

Item 11.

Tender - Asset Compliance Services

File No: X019256.013

Tender No: 1897

Summary

The scope of the Asset Compliance Services contract includes the delivery of legislatively required compliance certifications (such as Annual Fire Safety Statements), which are required annually for continued occupation of all City-owned buildings. The scope also includes specialist engineering consultancy services to the City, to provide advice on the status of City-owned building structures, plant and equipment. These condition reports will be utilised to formulate future maintenance and capital renewal plans.

The City currently contracts Asset Compliance Services on an ad hoc basis through the incumbent Facility Management service provider, Ventia.

The City has undergone a tender process to engage a new supplier to deliver Asset Compliance Services consistent with the new property services delivery model.

This report recommends that Council accept the tender offer of Tenderer D for Asset Compliance Services.

Recommendation

It is resolved that:

- (A) Council accept the tender offer of tenderer D for the provision of Asset Compliance Services for a period of two years, with the option of four further extensions of two years each if appropriate;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the options referred to in clause A, if appropriate, and negotiate the price to extend the contract accordingly.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The City is responsible for a large and diverse property portfolio comprising 256 buildings and assets with a replacement value at over \$2 billion. This includes community buildings, public domain, depots, aquatic centres, corporate offices, investment properties and assets.
2. The City's previous property services model was an integrated model engaging the services of BGIS all four specialist services: Facility Management, Property Management, Compliance Management and Utility Management.
3. The City's new property services model disaggregates these services into four separable service packages.
4. The City engaged Ventia to deliver Facility Management Services and Colliers International to deliver Property Management services with the new contracts commencing in May 2018 and July 2018 respectively.
5. The City currently engages Ventia on an ad hoc basis to deliver the required compliance services, including annual fire safety statements and registration of various plant and equipment, including pressure vessels, lifts, cooling towers and non-return valves. The City also engages specialist engineering consultancy services on an ad hoc basis, to provide required advice on the status of City-owned building structures, plant and equipment. These temporary engagements are not financially or operationally efficient.
6. The proposed Asset Compliance contract is for a period of two years with four further options of two years each.
7. Compliance management is an essential part of the new property services model. This contract will deliver legislatively required services.
8. The scope of the Asset Compliance Services contract has been constructed to complement the current Facility Management and Property Management scopes of services and is required to enable the new property services model to operate as designed.

Invitation to Tender

9. Tender 1897 was advertised in The Daily Telegraph and The Sydney Morning Herald, and on the City's e-tendering website on 20 November 2018.
10. The tender was open to the public from 20 November 2018 to 18 December 2018.
11. A briefing information session was held at Town Hall House on 29 November 2018 for potential bidders.

Tender Submissions

12. Six submissions were received from the following organisations:
 - AESC Pty Ltd;
 - Core Project Consulting;
 - Hendry Group Pty Ltd;
 - JGS Property;
 - Lucid Consulting Engineers (NSW) Pty Ltd; and
 - MBMpl Pty Ltd.
13. No late submissions were received.

Tender Evaluation

14. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
15. The relative ranking of tenders as determined from the total weighted score is provided in Confidential Attachment A.
16. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) demonstrated experience in carrying out services of a similar size and nature;
 - (b) the proposed methodology as outlined in the draft service delivery plan;
 - (c) personnel allocation, qualification, experience and capacity including subcontractors and for work requirements;
 - (d) Environmental and Work Health and Safety;
 - (e) financial and commercial trading integrity, including insurances; and
 - (f) schedule of prices.

Performance Measurement

17. Functional testing and reporting of all essential fire safety measures as per the contracted program.
18. Timely provision and submission of annual fire safety statement for all in-scope buildings.
19. Timely provision of building condition assessment reports.
20. Timely provision of building service consultancy services.

Financial Implications

21. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.

Relevant Legislation

22. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.
23. Attachment A contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
24. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

25. The anticipated contract award and start of the transition phase is targeted by the project team as late May 2019
 - (a) Council approval of the tender - May 2019
 - (b) Contract execution with service provider - May 2019
 - (c) Transition period from - June 2019
 - (d) Contract commencement - July 2019

Options

- 26. Option one is to maintain the current ad hoc arrangement with Ventia. This is not recommended as it is operationally and financially inefficient.
- 27. Option two is to proceed with the tender recommendation as per Confidential Attachment A. This is recommended as it presents the least risk position for the City and the best financial value outcome.

Public Consultation

- 28. There has been no public consultation regarding this tender.

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