



**13.1** **PROCUREMENT OF SECURITY SERVICES CONTRACT**

**EXECUTIVE MEMBER:** **LACHLAN JOHNSON, GENERAL MANAGER, OPERATIONS AND INFRASTRUCTURE**

**PREPARED BY:** **JIM MACLEAN, COORDINATOR BUILDING MAINTENANCE**  
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**SIOBHAN BELMORE, MANAGER PROPERTY AND ASSETS**

**1. PURPOSE**

1.1 To seek Council's approval to enter into Contract 000238 - Security Services with National Protective Services Pty Ltd.

**2. EXECUTIVE SUMMARY**

- 2.1 The current contract for Council's security services expired on 30 June 2023, with an interim arrangement in place pending the outcome of the procurement of a new long-term service provision contract as outlined in this report.
- 2.2 This report recommends the awarding of a new security services contract following a competitive procurement process. The new contract if approved by Council will commence on 11 September 2023 for an initial four-year term with a two-year extension at Council's discretion.
- 2.3 This contract provides security services across the municipality including mobile patrols, alarm responses, lock and unlock of Council Buildings and money collection services which includes the South Melbourne Market.
- 2.4 The contract value over the full six years of the contract is \$9,814,068.76 including GST. Additionally, a contingency provision for possible service changes of \$528,000 including GST has been included which is subject to Council approval (usually as part of annual council budget). This makes the potential total value of the contract \$10,342,068.76 inclusive of GST over six years.
- 2.5 Consumer Price Index increases will only be applicable after year four of the contract calculated for the two year extension if this option is executed by Council.

**3. RECOMMENDATION**

That Council:

- 3.1 Enters into Contract 000238 Security services with National Protective Services Pty Ltd. for an initial four-year term with an option of a further two-year extension.
- 3.2 Notes that the estimated contract sum including provisional sum for service changes is \$9,401,880.69 (excluding GST) or \$10,342,068.76 (including GST) for the full six-year period.
- 3.3 Notes the provisional sum budget for possible future service changes total \$480,000 (excluding GST) or \$520,000 (including GST), as detailed in point 7 in this report, and this will be subject to Council's normal budgetary approval process.
- 3.4 Notes that the section 5 of Instrument of Delegation to the Chief Executive Officer may be utilised to address possible future service changes as outlined in 3.3.

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- 3.5 Authorises the Chief Executive Officer to execute the further two-year extension option as and when required subject to satisfactory performance from National Protective Services Pty Ltd and subject to Consumer Price Index calculations at the time of the extension option is being considered.

## 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 through Tenderlink on 13 May 2023 and closed on 16 June 2023.
- 4.2 The proposed contract is for an initial four years with one two-year extension at Council's discretion.
- 4.3 The Composition of the Tender Evaluation (TEP) is set out in Table 1

TABLE 1: COMPOSITION OF TEP	
Name	Title
Jim Maclean	Coordinator Building Maintenance (TEP Chairperson)
Mark Thompson	Acting Manager Maintenance and Assets
Masi Perozi	Facilities Assurance Lead
Leigh Stewart	Head of Asset Development + Operations
Daniel McCluskey	Building Maintenance Officer
Jeanene Simmons	Senior Procurement Officer (Non-Voting)
Lauren Hill	Independent Probity Advisor (Pitcher Partners)

All TEP members signed the standard form indicating they had no conflict of interest to declare and 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
3 <sup>rd</sup> Party Accreditation in OHS Management Systems, (Mandatory)	
Criteria	% Weighting
Price	40
Capacity to meet the requirements of the specification	20
Relevant experience and track record	25

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Corporate Social Responsibility <ul style="list-style-type: none"> <li>Environmental Sustainability</li> <li>Social Responsibility</li> </ul>	15
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4.6 Council received a total of thirteen submissions in response to the tender. Details are shown in Table 3:

4.7 Three of the tender submissions were deemed non-compliant as they did not meet the mandatory third-party accreditation for Occupational Health and Safety Systems and were not considered for scoring by the panel.

TABLE 3: PRICING		
NO.	Tenderer's Name	
1	Tenderer A	\$14,227,354.95
2	Tender B	Non-Compliant
3	Tenderer C	\$13,526,537.12
4	Tenderer D	\$17,931,970.44
5	Tenderer E	Non-Compliant
6	Tenderer F	\$13,780,232.06
7	Tenderer G	\$10,377,149.05
8	Tenderer H	Non-Compliant
9	Tenderer I	\$14,463,109.80
10	National Protective Services Pty Ltd	\$9,814,068.76
11	Tenderer K	\$16,239,636.73
12	Tenderer L	\$7,963,621.22
13	MA Services Group	\$13,725,349.42

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	523.90
2	Tenderer B	Non-Compliant

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3	Tenderer C	640.50
4	Tenderer D	522.64
5	Tenderer E	Non-Compliant
6	Tenderer F	571.16
7	Tenderer G	606.97
8	Tenderer H	Non-Compliant
9	Tenderer I	607.25
10	National Protective Services Pty Ltd	824.58
11	Tenderer K	581.15
12	Tenderer L	670.00
13	MA Services Group	697.09

- 4.9 Following the initial evaluation, the TEP shortlisted the top two scoring tenderers to proceed to interview. Interviews were held with tenderers National Protective Services Pty Ltd on 28 July 2023 and MA Services Group Pty Ltd on 03 August 2023.
- 4.10 The TEP assessments considered that both companies provided detailed and full responses to questions in the interview process which further clarified their responses to the tender. Both companies were deemed as having the requisite experience, resources, and track record to deliver the requirements of the contract. National Protective Services Pty Ltd provided comprehensive answers, on industry knowledge, innovation in the industry and technology for reporting systems. Some panel members reviewed their initial Tender Evaluation Criteria scoring based on the additional information provided in the interview.
- 4.11 Following the interviews, the TEP decided not to request a Best and Final Offer (BAFO) as it was agreed that given the current market climate there was a risk that costs may increase, and the rates supplied were fair, reasonable and within benchmarks to supply the agreed service.
- 4.12 Adjusted final weighted scores after the interview process are shown in Table 5

TABLE 5: POST INTERVIEW WEIGHTED SCORE		
NO.	Tenderer's Name	
1	Tenderer A	523.90
2	Tenderer B	Non-compliant
3	Tenderer C	640.50
4	Tenderer D	522.64



5	Tenderer E	Non-compliant
6	Tenderer F	571.16
7	Tenderer G	606.97
8	Tenderer H	Non-compliant
9	Tenderer I	607.25
10	National Protective Services Pty Ltd	864.58
11	Tenderer K	581.15
12	Tenderer L	670.00
13	MA Services Group	697.09

- 4.13 It was unanimously agreed by the TEP that National Protective Services Pty Ltd should be recommended supplier for the Security Services Contract.
- 4.14 A financial evaluation was conducted on the recommended tenderer through the Lillion Tenderlink Commercial Portal. A standard Risk of Failure Report confirmed that the recommended tenderer has a low probability of failure in the next 12 months.
- 4.15 Reference checks were undertaken with two comparable councils and one industry not for profit employment body. All three referees provided a breakdown of the services provided by the tenderer which were comparable to the services required in this contract. The referees also provided comment on length and value of their contracts along with comment on the communication and reporting capabilities of the tender.
- 4.16 Accordingly, the tender submitted by National Protective Services Pty Ltd is deemed to be the most advantageous to Council. As National Protective Services are the incumbent contractor providing the transition to the new contract is low risk with a contract management plan prepared for the administration of the contract.

## 5. CONSULTATION AND STAKEHOLDERS

- 5.1 The security services contract contributes to the safety and compliance requirements for Council Buildings and Assets. The TEP members were selected from across Council including South Melbourne Market representative as a key consumer of this service.
- 5.2 Departmental feedback was provided across the organization on the service specifications required in this contract in particularly from South Melbourne Market management.

## 6. LEGAL AND RISK IMPLICATIONS

- 6.1 In accordance with the provisions of the Local government Act 2020, neighbouring Councils were contacted in Mid-March 2023 regarding the opportunity to do a joint procurement exercise for security services. Due to existing contractual arrangements and City of Port Phillips tender timeline, collaboration was not possible in this instance.



- 6.2 The provision of Security Services is a key function of Council's commitment to providing access to safe and welcoming buildings and assets for the use by our community.
- 6.3 The tendering process for the Security Services Contract was overseen by an independent probity advisor from Pitcher Partners, who has provided their probity report and has raised no concerns with the procurement process.
- 6.4 The recommended tenderer is required to hold insurance policies of \$20,000,000 public liability, Workcover and Vehicle insurance.
- 6.5 The recommended tenderer 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 of \$8.93m (excluding GST) for the Security Services Contract incorporated both the allocated labour, projected plant and material, and reactive service provisions are based on historical spend. The tender price of \$8.92m (excluding GST) is within Council's budget allocations.
- 7.2 This contract over the six-year period includes possible service changes up to \$480,000 (excluding GST) such as security events where security services are required at facilities or events in response to issues or concerns. There is no budget allocation for this provision, and will be subject to approval as part of Council's budgetary process.

## **8. ENVIRONMENTAL IMPACT**

- 8.1 The service specifications for this contract have been structured to place requirements on the recommended contractor to limit impacts from their operations on the environment.
- 8.2 Within the proposed contract the contractor committed to the following:
  - Continued local employment of staff
  - Increased use of AI – better integration of systems and processes
  - ISO 14001 Environmental certification in place with regular environmental impact assessments are conducted
  - ISO 7001 certification for IT management
  - Low fuel consumption fleet vehicles
  - Local employment including two a apprentices
  - Sponsor of Men's Shed in the City of Port Phillip
  - Sponsor of five Smith Family Kids from City of Port Phillip
  - Member of social traders
  - Procurement policies target local businesses
  - Long term sponsor of the Victorian Young Achievers Awards
- 8.3 The evaluation process included an assessment of tenderer's responses to the Corporate and Social Criteria. The contractor has third party Environmental accreditation.



**9. COMMUNITY IMPACT**

- 9.1 Maintaining a service in Council facilities where the Community feel safe in their environment.
- 9.2 Reacting to requests from the public when security issues arise in our facilities
- 9.3 The contractor provided in their submission information on their ongoing commitment to the local community and employment opportunities they provide to residents of our Municipality.

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

- 10.1 Direction – Well Governed Port Phillip - A City that is a leading local government authority. Where our community are in a better place because of our collective efforts.

**11. IMPLEMENTATION STRATEGY**

11.1 TIMELINE

- 11.1.1 It is recommended that Council awards the proposed contract to National Protective Services Pty Ltd.
- 11.1.2 Contract documentation will be prepared and forwarded to National Protective Services Pty Ltd for execution within 5 working days.
- 11.1.3 All unsuccessful tenders will be notified in writing and offered a debrief with the TEP.

11.2 COMMUNICATION

- 11.2.1 Key stakeholders will be notified of the appointment of this contract and the contract management plan will be implemented and reported on.

**12. OFFICER DIRECT OR INDIRECT INTEREST**

- 12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

**ATTACHMENTS** Nil