



8.9	PROVISION OF SECURITY PATROL SERVICES
LOCATION/ADDRESS:	WHOLE OF MUNICIPALITY
GENERAL MANAGER:	FIONA BLAIR, INFRASTRUCTURE & AMENITY
PREPARED BY:	DINO DE MELIS, MANAGER MAINTENANCE AND RENEWAL
TRIM FILE NO:	14/01/2038
ATTACHMENTS:	Nil

I. RECOMMENDATION

That Council:

- 1.1 Awards National Protective Services Pty Ltd Contract No. 2038 to provide Security Patrol Services to Council for a four year period commencing in July 2017 to 30 June 2021, with an option for a further term of three years (at Council's discretion).
- 1.2 Notes that the estimated contract sum is \$7,090,209.00 exclusive of GST for the seven year term.
- 1.3 Affixes the Common Seal of the Port Phillip City Council to Contract No. 2038 between Port Phillip City Council and National Protective Services Pty Ltd.

2. BACKGROUND AND CONTEXT

2.1 Background

The current contract for the provision of Security Patrol Services will expire on 30 June 2017. The tender was advertised in The Age on Saturday 15 October 2016 and closed on 08 November 2016. The tender was a collaborative tender with the Melbourne City Council who advertised the tender on behalf of both Councils. The proposed initial contract term is from July 2017 to 30 June 2021. There is provision for a further three year extension at Council's discretion.

2.2 Description of Services

The service includes both an on-going security presence and regular external and internal patrols of South Melbourne Market buildings. It includes the provision of security patrols in response to security alarm events at various Council properties as requested by Council. It includes the provision of security officers to attend and provide lock up and unlock services to various Council premises. Security guards are required for a range of events held at the Town Halls and other premises as required. The types of events held include, but are not limited to community and commercial events, Council meetings, general meetings, wedding receptions, fundraisers, film festivals, conferences, sales events, citizenship ceremonies, and gallery openings.

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The composition of the TEP (Tender Evaluation Panel) is set out in Table I below.

TABLE I – COMPOSITION OF TEP	
Name	Title
Dino De Melis	Chairperson
Jim Maclean	Member
Adam Mehegan	Member
Sinclair Le Hugh	Member
Kate Cornwall	Member
Nathan Hudson (Pitcher Partners)	Probity Advisor

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.

The evaluation criteria and weightings are detailed in Table 2 below.

TABLE 2 – TENDER EVALUATION CRITERIA	
Criteria	Percentage Weighting
Price	40%
Experience, capability and past performance	20%
Plan for Proposed Services	20%
Service Innovation and Technology	10%
Sustainability	5%
OH&S	5%

**Tenders received and Evaluation**

Details of the tenders received are shown in Table 3 below.

TABLE 3 – TENDERS RECEIVED		
No.	Tenderer's Name	\$ Price (Excluding GST)
1.	Tenderer A	\$10,682,869.48
2.	Tenderer B	\$6,739,584.60
3.	Tenderer C	\$7,927,805.90
4.	Tenderer D	\$9,579,203.35
5.	Tenderer E	\$19,265,654.78
6.	National Protective Services Pty Ltd	\$7,090,208.82

All tender submissions were conforming and a detailed evaluation was undertaken by the Tender Evaluation Panel. In this instance, the TEP decided to interview three tenderers.

The total scores were agreed against the evaluation criteria and are shown in Table 4 below.

TABLE 4 -		
No.	Tenderer's Name	Score (Out of 1,000)
1.	Tenderer A	663.70
2.	Tenderer B	717.50
3.	Tenderer C	805.05
4.	Tenderer D	697.50
5.	Tenderer E	392.35
6.	National Protective Services Pty Ltd	871.47

The final weighted score which takes into account all of the evaluation criteria (including price) has been used to determine the recommended contractor for the delivery of Security Patrol Services. The following factors have been taken into account in scoring the tenders against the evaluation criteria.



Price

Tenderers were assigned a score for price which was derived from the ratio of lowest priced bid compared to each Tenderer. The pricing included a lump sum for scheduled works and a projected schedule of rates figure based on the current service.

Capacity

National Protective Services Pty Ltd has been engaged by Council to provide security services for the past four years and has delivered a reliable and consistent service throughout the term of contract.

In their tender submission, National Protective Services Pty Ltd displayed an excellent understanding of Council's requirements as detailed in the specifications. Their submission demonstrated a thorough consideration of the resourcing requirements across the three areas of operations, being Security Patrol Services, South Melbourne Market and Meetings and Events.

This reinforces the TEP's assessment that the recommended contractor National Protective Services has the capacity required for servicing this contract.

Relevant Experience

National Protective Services Pty Ltd rating is underpinned by the following factors:

- Licenced Security Provider
- Demonstrated performance in all areas of the current contract,
- Proven reliability as demonstrated in all areas of the current contract,
- In depth knowledge of the requirements of the specification,
- Specialist expertise,
- Local based company

Financial Evaluation

A comprehensive financial evaluation was conducted on the preferred tenderer. A report prepared by Council's Financial Compliance Accountant highlighted the capacity of National Protective Services Pty Ltd to provide the service in accordance with Council's requirements.

Reference Checks

National Protective Services is currently Port Phillip City Council's contractor for this service, and also for Coin Collection Counting and Banking Services. Senior Council officers confirmed their satisfaction with the services provided by NPS and would not hesitate to engage them further.

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A reference was also obtained from the Department of Environment Land Water and Planning who engage NPS under the WoVG (Whole of Victorian Government) panel contract. NPS provide guard services at 8 Nicholson St (Ministerial building) including patrols, security control room operations and concierge. DELWP have found the services provided by NPS to be of a consistently high standard, and the staff to be professional at all times. NPS also consistently offer service innovation suggestions as part of their monthly reporting.

3. KEY INFORMATION

- 3.1** This tender was run as a joint tender with Melbourne City Council. During the initial joint evaluation it was evident that the technical specifications for both Councils were not fully aligned. The joint panel determined after interviews and a detailed evaluation that a single joint service provider could not be identified due to the differing requirements of both Councils. Both Melbourne City Council and Port Phillip City Council identified preferred but different tenderers based on their individual service requirements.
- 3.2** National Protective Services Pty Ltd has been a contractor to Port Phillip City Council for over 20 years and has provided a reliable and consistent service and continuously provided innovative technological advances in the security area. For example, at South Melbourne Market, these include;
- Accountability software – the security Duty phone is used to connect with E-chips positioned throughout the site that logs times and dates of when they are in the area. This provides accountability to the Contract Manager and the Contractor Management.
 - Mobile Reporting – not only does the Duty phone have the accountability software, the phone also provides incident reporting and Maintenance reporting, with photo attachment capability.
- 3.3** National Protective Services Pty Ltd provided pricing on the lump sum component of the Contract, being Security Patrol Services and South Melbourne Market. The lump sum tendered price by National Protective Services Pty Ltd for this known component was the lowest of all tenderers. Upon inclusion of the schedule of rates for reactive services based on historical data, National Protective Services Pty Ltd total tendered price was not the lowest, however when the non-financial criteria scoring was added, National Protective Services Pty Ltd scored the highest, and therefore represents Best Value to Council and is the Panel's preferred contractor for this critical service.

4. CONSULTATION AND STAKEHOLDERS

- 4.1** Council officers have undertaken consultation with key stakeholders including building managers, community users and internal service providers. The consultation process has assisted with the development of the specification and ensures the service meets community expectations.



- 4.2 The contract manager shall liaise with the three areas covered by the contract on a regular basis in accordance with the Contract Management plan and update stakeholders as necessary.

5. DISCUSSION

5.1 OPTIONS

- 5.1.1 Council to award the Security Patrol Services contract to National Protective Services Pty Ltd for four years ending 30 June 2021 with an option to renew for a further three year extension. This recommendation is supported by the evaluation process carried out by the tender panel.

5.2 ALIGNMENT TO COUNCIL PLAN

- 5.2.1 The Security Patrol Service supports and enables Council to deliver the following strategies in the Council Plan 2013-2017:
- 5.2.2 Engaged, a well governed city – ensure a reputation for organisational and service excellence:
- 5.2.3 Healthy, Ensure our city is a welcoming and safe place for all.

5.3 POLICY IMPLICATIONS

- 5.3.1 The tender has been conducted in accordance with Section 186 of the Local Government Act 1989.

5.4 FINANCE / RESOURCE IMPLICATIONS

- 5.4.1 The tendered price is \$3,001,620.87 for the initial four year term of the contract.
- 5.4.2 Should Council wish to extend the term of the contract, the estimated value for the extension term is approximately \$4.09M. Over the term of the contract there will be an increase in the number of buildings that will be within the scope of the contract.
- 5.4.3 The projected total cost of using the preferred contractor over the next seven years is \$7,090,209.00 excluding GST. This is in accordance with budgetary projections for the service.
- 5.4.4 The tender from contractor National Protective Services Pty Ltd provides the best value for Council.

5.5 LEGAL & RISK IMPLICATIONS

- 5.5.1 An effective and accurate management service plan is required to enable Council to meet its statutory obligations. National Protective Services Pty Ltd is well resourced with experienced personnel and this should ensure that Council avoids risk that may lead to financial loss or have a negative impact on the Council's reputation.

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- 5.5.2 The successful tenderer operates a fully endorsed OHS system. In accordance with the contract terms and conditions the contractor must submit a site specific safety plan for provision of Security Patrol Services.
- 5.5.3 All tenderers complied with the insurance requirements of \$10,000,000 public liability and \$1,000,000 professional indemnity.
- 5.5.4 A probity representative (Pitcher Partners) has been involved throughout the process and attended all evaluation scoring meetings and proponent interviews. All tender documentation has been provided for review and a probity report will be issued where no probity issues are expected to be raised.

5.6 BEST VALUE

- 5.6.1 The tender has been assessed in accordance with the Best Value Principles;
 - a) the need to review services against the best on offer in both the public and private sectors;
 - b) an assessment of value for money in service delivery;
 - c) community expectations and values;
 - d) the balance of affordability and accessibility of services to the community;
 - e) opportunities for local employment growth or retention; and
 - f) the value of potential partnerships with other Councils and the State and Commonwealth Governments.

6. IMPLEMENTATION STRATEGY

6.1 TIMELINE

- 6.1.1 Commencement of the Security Patrol Services contract will commence in July 2017.

6.2 COMMUNICATION

- 6.2.1 Contract documentation shall be prepared and forwarded to the contractor for execution.
- 6.2.2 The Contracts and Procurement Unit shall notify all unsuccessful tenderers. The Contract Manager shall invite debriefs from all unsuccessful tenderers.

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.