



**11.1 CLEANING OF COUNCIL BUILDINGS AND AMENITIES**

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

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

**DONNA D'ALESSANDRO, MANAGER MAINTENANCE & OPERATIONS**

**JIM MACLEAN, COORDINATOR BUILDING MAINTENANCE**

**1. PURPOSE**

- 1.1 To present the report of the Tender Evaluation Panel (“TEP”) for Contract 000062 – Cleaning of Council Buildings and Amenities and recommend awarding of the contract to G.J & K Cleaning Services Pty Ltd.

**2. EXECUTIVE SUMMARY**

- 2.1 The previous contract for Council’s Cleaning of Building and Amenities expired on 30 June 2021, a three-month extension was approved to allow the current evaluation process to be completed. This was largely due to the interruptions of snap COVID lockdowns affecting the tender process.
- 2.2 The new contract is proposed to run for an initial term of three-years with two further one-year options available at Council’s discretion.
- 2.3 The contract will provide scheduled and reactive cleaning services across Council’s assets and include the following;
- Outdoor BBQs
  - Public toilets across our City
  - Childcare Centres
  - St Kilda Town Hall, Port Melbourne Town Hall, South Melbourne Town Hall
  - Libraries
  - Community Centres
  - Adventure Playgrounds.
- 2.4 Scheduled cleaning services ensures Council meets statutory regulations and service levels, while ensuring a safe, clean and welcoming environment for our community, and visitors to our City.
- 2.5 The estimated contract value is \$10,000,000 inclusive of GST for the full five-year term. The contract sum is calculated on a lump sum and schedule of rates for reactive, emergency cleans such as, gastroenteritis outbreaks, flooding clean ups. The contract value figure is based on Council’s historical spend on the service.

**3. RECOMMENDATION**

That Council:

- 3.1 Awards Contract 000062 for the Provision of Council’s Cleaning of Building and Amenities to G.J & K Cleaning Services Pty Ltd.



- 3.2 Notes that this contract is for an initial term of three-years with two further one-year options available at Council’s discretion, commencing 1 October 2021.
- 3.3 Notes the estimated total spend across the five-year length of the contract to be \$10,000,000 inclusive of GST and is comprised of a lump sum component and an allowance for reactive works based on the submitted schedule of rates.
- 3.4 Affixes the Common Seal of the Port Phillip City Council to Contract 000062 to G.J & K Cleaning Services Pty Ltd.
- 3.5 Delegates to the Chief Executive Officer the authority to determine if the contract extension is to be exercised and to execute the extension as required (two one-year terms).

**4. KEY POINTS/ISSUES**

**Background**

- 4.1 The current contract for the Council’s Cleaning of Building and Amenities no.2236 commenced 1 April 2020 and was 15 months expiring 30 June 2021. A three-month extension was required to the current contract to allow the current tender process to conclude.
- 4.2 The services provided under this contract include scheduled cleaning of Council Buildings, Public amenities, periodical cleans and emergency call out cleans as outlined in section 2.3 above.
- 4.3 The current contractor for the delivery of the cleaning services to Council’s buildings and public amenities is G.J & K Cleaning Services Pty Ltd. The current cleaning contractor has managed the last two cleaning contracts at Council commencing in February 2015 for five years and the current 18-month contract. Each of these contracts were publicly tendered and submissions evaluated using Council’s procurement processes to ensure that best value principle were applied each time.

**Procurement**

- 4.4 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 1 June 2021 and closed 13 August 2021.
- 4.5 The proposed contract is for a three-year term with two one-year extensions at Council’s discretion.
- 4.6 The Tenderer Evaluation (“TEP”) membership is outlined below Table 1.

TABLE 1 : COMPOSITON OF TEP	
NAME	TITLE
Jim Maclean	Coordinator Building Maintenance (Chair)
Donna D’Alessandro	Manager Maintenance & Operations (Panel Member)
Lisa Paton	Coordinator Sustainable Programs (Panel Member)
Ivanka Radosevic/Kate Cornwall	Contracts and Procurement Advisor
Nathan Hudson	Independent Probity Advisor Pitcher Partners

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

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- 4.8 Prior to the tenders being advertised, the mandatory criteria and their weightings were established. The details shown in Table 2 below.

<b>TABLE 2 : TENDER EVALUATION CRITERIA</b>	
<b>FILTER CRITERIA</b>	
<b>OHS MANAGEMENT SYSTEM TO AS/NZS ISO45001 OR EQUIVALENT</b>	<b>PASS/ FAIL</b>
<b>CRITERIA</b>	<b>WEIGHTING (%)</b>
Price	40%
Capacity to meet the requirements of the specification	20%
Relevant experience and track record	20%
Corporate Social Responsibility <ul style="list-style-type: none"> <li>• Environmental Sustainability</li> <li>• Social Responsibility</li> </ul>	10%
OH&S System	10%

- 4.9 The tender was advertised in the Age newspaper on 8 May 2021, in addition to being published online on both Council's website and tender portal. Following feedback from potential tenderers, together with the snap lockdowns, the original tender closure date of 28 May 2021 was extended until 13 August 2021.
- 4.10 After the tender advertisement Council received a total of seventeen submissions in response to the tender. Details are outlined below in Table 3.

<b>TABLE 3: TENDERS RECEIVED (PRE-BAFO PRICES)</b>		
<b>NO.</b>	<b>TENDER'S NAME</b>	<b>\$ Price (Inc.GST) over full Contract term (5 Years)</b>
1	Tender A	\$10,913,041.53
2	Tender B – GJ&K Cleaning Services Pty Ltd.	\$8,678,181.44
3	Tender C	\$9,994,506.92
4	Tender D	\$10,983,142.73
5	Tender E	\$9,810,232.81
6	Tender F	\$8,576,046.66
7	Tender G	\$8,632,146.41
8	Tender H	\$17,338,545.76
9	Tender I	\$8,701,372.47
10	Tender J	\$14,081,666.27
11	Non Conforming	Non Conforming
12	Tender K	\$12,784,358.64
13	Tender L	\$8,201,658.82
14	Tender M	\$10,006,880.24
15	Tender N	\$9,525,881.81
16	Tender O	\$11,320,966.00
17	Tender P	\$8,904,131.57

- 4.11 Sixteen of the tender submission were evaluated and deemed conforming and were forwarded for consideration. The tender submitted by Tender 11 was the cheapest submitted price however the submission was deemed non-conforming by TEP due to the pricing schedule submitted not having the requested costing provided. With this change the cheapest submission was from Tender 13 which was awarded the highest score on the pricing criteria.



4.12 After an initial evaluation by the TEP on 23 August 2021, the scoring (out of 1,000) is shown in Table 4.

<b>TABLE 4: WEIGHTED SCORE</b>				
<b>NO.</b>	<b>TENDER'S NAME</b>	<b>SCORE OUT OF 1000</b>	<b>Short-listed</b>	<b>Interviewed</b>
1	Tender A	750.62	No	No
2	Tender B – GJ&K Cleaning Services Pty Ltd.	868.04	Yes	Yes
3	Tender C	628.25	No	No
4	Tender D	668.70	No	No
5	Tender E	654.41	No	No
6	Tender F	792.54	Yes	Yes
7	Tender G	790.05	Yes	Yes
8	Tender H	569.21	No	No
9	Tender I	787.03	Yes	Yes
10	Tender J	462.97	No	No
11	Non Conforming	N/A	No	No
12	Tender K	696.62	No	No
13	Tender L	850.00	Yes	Yes
14	Tender M	667.84	No	No
15	Tender N	684.39	No	No
16	Tender O	669.79	No	No
17	Tender P	698.44	No	No

4.13 Following the initial evaluation, the TEP shortlisted the top five scoring tenderers to proceed to an interview. Interviews were held on 27 August with the top five tenders, Tenderers F, I, G, L and G.J & K Cleaning Services Pty Ltd.

4.14 The interviews focused on validating the claims contained within the written submissions from the shortlisted tenders. Specifically, the tender interviews looked at the capacity of the tenderers to meet the requirements of the specification and their experience. The interviews also provided an opportunity for shortlisted tenderers to provide additional information on their Corporate Social Responsibility (CSR) inclusions.

4.15 The TEP agreed that the interviews affirmed the capabilities and commitments that were made in the written submissions. No changes were made to any of the scores following the interviews.

4.16 The TEP, in consultation with the independent probity advisor, made the decision to seek a best and final offer (BAFO) from the highest scoring tenderer, GJ & K Cleaning Service Pty Ltd. The other interviewed tenderers were not invited to submit a BAFO in recognition of the difference in technical scores, and in recognition that concerns raised in submissions were not satisfactorily addressed in the tender interviews. This resulted in the tenderer submitting a BAFO saving of \$145,948.40 for the first three-years of the contract.

4.17 Following assessment of the BAFO submission, the TEP agreed to recommend G.J & K Cleaning Services Pty Ltd and undertake final checks.

4.18 The financial viability of the recommended tenderer was checked through Illion Tenderlink Commercial portal. A standard Risk of Failure Report confirmed that G.J &



K Cleaning Services Pty Ltd has minimal probability of failure 1.27% in the next 12 months.

4.19 Reference checks were undertaken on 30 August 2021 to garner feedback on the performance of the preferred tenderer. The reference checks found that the reference testimony was consistent with the scoring and opinion of the TEP, concluding that the preferred tenderer:

- Currently undertakes and has undertaken, a broad range of cleaning contracts with a range of inner city councils, and across Victoria and interstate of comparable size;
- Has excellent capacity and knowledge in the staff assigned to the delivery of service contracts with no major concerns or incidents raised by referees;
- Is responsive to emergency call-out requirements of each client referenced;
- Manages OHS to a high standard, both at an organisation and job-specific level, including the tracking and delivery of staff training to ensure skills and awareness;
- Is reliable and transparent regarding service delivery including regular checklists and reporting;
- Is proactive in seeking improvements to process, across a range of sustainability, waste and CSR related elements.

4.20 Accordingly, the TEP recommend that the tender submitted by G.J & K Cleaning Services Pty Ltd be deemed to be the most advantageous to Council.

## 5. CONSULTATION AND STAKEHOLDERS

- 5.1 The provision of the cleaning services of council's buildings and public amenities is a vital service that Council's portfolio of buildings and public amenities such as BBQs and public toilets are thoroughly cleaned to ensure they are safe, hygienically clean for our community, tourists and visitors of our City.
- 5.2 In preparing the specification for the tender, consultation was undertaken across the organisation given the cleaning of our buildings and public amenities affect a number of services provided by different departments across the organisation.
- 5.3 The specification allows for a greater ability to audit and quality assure the cleaning of buildings and public amenities, and includes requirement for the contractor's vehicles to be GPS tracked, this will provided data that can be used to verify visits, and time spent cleaning facilities.

## 6. LEGAL AND RISK IMPLICATIONS

- 6.1 The provision of cleaning services is a key function of Council. If Council failed to ensure continuity of a cleaning service, it would present significant risk to public amenity and public health safety and our reputation.
- 6.2 The procurement process and tender evaluations were overseen by an independent probity advisor.
- 6.3 The appointed contractor is required to hold insurance policies of \$20,000,000 public liability cover and \$5,000,000 professional indemnity insurance.



- 6.4 The appointed contractor will be required to adhere with ISO Certification Standards of Occupational Health and Safety, Risk and Quality Assurance.

## 7. FINANCIAL IMPACT

- 7.1 Council's Budget and ten-year financial plan allocates funding \$10m over the next five years to the provision of cleaning services. This includes provision for scheduled cleaning, reactive cleaning from things like emergencies.
- 7.2 The proposal submitted by GJ & K Cleaning Services Pty Ltd is within the available budget, projected at \$8,678,181.44 (Inc. GST) for the scheduled/programmatic cleaning. The contract also provides rates for the provision of reactive, unscheduled cleaning responses to emergencies. Based on historical spend analysis a further \$1.3m (Inc. GST) has been earmarked across the five-years for these reactive works. This is an estimate and is highly dependent on whether situations arise that require these reactive responses such as emergencies. It is therefore proposed to enter into a total contract sum of \$10m.
- 7.3 The execution of this contract will capitalise on Council's investment in the Customer Experience Program. This will allow the scheduled and reactive cleaning works to be accurately tied to Council's assets helping to provide whole of life costs to deliver services for the community.

## 8. ENVIRONMENTAL IMPACT

- 8.1 The service specifications for this contract have been structured to place requirements on the contractor to limit impacts from their operations on the environment.
- 8.2 The tender specification included Council's Green Procurement Policy for Cleaning Products and have been reviewed and approved by Council's Environmental Sustainability team.
- 8.3 The evaluation process included an assessment of the submitters' responses to the environmental questions asked in the schedule of the tender. GJ&K Cleaning Services Pty Ltd have third party accreditation that achieves ISO 14001 they also provided information on their commitments to the following;
- Commitment to energy saving activities.
  - The transition to renewable energy across their business operations.
  - Reduction in chemical use through alternative cleaning methods and cyclical deep cleaning programs.
  - Programs to increase diversion of waste from landfill

## 9. COMMUNITY IMPACT

- 9.1 The community regular provide comment to Council that the delivery of clean and safe public amenities is of great importance. Officers have developed the specifications with particular regard to the community feedback.
- 9.2 GJ&K Cleaning Services Pty Ltd's Corporate Social Responsibility (CSR) Policy outlines their commitments to their workforce, community and environment. The CSR Policy and commitments reviewed as part of the tender assessment process outline their initiatives to ensure Ethical Business Practices. The company's broader and specific initiatives to this tender include:



- Public Tenant Employment Program - following its fourth contract extension with DHHS for Cleaning Grounds and Maintenance and Waste Management Contract at Collingwood and Atherton Gardens Public Housing Estate, GJK now employ over 50% of its workforce from the housing estate;
- Public Art Mural – partnered with local indigenous artist and created a mural representing the coming together of GJK Facility Services and GJK Indigenous Solutions;
- The company has a dedicated Disability Action Plan in place for the entire business
- Commitments to work with various charities such as Open Family Australia, White Lion, provide cleaning services and contribute to annual events and Christmas programs;
- Indigenous Engagement - Launched in 2017 GJK Indigenous Solutions is Australia's first Indigenous, female led and Supply Nation registered entity of its kind. GJK Indigenous Solutions currently employ 138 staff nationally, and GJK currently have 31.5% indigenous engagement across the company including workforce and management team.
- Workforce Diversity – GJ&K currently have a current gender employment of 60% female and 40% male workforce

9.3 GJ&K Cleaning Services Pty Ltd have committed to a number of initiatives to provide broader CSR outcomes as part of this tender including working with marginalised groups within the City, the use of zero emissions electric bicycles to access facilities along the foreshore and commitments to reduce the use of cleansing chemicals. These commitments will be finalised in the contractor's submission of the Environmental & CSR Management Plan. This will include reporting and tracking of the delivery of these commitments over the life of the contract.

## 10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

10.1 Service specifications for the contract and associated tender process have been developed to align within the following strategic direction as outlined in the Council Plan 2021-31;

- Liveable City
- Sustainable City
- Vibrant City
- Well-Governed

## 11. IMPLEMENTATION STRATEGY

### 11.1 TIMELINE

11.1.1 It is recommended that Council awards the proposed contract to G.J & K Cleaning Services Pty Ltd.

### 11.2 COMMUNICATION

11.2.1 Contract documentation will be prepared and forwarded to G.J & K Cleaning Services Pty Ltd for execution within 5 working days.

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- 11.2.2 All unsuccessful tenderers will be notified in writing and offered feedback with the TEP chairperson.
- 11.2.3 This contract ensures council's facilities are kept clean for our community and staff. It also ensures work will be conducted safely and with an effort to reduce environmental impacts and enhance social outcomes associated with the implementation of the contract.

## **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