

REF: CM101/07

TENDER T06/13 - CLEANING AND WASTE RECYCLING CONTRACT FOR THE ADMINISTRATION AND LIBRARY BUILDING
Report of Manager Works and Services (JA) 18/05/07 **05.05.03.006**

ITEM 6

PRECIS

The contract for cleaning the Administration and Library Building expired in January 2006 resulting in Council calling for new tenders to conduct all cleaning services within the building under a new performance based service contract over three (3), three (3) year periods.

RECOMMENDATION

- 1 In accordance with the Local Government (General) Regulations 2005, Clause 178(1)(a), Council accept the tender of SKG Cleaning Pty Ltd for the cleaning and waste recycling contract for the Administration and Library Building for an initial three (3) year term for \$160,124 per annum.**
- 2 Authority be granted for the use of the Common Seal of Council on the contract documentation.**

BACKGROUND

Council's cleaning contract with SKG Pty Ltd for the Administration and Library Building expired in January 2006 at the conclusion of the fixed term contract.

In order to achieve the most cost effective cleaning contract for Council, the draft contract offered to the market was for a three (3) year contract, with two further three (3) year extension periods subject to ongoing satisfactory performance to predetermined Key Performance Indicators (KPI's).

In accordance with Council's procurement policies, tenders were called for the provision of cleaning and waste recycling services following an Expression of Interest (EOI) process which was advertised in both the Illawarra Mercury and the Sydney Morning Herald in June and July 2006.

In response to the EOI advertisements, Council issued in excess of 20 information packages to those companies seeking consideration for the works.

The EOI period closed on 17 July 2006, and twenty (20) submissions were received.

EOI submissions were assessed against the following weighted criteria -

- Commercial experience in office tower cleaning and waste recycling services.
- Staff capacity to undertake a high standard cleaning contract in a large 10 storey commercial building.
- Occupational Health Safety Risk and Environmental Policies and Procedures.

Following consideration of all EOI submissions and allocation of scores against the weighted criteria, the tender panel selected the top nine (9) cleaning services contractors to be formally invited to tender for the works as these companies were considered capable of meeting the cleaning requirements under this contract.

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Prior to release of formal tenders, Council Officers finalised the content of the tender documentation in consultation with Peedom Solicitors as a number of industrial relations issues needed to be incorporated into the documentation regarding continuity of employment for current cleaning staff.

Subsequent to Peedom’s review, formal tenders were issued in September 2006 to the following companies -

- BIC Services Pty Ltd
- ISS (Tempo) Facility Services Pty Ltd
- All Corp/Menzies Property Services Pty Ltd
- Northern Contract Cleaning Pty Ltd
- Reflections Group Pty Ltd
- SKG Cleaning Pty Ltd
- Spotless Pty Ltd
- Storm International Pty Ltd
- Swan Services Pty Ltd

The tender period closed on 24 November 2006 and tender submissions were received from eight (8) of the companies.

The tender panel assessed the submissions and sought a number of clarifications from respondents in order to make equitable comparisons of their cost structures, based on 130 hours of cleaning per week.

The outcomes of the tender assessment are detailed in Table 1 below -

Table 1 – Tender Evaluation
(based on 130 hours/week)

Company	Tendered Amount (ex GST)	Tender Panel Score	Ranking
SKG Cleaning Pty Ltd	\$160,124	4.34	1
BIC Services Pty Ltd	\$179,860	4.21	2
Reflections Group Pty Ltd	\$201,291	4.07	3
Storm International Pty Ltd	\$190,768	3.96	4
Swan Services Pty Ltd	\$186,921	3.88	5
Northern Contract Cleaning Pty Ltd	\$219,853	3.72	6
ISS (Tempo) Facility Services Pty Ltd	\$255,574	3.67	7
All Corp/Menzies Property Services Pty Ltd	\$265,367	3.17	8

The numerical scoring method used by the Tender Panel for the assessment of tenders allocates a numerical score out of five (5) in relation to the level of compliance offered by the tenderers to each of the assessment criteria as specified in the tender documentation. The method then takes into account pre-determined weightings for each of the assessment criteria which provides for a total score out of five (5) to be calculated for each tender. The tender with the highest score is considered to be the tender that best meets the requirements of the tender documentation in providing best value to Council.

The tender submission received from SKG Cleaning was in full conformance of the requirements of the tender documentation, however as the performance of SKG Cleaning had not been previously provided to the revised contract specification, SKG Cleaning were placed on a six (6) month trial period. During this trial period, SKG Cleaning were required to demonstrate improvements in management systems, administration and supervision of on-site personnel and Occupational Health and Safety (OH&S) in line with their tender submission and contract specification KPI's.

From December 2006 to May 2007, SKG Cleaning Pty Ltd have satisfied Council officers of their performance and compliance to the cleaning specification in accordance with the contract terms.

PROPOSAL

The tender submission and performance of SKG Cleaning Pty Ltd during the past 6 month trial period has met Council's performance and OH&S expectations.

It is recommended that SKG Cleaning Pty Ltd be awarded the contract for three (3) years with annual reviews undertaken prior to any extension period (options) being awarded, thus ensuring on-going performance in accordance with the contract.

CONSULTATION AND COMMUNICATION

- Members of the Tender Assessment Panel, consisting of representatives from Works & Services Division, Finance Division and Administration and Information Technology, Legal and Risk Section.
- External Solicitors – Peedom's.

PLANNING AND POLICY IMPACT

ECOLOGICAL SUSTAINABILITY

The proposal complies with the principles of ecological sustainable development through its compliance with the Local Government (General) Regulations 2005, and its guiding ESD principles and with the ESD principle of Inter and Intergenerational Equity.

RISK ASSESSMENT

SKG Cleaning have undertaken appropriate risk assessments for the scope of the contract in accordance with their company OH&S Policies and relevant Legislation.

FINANCIAL IMPLICATIONS

The funding for this contract is currently funded from allocated operational budgets for the Administration and Library Building and are within forecast budgetary expectations.

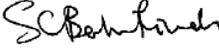
OPTIONS

- 1 Council accept the recommendations of this report.
- 2 Council decline to accept the recommendations and accept one of the other tenders.
- 3 Council decline to accept the recommendations and call for fresh tenders.

CONCLUSION

Council should accept the recommendations in this report.

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Name	Position Title	Date	Signature
This report provides Councillors with all the relevant information and is correct at the time of writing. This information has been relied upon in preparing the report and its recommendations. Signed by:			
John Anderson	Assistant Manager Building Construction and Maintenance	5/6/07	
John Shepherd	Manager Works and Services	5/6/07	
Sue Baker-Finch	Chief Operating Officer	5/6/07	

ATTACHMENTS

There are no attachments for this report.