve submissions in response to the tender. Details are shown in Table 3.

4.7 The tender submission from tenderer D was incomplete. It was therefore deemed non-conforming by the TEP and eliminated from further consideration.

TABLE 3: (PRE-BAFO PRICES)		
NO.	Tenderer's Name	
1	Tenderer A	\$1,446,467.00
2	Tenderer B	\$1,088,357.00
3	Tenderer C	\$797,219.00
4	Tenderer D	Non-Conforming
5	Tenderer E	\$1,127,777.00
6	Tenderer F	\$1,379,317.00
7	Tenderer G	\$1,609,174.00
8	Tenderer H – Quayclean Australia Pty Ltd	\$1,041,532.00
9	Tenderer I - Sweeney Commercial Painting Pty Ltd ATF Sweeney Family Trust	\$683,970.00
10	Tenderer J	\$1,164,259.00
11	Tenderer K	\$1,614,429.00
12	Tenderer L	\$1,800,658.00



- 4.8 The TEP assessed the tender submissions against the evaluation criteria. A summary of the results is presented in Table 4:

TABLE 4: WEIGHTED SCORE		
NO.	Tenderer's Name	
1	Tenderer A	479.17
2	Tenderer B	621.38
3	Tenderer C	633.18
4	Tenderer D	Non-Conforming
5	Tenderer E	642.59
6	Tenderer F	598.35
7	Tenderer G	530.02
8	Tenderer H – Quayclean Australia Pty Ltd	682.68
9	Tenderer I - Sweeney Commercial Painting Pty Ltd ATF Sweeney Family Trust	840.00
10	Tenderer J	564.99
11	Tenderer K	549.46
12	Tenderer L	561.94

- 4.9 Following the initial evaluation, the TEP shortlisted the top three scoring tenderers to proceed to interview. Virtual interviews were held with tenderers I - Sweeney Commercial Painting Pty Ltd ATF The Sweeney Family Trust, H - Quayclean Australia Pty Ltd. and Tenderer E on 23 July 2020.
- 4.10 The TEP advised that all three companies provided detailed and full responses to queries during the interview. All three companies were deemed as having the requisite experience, knowledge and track record to deliver on the requirements of the contract.
- 4.11 Following the interviews, the TEP invited the shortlisted tenderers to submit a Best and Final Offer (BAFO) on 24 July 2020. Tender E and Quayclean Australia Pty Ltd did not adjust their tender submission prices.
- 4.12 Sweeney Commercial Painting Pty Ltd ATF The Sweeney Family Trust revised their submission making a correction to their pricing to rectify a GST omission. Sweeney Commercial Painting Pty Ltd ATF The Sweeney Family Trust BAFO cost was adjusted to \$752,310. This represents a significant increase on their original submission of \$683,970 but it remains the lowest cost of the received submissions.
- 4.13 The price adjustment from Sweeney Commercial Painting Pty Ltd ATF The Sweeney Family Trust has had a flow on effect on the weighted scores for all tenderers as they are partially calculated based on the difference between them and the lowest cost submission.
- 4.14 The revised rankings place Tenderer C slightly above Tenderer E who was interviewed. The TEP agreed that despite the changed rankings, it would not be advantageous to interview Tenderer C due to their low capacity and experience scores.
- 4.15 Adjusted final weighted scores after Best and Final Offers (BAFO) shown in Table 5:

TABLE 5: FINAL WEIGHTED SCORE		
NO.	Tenderer's Name	
1	Tenderer A	498.04
2	Tenderer B	646.49
3	Tenderer C	667.47
4	Tenderer D	Non-Conforming



5	Tenderer E	666.83
6	Tenderer F	618.17
7	Tenderer G	547.01
8	Tenderer H – Quayclean Australia Pty Ltd	708.92
9	Tenderer I - Sweeney Commercial Painting Pty Ltd ATF Sweeney Family Trust	840.00
10	Tenderer J	588.47
11	Tenderer K	566.40
12	Tenderer L	577.12

- 4.16 Given the above points and the natural break between the top two tenders and the rest of the field, it was agreed by the TEP that Sweeney Commercial Painting Pty Ltd ATF The Sweeney Family Trust and Quayclean Australia Pty Ltd should be recommended for appointment to the Painting Services Panel.
- 4.17 A financial evaluation was conducted on the two recommended tenders through the Illion Tenderlink Commercial Portal. A standard Risk of Failure Report confirmed that both have a low probability of failure in the next 12 months.
- 4.18 Reference checks were also conducted on 29 July 2020 by a member of the TEP. Referee replies for both companies confirmed their credentials and experience to carry out the work required for this service.
- 4.19 Accordingly, the tenders submitted by Sweeney Commercial Painting Pty Ltd ATF The Sweeney Family Trust and Quayclean Australia Pty Ltd are deemed to be the most advantageous to Council.

## 5. CONSULTATION AND STAKEHOLDERS

- 5.1 The painting of Council's assets contributes to various services that Council provides for the community. Accordingly, consultation was undertaken across the organisation to ensure that the contract specification meets the requirements of all stakeholders.
- 5.2 Consultation was undertaken to ensure that the service would help to prolong the useful life of assets and meet general community and user group expectations.

## 6. LEGAL AND RISK IMPLICATIONS

- 6.1 The provision of painting services is a key function of Council's commitment to maintaining its assets for the use of the community.
- 6.2 The tendering process for the Painting Services Panel Contract is being overseen by an independent probity advisor.
- 6.3 The appointed contractors are required to hold insurance policies of \$20,000,000 public liability cover and \$5,000,000 professional indemnity insurance.
- 6.4 The appointed contractors will be required to adhere with ISO Certification standards for Occupational Health and Safety, Risk and Quality Assurance.

## 7. FINANCIAL IMPACT

- 7.1 The approved budget (excluding GST) for the Painting Services Panel contract incorporates both the allocated reactive maintenance spend of \$288,892.00 and \$112,000.00 from the renewal works in the Minor Capital Works Program. The total contract spend over the 5-year term is therefore anticipated at \$2,000,000.00.



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- 7.2 The execution of this panel contract will capitalise on Council's recent investment in the Customer Experience Program. This will enable reactive and programmed works to be accurately tied to Council's assets. This will help to ensure appropriate investment spend across the vast asset portfolio.

### **8. ENVIRONMENTAL IMPACT**

- 8.1 The service specifications for this contract have been structured to place requirements on contractors to limit impacts from their operations on the environment.
- 8.2 The evaluation process included an assessment of the submitters' response to the corporate social responsibility criteria.
- 8.3 Quayclean Australia Pty Ltd provided information on how they are committed to having a diverse workforce which is reflected in the gender and age group mix. They also have an indigenous employment procedure and plan which was introduced in 2014. The tenderer also has detailed ethical sourcing policies in addition to policies on anti-discrimination and harassment. The company only use Dulux products.
- 8.4 Sweeney Commercial Painting Pty Ltd AFT The Sweeney Family Trust provided information that confirmed they use only water based low volatile organic compound products, they also adhere to all aspects of the SA8000 Corporate Governance standard. The tenderer advised that they do not engage or support any ancillary services listed in the tender. The contractor also listed their ongoing agreement for their volunteer services with Sacred Heart Mission in St Kilda where they engage with people experiencing homelessness and those who are disadvantaged to help in their work. All materials are sourced from Haymes and are compliant with FSC, RSPO and Fairtrade. All Haymes products are manufactured in Australia. Discarded paint is taken to Paintback in line with sustainability guidelines.
- 8.5 The recommended contractors have both provided an environmental plan in their submissions with third party accreditation to ISO 14001:2015.

### **9. COMMUNITY IMPACT**

- 9.1 Maintaining Council buildings and assets ensures a positive user experience.
- 9.2 Reactive and scheduled maintenance along with renewal works in the minor capital program helps to incrementally uplift Council's building portfolio to ensure it remains fit for purpose.

### **10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

- 10.1 Service specifications for the contract and associated tender process have been developed to align with the following strategic direction as outlined in the Council Plan 2017-2027:

Direction 3 – We have smart solutions for a sustainable future

### **11. IMPLEMENTATION STRATEGY**

#### **11.1 TIMELINE**

- 11.1.1 It is recommended that Council awards the proposed panel contract to Sweeney Commercial Painting Pty Ltd ATF The Sweeney Family Trust and Quayclean Australia Pty Ltd.



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### 11.2 COMMUNICATION

11.2.1 Contract Documentation will be prepared and forwarded to Sweeney Commercial Painting Pty Ltd ATF The Sweeney Family Trust and Quayclean Australia Pty Ltd for execution within five working days.

11.2.2 All unsuccessful tenders will be notified in writing and offered a telephone debrief with the TEP

### 12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

**TRIM FILE NO:** 14/01/2350

**ATTACHMENTS** Nil