

**ORDINARY COUNCIL MEETING
10 AUGUST 2009**

8.	RENEWAL OF BUILDING MAINTENANCE CONTRACTS
LOCATION/ADDRESS:	VARIOUS
EXECUTIVE DIRECTOR:	SAM HEWETT, ACTING EXECUTIVE DIRECTOR COMMUNITY ASSETS AND SERVICES
PREPARED BY:	SAM HEWETT, ACTING EXECUTIVE DIRECTOR COMMUNITY ASSETS AND SERVICES
FILE NOS.:	14/01/0916, 0998, 0999, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1012, 1251, 1253 AND 1254
ATTACHMENTS:	ATTACHMENT 1 - CURRENT CONTRACT STRUCTURE AND STATUS

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to recommend to council that it extend a range of building maintenance contracts for an additional period of 12 months.

2. RECOMMENDATION

That Council

- 2.1 Approves the 12 month extension of the following building maintenance contracts from 1 October 2009 until 30 September 2010;

2.1.1 Provision of Air Conditioning/Mechanical Service Maintenance Contract 0998 with Pioneer Pty Ltd

2.1.2 Provision of Fire Services Maintenance and Testing Contract 0999 with National Fire Solutions Pty Ltd

2.1.3 Provision of Lift Maintenance Services Contract 1002 with Independent Lifting Services Pty Ltd

2.1.4 Provision of Electrical Services Maintenance and Testing Contract 1003 with JMD Electrics Pty Ltd

2.1.5 Provision of Electrical Services Maintenance and Testing Contract 1003 with Urban Maintenance Systems Pty Ltd

- 2.1.6 Provision of Plumbing and Gas Services Maintenance Services Contract 1004 with Peck Plumbing Pty Ltd
- 2.1.7 Provision of Plumbing and Gas Services Maintenance Services Contract 1004 with Urban Maintenance Systems Pty Ltd
- 2.1.8 Provision of Plumbing and Gas Services Maintenance Services Contract 1251 with D J Murphy Plumbing Services
- 2.1.9 Provision of Automatic Doors Maintenance Services Contract 1005 with Besam Australia Pty Ltd
- 2.1.10 Provision of Pest Control Services Contract 1006 with Pestaway Australia Pty Ltd
- 2.1.11 Provision of Graffiti Removal and Auditing Services Contract 1008 with Graffiti Gone
- 2.1.12 Provision of Painting Services Contract 1009 with Graffiti Gone
- 2.1.13 Provision of Painting Services Contract 1253 with Programmed Maintenance Services Ltd
- 2.1.14 Provision of Painting Services Contract 1253 with Munters Pty Ltd
- 2.1.15 Provision of Carpentry/Handyman Services Contract 1010 with J W and P C Simpson
- 2.1.16 Provision of Carpentry/Handyman Services Contract 1010 with Urban Maintenance Systems Pty Ltd
- 2.1.17 Provision of Carpentry and Handyman Services Contract 1254 with Programmed Maintenance Services Ltd
- 2.2 Approves the 12 month extension of the Provision of Cleaning Services for (A) Council Facilities (B) Public Conveniences and (C) BBQs Contract 0916 from 1 January 2010 until December 31 2010 with Wayne Cleaning Systems Pty Ltd.

3. BACKGROUND AND CONTEXT

- 3.1 Port Phillip City Council currently contracts all building maintenance services. The current contract structure, status and current contract sums are shown in Attachment 1. The lump sum figures refer to the preventative maintenance arrangements while the schedule of rates refers to all reactive maintenance.

- 3.2 The building maintenance contracts expire 30 September 2009 with an option to extend for a further 12 months. The cleaning contract expires on 31 December 2009 with an option to extend for a further 12 months.
- 3.3 A review of the building maintenance contracts will be undertaken within the current financial year to identify and investigate delivery options, best practice and cost effective bundling of building maintenance service contracts.
- 3.4 It is anticipated that this review will coincide with the development of new specifications for service contracts that will be required to be put in place prior to the expiry of these contracts.
- 3.5 This current structure also provides panels of contractors for the provision of plumbing and gas-fitting, electrical, painting and carpentry and handyman services.
- 3.6 Having panels in place for these high activity services provides council with a more competitive and flexible service delivery options.
- 3.7 Staff within the Building Maintenance unit administer these service contracts and meet monthly with each contract provider. At these meetings all key performance indicators, as provided for in each contract, are reviewed and documented.

4. CONSULTATION AND STAKEHOLDERS

- 4.1 Internal consultation occurred with building user groups regarding the performance of the contractors listed in this report. This feedback was generally positive, and where it wasn't, the information was used to improve contractors' performance.

5. DISCUSSION

5.1 ALIGNMENT TO COUNCIL PLAN

- 5.1.1 Strategy 1.4.4 of the 2009-2013 Council Plan provides that Council maintain council and community assets to a standard that matches industry best practice. By having a robust pool of building maintenance service providers contracted to it, Council is best placed to meet this objective.

5.2 POLICY IMPLICATIONS PLAN

- 5.2.1 Council's Tendering and Contracts Policy provides that in the case of a contract awarded by the council, the decision as to a contract extension is to be referred to the council. Council initially awarded these contracts at its Ordinary Council Meeting 27 August 2007.

5.2.2 The policy also provides that a decision not to extend a contract will generally be made because of poor performance by the contractor, in which case, the performance issues should have been discussed with the contractor over a substantial period and fully documented.

5.3 FINANCE / RESOURCE IMPLICATIONS

5.3.1 The tendering of the building maintenance services has led to a reduction in expenditure over the last 2 years of approximately \$800,000 per annum.

5.3.2 All expenditure for these contracts have been budgeted within the 2009/2010 financial year.

5.4 LEGAL & RISK IMPLICATIONS

5.4.1 The current contracts – and any extension of these – are provided for in detailed contract documentation prepared by Council's legal advisors when they were awarded.

5.4.2 There is always a risk of a contracted building service provider failing to continue delivering service for reasons such as financial failure and industry down turns. This risk is mitigated by Council's decision to have a panel of providers in place for those high service delivery areas.

6. IMPLEMENTATION STRATEGY

6.1 TIMELINE

6.1.1 It is intended that written notification to all providers of the renewal of these contracts will be forwarded prior to 31 August 2009 as provided for under the respective contracts.

6.2 COMMUNICATION

6.2.1 There will be no changes in service provision, processes or outcomes. All building occupants will continue to see maintenance services provided by existing contractors.

7. OFFICER DIRECT OR INDIRECT INTEREST

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