



Ordinary Council Meeting

28 NOVEMBER 2018

LATE ITEM

REPORT

ITEM NO

SUBJECT

11.3.1

RFT 04-19 PROVISION OF CLEANING SERVICES FOR BUILDINGS, RESERVE TABLES, BBQ'S, PUBLIC AMENITIES

11.3.1 RFT 04-19 PROVISION OF CLEANING SERVICES FOR BUILDINGS, RESERVE TABLES, BBQ'S, PUBLIC AMENITIES.

LOCATION/ADDRESS	Shire of Augusta Margaret River
APPLICANT/LANDOWNER	Shire of Augusta Margaret River
FILE REFERENCE	COR/371
REPORT AUTHOR	David Nicholson, Manager Asset Services
AUTHORISING OFFICER	Markus Botte, Director Infrastructure Services

IN BRIEF

- At the Ordinary Meeting of 24 October 2018 Council considered a Request for Tender RFT 04-19 Provision of Cleaning Services for Buildings, Reserve Tables, BBQ's, Public Amenities or the provision of cleaning services at various sites within the Shire.
- Council resolved to award the contract to BrightMark Group Pty Ltd for the sum of \$323,265.86 excluding GST, pursuant to an evaluation panel's recommendation following a comprehensive evaluation undertaken in accordance with the Shire's Procurement Policy, with the professional and independent support of WALGA Procurement Services whom prepared an evaluation report.
- During subsequent preparation of contract documentation Shire staff identified errors within price calculations contained within the external evaluation report supporting Council's resolution, thereby preventing the contract from being awarded.
- External legal advice obtained by the Shire recommended reassessment of corrected price submissions, and a subsequent reconsideration by the evaluation panel has resulted in revised evaluation report.

RECOMMENDATION

That Council

1. Revokes Part 1 of Decision OM2018/271 awarding Tender RFT 04-19 to BrightMark Group Pty Ltd, as the stated price was incorrect.
2. Awards Tender RFT 04-19 Provision of Cleaning Services for Buildings, Reserve Tables, BBQ's, Public Amenities to BrightMark Group Pty Ltd for their tender submission and price basis outlined in the Revised Evaluation Report (Confidential Attachment 1) for a period of three (3) years, with the option to extend the contract term for up to a further period of two (2) years, subject to satisfactory performance and to be executed at the discretion of the Shire's Chief Executive Officer.

LOCATION PLAN

Nil

TABLED ITEMS

RFT 04-19 Provision of Cleaning Services for Buildings, Reserve Tables, BBQ's, Public Amenities

BACKGROUND

At its meeting on 24 October 2018, Council passed the following resolution:

PRIMARY MOTION / COUNCIL DECISION

CR SMART, CR EARL OM2018/271

That Council:

1. *Awards Tender RFT 04-19 Provision of Cleaning Services for Buildings, Reserve Tables, BBQ's, Public Amenities to BrightMark Group Pty Ltd for their tender submission and tendered price of \$323,265.86 ex GST pa, for a period of three (3) years, with the option to extend the contract term*

for up to a further period of two (2) years, subject to satisfactory performance and to be executed at the discretion of the Shire's Chief Executive Officer; and

2. *requests the CEO to prepare a proposal for consideration in the mid year budget review on the provision of additional contract management resources to ensure that the cleaning contract is undertaken to a high level of satisfaction in keeping with community expectations.*

**CARRIED 5/1
CR MCLEOD VOTED AGAINST**

Council Officers verbally advised BrightMark Group Pty Ltd of the decision on 26 October 2018 and commenced preparation of contract documentation. During this process it became apparent that the price stated in the above resolution was incorrect. Further investigation revealed that all of the tenderers' prices recorded in the Evaluation Report provided by WALGA Procurement Services were incorrect, by varying amounts. Tenderers' total prices are comprised of individual prices for six different area-based cleaning tasks and the errors systematically arose because prices for some tasks were not included in the summarised amounts.

Shire officers sought legal advice on the most appropriate process to resolve this situation. The legal advice indicated that Council should:

- undertake a re-evaluation of the tenders, including seeking further clarifications from tenderers if required;
- revoke the previous decision; and
- award the tender on the basis of the re-evaluation.

CONSULTATION AND ADVICE

External Consultation

A pre-tender notification was published in the Margaret River Mail on 29 August. The tender was advertised state-wide as per tender regulations, in The Western Australian on 6 and 8 September 2018 and in the Margaret River Mail on 5 and 12 September 2018. It was also displayed on the Shire's website from 5 to 26 September 2018.

WALGA Procurement Services were engaged to facilitate the procurement process. The scope of WALGA's engagement included:

- Process Management;
- Provision of two evaluators;
- Management of the evaluation process; and
- Provision of an evaluation/recommendation report.

Internal Consultation

Consultation was undertaken with the Shire's Project and Procurement Officer, Manager Recreational Services, Manager Asset Services and Building Assets and Maintenance Coordinator.

DISCUSSION / OFFICER COMMENTS

A revised evaluation report has been prepared by WALGA and a copy is attached as Confidential Attachment 1.

The tender evaluation process included assessment of Compliance Criteria, Qualitative Criteria and Price, which included:

- Compliance criteria compliant / non-compliant basis (not scored);
- Relevant experience & demonstrated ability – 30%;
- Tenders resources , key personnel and experience – 30%;
- Occupational safety, health and environmental management – 10%;
- Demonstrated understanding – 20%;
- Local content commitment 10%; and
- Price – non-weighted.

A panel consisting of two (2) WALGA representatives and three (3) Shire staff was formed to evaluate the submissions. WALGA completed an assessment of each tender submission against the compliance criteria. Each member of the evaluation panel completed an independent assessment of each submission against the qualitative criteria. The panel then met to discuss results, agree on a consensus

score and recommendations. Outcomes were then consolidated into an Evaluation Report. The same panel members participated in the re-evaluation process and undertook the price re-evaluation only.

Price was a consideration, but not weighted, as a 'best value for money approach' was utilised.

The re-evaluation process concluded with the panel recommending that Council accepts the tender submitted by BrightMark Group Pty Ltd as the most advantageous tender to form a contract.

It is therefore necessary to revoke Council's previous decision and to award the tender subject to a corrected price basis outlined in the Revised Evaluation Report (Confidential Attachment 1) and under the same conditions previously indicated, being for a period of three (3) years, with the option to extend the contract term for up to a further period of two (2) years, subject to satisfactory performance and to be executed at the discretion of the Shire's Chief Executive Officer.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS

Section 3.57 of the *Local Government Act 1995*.

STRATEGIC PLAN / POLICY IMPLICATIONS

Community Strategic Plan 2036 (CSP)

Corporate Business Plan 2018-2022

Key Result Area 2: Welcoming, inclusive and healthy communities

Community Building Maintenance

PLANNING FRAMEWORK

Nil

FINANCIAL IMPLICATIONS

Council annually budgets for the external provision of cleaning services. Tenders are called to ensure Council receives value for money for its services and meets its obligation under section 3.57 of the *Local Government Act 1995*.

Prices will be fixed for the initial three (3) year term with an option to extend for a further two (2) years. If an extension is offered, the price variation mechanism, All Groups CPI for Perth %, will be utilised to update the Schedule of Rates, which will subsequently remain fixed for the extension period.

The current budget for cleaning services component of this tender is \$524,279 and is apportioned over three business units as follows:

Parks and Gardens – North and South	<ul style="list-style-type: none">• BBQ Cleaning	\$32,800
Indoor Recreation Centre	<ul style="list-style-type: none">• Margaret River Rec Centre	\$55,000
Community Buildings	<ul style="list-style-type: none">• Shire Offices• Augusta Library• Margaret River Zone Room & public amenities	\$436,479

The budget includes an allowance for unscheduled works, such as graffiti removal and additional cleaning of public amenities for special events.

SUSTAINABILITY IMPLICATIONS

Environmental

Some Tenderers use environmentally friendly cleaning products.

Social

Council provides public facilities that are regularly cleaned for the safety and comfort for all users.

Economic

Tendering of services encourages competitive pricing and allows the Shire to obtain value for money for the goods and services it purchases.

VOTING REQUIREMENTS

Absolute Majority

The below recommendation has been separated into two parts, to enable the revocation to be dealt with separately as per Regulation 10 of the *Local Government (Administration) Regulations*. Part 1 of the recommendation, to revoke a decision, requires support of at least 1/3 of the number of offices (whether vacant or not) of members of the Council prior to consideration. A notice of motion is required to be signed by 3 Councillors, inclusive of the mover. The decision must be made by absolute majority.

Crs Townshend, Meldrum and xxxxx signed a 'Motion of Revocation' document as per Regulation 10 Local Government (Administration) Regulations 1996.

RECOMMENDATION - PART 1

That Council Revokes Part 1 of Decision OM2018/271 as the stated price was incorrect.

- 1. Awards Tender RFT 04-19 Provision of Cleaning Services for Buildings, Reserve Tables, BBQ's, Public Amenities to BrightMark Group Pty Ltd for their tender submission and tendered price of \$323,265.86 ex GST pa, for a period of three (3) years, with the option to extend the contract term for up to a further period of two (2) years, subject to satisfactory performance and to be executed at the discretion of the Shire's Chief Executive Officer;*

RECOMMENDATION PART 2

That Council Awards Tender RFT 04-19 Provision of Cleaning Services for Buildings, Reserve Tables, BBQ's, Public Amenities to BrightMark Group Pty Ltd for their tender submission and price basis outlined in the Revised Evaluation Report (Confidential Attachment 1) for a period of three (3) years, with the option to extend the contract term for up to a further period of two (2) years, subject to satisfactory performance and to be executed at the discretion of the Shire's Chief Executive Officer.

ADVICE TO APPLICANT / PROPONENT

Council's decision.

ATTACHMENTS

1. Confidential Attachment RFT 04-19 Evaluation Report