



11.1 TENDER AWARD - PROVISION OF PRESSURE CLEANING SERVICES

EXECUTIVE MEMBER: CHRIS CARROLL, GENERAL MANAGER, CUSTOMER, OPERATIONS AND INFRASTRUCTURE

PREPARED BY: LACHLAN JOHNSON, EXECUTIVE MANAGER CONSTRUCTION, CONTRACTS AND OPERATIONS

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1. PURPOSE

- 1.1 To present the report of the Tender Evaluation Panel (“TEP”) for the provision of Pressure Cleaning Services and recommend the awarding of the contract to The Trustee for Calcorp Business Trust P/L.

2. EXECUTIVE SUMMARY

- 2.1 On 17 March 2021, Council considered the 2021 Clean Streets Service Review Progress Update and a proposal for the continuation of the existing Pressure Washing Service.
- 2.2 Five options were presented, and Council approved and supported of option 4a, subject to the 2021/22 Council Plan and Budget process, at an additional rates impact of \$400,000 per annum.
- 2.3 Option 4a included the provision of:
- 2.3.1 The procurement of a specialised contractor to undertake hygienic night-time programmed pressure washing of dedicated high streets and street furniture across the City.
 - 2.3.2 An allocation of one deep pressure wash to Acland and Fitzroy Street, programmed in November.
 - 2.3.3 The establishment of a new year-round dedicated rapid response crew (two officers) to undertake daily sweeps of activity centres from 7am to spot clean stains and areas as required.
 - 2.3.4 The trial of a specialised pavement ‘scrubbing’ cleansing unit that will enable activity centres to be cleaned throughout the day once businesses commence operating and foot traffic increases.
- 2.4 Following confirmation of funding as part of the Budget 2021/22, an open public tender process has been undertaken to identify the preferred tenderer to deliver the future provision of pressure washing services, in accordance with Council’s requirements, and Council’s Procurement Policy and the agreed evaluation plan.
- 2.5 The Tender Evaluation Panel (TEP) recommends Council enter into a new contract with The Trustee for Calcorp Business Trust P/L estimated total contract value of \$1,024,869 over the three year period for scheduled regular cleaning, annual deep pressure cleans, and ad hoc cleaning services.



3. RECOMMENDATION

That Council:

- 3.1 Awards the contract for the provision of Pressure Cleaning Services to The Trustee for Calcorp Business Trust.
- 3.2 Notes that this service delivery contract is for a term of three years, commencing 10 November 2021 until 10 November 2024.
- 3.3 Notes that this service delivery contract consists of lump sum rates for scheduled cleans, lump sum rates for annual cleans, and a schedule of rates per m2 for any additional high-pressure cleaning services as required.
- 3.4 Notes that the total contract expenditure comprises of \$1,024,869 (including GST) over the life of the three-year contract.
- 3.5 Notes the commitment of the successful proponent to implement various initiatives in alignment with council's environmental and social objectives including reducing water usage, emissions, noise, chemical use, and packaging and providing employment opportunities to disadvantaged people.
- 3.6 Affixes the Common Seal of Port Phillip City Council to the contract between Council and The Trustee for Calcorp Business Trust.

4. KEY POINTS/ISSUES

BACKGROUND AND CONTEXT

- 4.1 On 17 March 2021, Council considered the 2021 Clean Streets Service Review Progress Update and a proposal for the continuation of the existing Pressure Washing Service.
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- 4.4 Following confirmation of funding as part of the Budget 2021/22, an open public tender process has been undertaken to identify the preferred tenderer to deliver the future provision of pressure washing services, in accordance with Council's requirements, and Council's Procurement Policy and the agreed evaluation plan.



PROCUREMENT

- 4.5 In accordance with the provisions of the Local Government Act 2020, a public procurement process has been conducted for the proposed service. In response to Council’s selection, an open public tender process was undertaken to identify the preferred tenderer to deliver the future provision of pressure washing services, in accordance with Council’s requirements, and Council’s procurement policy and the agreed evaluation plan.
- 4.6 Prior to the procurement process commencing, a Tender Evaluation Plan was developed to establish mandatory specifications, evaluation criteria and weighting assessments for Council’s approach to market, as well as establish the proposed Tender Evaluation Panel (TEP).
- 4.7 The TEP membership is outlined in Table One (1) below:

Table 1: Composition of Tender Evaluation Panel	
Name	Title
James Walden	Coordinator - Service Transformation (TEP Chair)
Binita Shrestha	Waste Technical Officer
Nick Dunstan	Coordinator - Waste Management Services
Kate Cornwall	Business Lead - Procurement & Contracts
Non-Scoring Technical Advisors	
Name	Title
Lisa Paton	Coordinator - Sustainable Programs
Darren Brownscombe	Coordinator - Street & Beach Cleaning

- 4.8 Prior to the tender being advertised, the mandatory criteria, and their respective assessment weights, were established. The details are shown in Table two (2):

Table 2: Tender Evaluation Criteria	
Mandatory Criteria	
The presence of a third-party accredited OH&S management system	
Criteria	% Weighting
Price	40
Capacity to meet the requirements of the technical specifications	25
Experience and track record	25
Corporate Social Responsibility	5
EMS third-party accredited	5

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- 4.9 The approach to market was released 7 August 2021 and advertised in The Age Newspaper in addition to being published online on Council's tender portal. The tender concluded 27 August 2021.
- 4.10 Upon the close of tenders, eleven (11) tender submissions were received.
- 4.11 A TEP initiation meeting was held 26 August 2021 to ensure probity requirements had been fulfilled, and outline the process for assessment.
- 4.12 All TEP members signed probity and confidentiality declarations indicating they had no direct conflicts of interest to declare, and that they would maintain confidentiality throughout the procurement and assessment process.
- 4.13 TEP members undertook individual and independent assessments prior to the group collation, assessment and review.
- 4.14 On 2 September 2021, TEP members held evaluation meeting two where individual scores were collated, assessed and reviewed to produce a group-average score against criteria for each tender applicant.
- 4.15 Upon collation of individual scores, the TEP agreed to consensus scoring for all non-price elements for each submission, and the financial comparison was applied by the TEP's procurement lead to produce the tender scores shown below in Table three (3):

No.	Tenderer's Name	Score (Out of 1,000)	Short-Listed
1	The Trustee for Calcorp Business Trust	857.9	Yes
2	Tenderer 1	744.1	Yes
3	Tenderer 6	710.0	Yes
4	Tenderer 7	672.4	Yes
5	Tenderer 3	599.6	No
6	Tenderer 8	552.5	No
7	Tenderer 10	475.8	No
8	Tenderer 4	443.9	No
9	Tenderer 2	438.4	No
10	Tenderer 9	436.4	No
11	Tenderer 11	426.5	No

- 4.16 The TEP agreed to shortlist the four (4) highest scoring tenderers to ensure capacity to meet specifications, best-fit, and value-for-money would be achieved within the pressure cleaning services contract.
- 4.17 On 7 September 2021, interviews were held with the four short-listed tenderers, and held virtually owing to COVID-19 related restrictions. Routine questions were provided to all, alongside clarification questions stemming from each tenderer's application, where relevant.
- 4.18 At the completion of all four interviews, a post-interview evaluation meeting was held 7 September 2021. The initial tender scoring was updated to reflect clarifications and interview content for non-price elements to obtain Post Interview Scoring, as shown in Table four (4) below:



No.	Tenderer's Name	Score (Out of 1,000)	Interviewed	Invite for BAFO?
1	The Trustee for Calcorp Business Trust	857.9	Yes	Yes
2	Tenderer 1	744.1	Yes	Yes
3	Tenderer 6	710.0	Yes	No
4	Tenderer 7	642.4	Yes	No

- 4.19 Following interviews, and at the guidance of the TEP's procurement advisor, the TEP proceeded to Best and Final Offers (BAFOs) for the two final candidates only. The submissions of the two final candidates were also provided to the Coordinator – Sustainable Programs, a non-scoring TEP advisor, to perform a final Corporate Responsibility and Environmental Responsibility assessment.
- 4.20 BAFO applications, and updated Corporate Social Responsibility (CSR) and environmental assessments were received 13 September 2021. The Best and Final Offer from the shortlisted applicants resulted in a reduction of the originally submitted price.
- 4.21 A post-BAFO TEP meeting was held 14 September 2021. Final review of the responses was undertaken, alongside a reflection on the updated CSR and environmental scores. Final scoring concluded as listed in Table Five (5)

No.	Tenderer's Name	Score (Out of 1,000)	Interviewed	Invite for BAFO?
1	The Trustee for Calcorp Business Trust	876.5	Yes	Yes
2	Tenderer 1	751.6	Yes	Yes

- 4.22 The TEP concluded that based on all assessable criteria, The Trustee for Calcorp Business Trust ("Calcorp") represented the best value for Council, and that, subject to the appropriate reference and financial checks, should be recommended to Council for the delivery of the Pressure Cleaning Services.
- 4.23 The recommended tenderer's assessment was underpinned by the following factors:
- The preferred tenderer has the required third-party OH&S and Environmental Management Systems accreditations.
 - The preferred tenderer has demonstrated extensive market experience in pressure cleaning services across multiple Victorian councils, including the City of Port Phillip.
 - The preferred tenderer has demonstrated a deep understanding of the requirements of the contract, and Council's and the community's expectations for the service, and has demonstrated a commitment to adequately resourcing the service's needs.



- The preferred tenderer has demonstrated extensive market-leading experience across a twenty-four year period, including the development of an in-house heat exchange unit capable of heating hot water for high-pressure cleaning without the need of additional diesel fuel.
- The preferred tenderer has demonstrated a commitment to utilise Council's Technology One platform for works management, in line with Council's significant investment in the Customer Experience (CX) program.
- The preferred tenderer has demonstrated a commitment to utilise noise-reduction methodologies across their operational equipment, to ensure noise impacts on neighbouring residents are minimised at all times.

FINANCIAL ANALYSIS

4.24 Detailed financial checks were undertaken by Council, which found that the preferred tenderer presents a minimal probability of failure in the coming 12 months, and holds no court actions, collection activities or defaults recorded against the entity.

REFERENCE CHECKS

- 4.25 Reference checks were conducted to garner feedback on the performance of the preferred tenderer.
- 4.26 Reference checks found that referee testimony supported the TEP assessments and scoring, including that the preferred tenderer:
- Currently undertakes, and has undertaken, a broad range of pressure washing services for a range of high-profile Victorian councils of similar size and conditions.
 - Has an extensive track record of delivering exceptional service, which has been recognised by continual contract renewal among core Council clientele, spanning a 10-to-20 year period.
 - Has demonstrated exceptional operational ability, customer service delivery, reporting functionality, and flexibility across the delivery of services.

RECOMMENDATION

- 4.27 The recommended tenderer has been assessed in accordance with the Best Value Principles, and in accordance with the assessment criteria and weighting established in the procurement plan, agreed to by the TEP prior to the procurement process's commencement.
- 4.28 The submission demonstrates the required experience and service plan to deliver the required services to the quality expected.
- 4.29 The price submitted is within the available budget and delivers specifications in full – specifically noting the inclusion and alignment of Council's CSR strategies and requirements.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Internal staff members from a variety of teams were represented within the TEP in both scoring and non-scoring capacity to provide subject matter expertise and guidance across the procurement process. Those teams included: Service Transformation, Procurement, Waste Management Services, and Street and Beach.



6. LEGAL AND RISK IMPLICATIONS

- 6.1 The provision of cleaning services is a key function of Council. If Council failed to ensure continuity of our outdoor cleaning service, it would present significant risk to public amenity and public health, safety and our reputation.
- 6.2 The procurement process and tender evaluations were overseen by Council’s Procurement Business Partner.
- 6.3 The appointed contractor is required to hold insurance policies of \$20,000,000 public liability insurance and \$4,000,000 professional indemnity insurance, \$10,000,000 motor vehicle insurance.
- 6.4 The appointed contractor will be required to adhere with ISO Certification Standards of Occupational Health and Safety, and Risk and Quality Assurance.

7. FINANCIAL IMPACT

- 7.1 Subject to Council’s decision to accept the preferred tender, it is estimated that the contract for the Pressure Cleaning Services is \$341,623 including GST each year, for the full three years of the contract, as outlined in Table Six (6) below:

Table 6: Estimated Annual Pricing					
Year	Financial Year	Programmed Pressure Cleaning	Annual Deep Cleaning	Ad Hoc High Pressure Cleaning	Total
1*	2021-22	\$195,700	\$12,049	\$20,000	\$227,749
2	2022-23	\$293,550	\$18,073	\$30,000	\$341,623
3	2023-24	\$293,550	\$18,073	\$30,000	\$341,623
4*	2024-25	\$97,850	\$6,024	\$10,000	\$113,874
Total		\$880,650	\$54,219	\$90,000	\$1,024,869
<i>* The contract will begin mid-financial year and run for a total of three calendar years. Pricing has been adjusted to reflect the approximate spend in each financial year.</i>					

- 7.2 The price submitted is within the available allocated budget for this service.
- 7.3 The total approximate cost of the pressure cleaning contract is \$1,024,869 over the three-year term of the contract.
- 7.4 A schedule of rates has also been established for any additional ad hoc high-pressure cleaning that may be required within the term of the contract. The cost for the high-pressure cleaning service is established at \$2.75 per m2, and costed at \$30,000 per year to be utilised as needed across the three-year contract.

8. ENVIRONMENTAL IMPACT

- 8.1 Consultation and input from Council’s Sustainability team was incorporated into the tender specifications to ensure best Corporate Social Responsibility (CSR) outcomes for Council.



- 8.2 The contract specifications, deliverables and metrics have been aligned to the Council Plan's environmental objectives, including the *Act and Adapt* and *Don't Waste it!* strategies.
- 8.3 A filter criterion required tenderers to have a third-party Environmental Management System ("EMS") accreditation. In addition to meeting the mandatory EMS requirement, the preferred tenderer has committed to a range of other in support of council's environmental objectives:

Act and Adapt

- 8.3.1 The preferred tenderer, in fulfilling the provision of the Pressure Cleaning Service, has proposed strategies that would support reduction in emissions and water usage through the following means:
- The development and adoption of an in-house heat exchange unit which effectively utilises heat exchange generated by the vehicle in use, as well as the motor driving the pressure pump, to eliminate the need for diesel or other fuels ordinarily used to heat water. It is estimated this reduces 60-80 litres of diesel per shift, and has historically produced a net reduction in corresponding greenhouse gas emissions of 1,627 tonnes.
 - The use of electric vehicles. The preferred tenderer currently utilises two fully electric vehicles as part of their wider fleet.
 - The utilisation of substantial clean-capture-recycle-reuse methodologies including the use of rainwater tanks, a water treatment plant, and the ongoing innovation and modification of pressure washing equipment to continually reduce water consumption, including a water reduction from 18.5 litres to 6.5 litres per minute across core equipment.

Don't Waste It!

- 8.3.2 The preferred tenderer will also support Council's *Don't Waste It! Waste Management Strategy 2018-28* strategic directions of 'A City with clean streets, public spaces and foreshore areas,' and 'A City that uses new technology to process waste better and reduce environmental impacts.'
- 8.3.3 This includes the adoption of Council's OneCouncil software solution, and providing key reporting, including before and after photographs, against Council's street surface, footpath, and street furniture assets.
- 8.3.4 The preferred tenderer also demonstrated a commitment to continually modify all pressure-cleaning units to reduce noise emissions to well below OH&S and industry standard levels.
- 8.3.5 The preferred tenderer is committed to chemical minimisation, and, where chemicals are required, has opted to purchase in bulk containers, minimising the use of excess packaging, and purchasing only biodegradable products.
- 8.4 The preferred tenderer has committed to providing Council with an annual report of gross and net carbon emissions with supporting information including vehicle fuel use and energy use while operating within the City of Port Phillip.

9. COMMUNITY IMPACT

- 9.1 The preferred tenderer displayed a commitment to ethical procurement, social responsibility, and community engagement, by demonstrating the following:



- 9.1.1 Ensuring a percentage of entry level jobs are made available to disadvantaged job seekers – specifically youths at risk, Aboriginal and Torres Strait Islanders, CALD, ex-offenders, and/or the very long term unemployed. That commitment is delivered through a partnership with the national not-for-profit job specialist, MatchWorks, and is reflected within the preferred tenderer’s current employment framework.
- 9.1.2 Providing donated services free charge for community incidents as needed. An example provided by the preferred tenderer included the restoration of the Coburg High School Arts Mural following vandalism and defacement at the tenderer’s expense.
- 9.1.3 A commitment to monetary donations to several charitable organisations including the Royal Children’s Hospital.
- 9.1.4 A commitment to purchasing and sourcing products locally where possible.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 The Council Plan 2021-31 sets out five key Strategic Directions to guide the organisation’s priorities and actions. One of those five strategic directions is Sustainable Port Phillip, which aims to create: *‘A City that has a sustainable future, where our environmentally aware and active community benefits from living in a bayside city that is greener, cooler, cleaner, and climate resilient.’*
- 10.2 Within that direction, a vision has been outlined for a Port Phillip that *‘has cleaner streets, parks, foreshore areas and waterways where biodiversity flourishes.’*
- 10.3 The provision of the Pressure Cleaning Service directly contributes to achieving cleaner streets by implementing an expansive programmed pressure cleaning service that targets Port Phillip’s highest profile, and highest traffic areas including Fitzroy Street, Acland Street, Bay Street, Carlisle Street, Clarendon Street, and the numerous smaller-scale shopping strips including those on Glenhuntly Road, Ormond Road, Armstrong Street and Victoria Parade, and more.
- 10.4 In addition, the provision of the Pressure Cleaning Service supports the Vibrant Port Phillip strategic direction, which aims to create: *‘A City that has a flourishing economy, where community and local businesses thrive, and we maintain and enhance our reputation as one of Melbourne’s cultural and creative hubs.’*
- 10.5 Supporting that strategic direction is a vision to create a Port Phillip where *‘Port Phillip’s main streets, activity centres, and laneways are vibrant and activated.’*
- 10.6 By directly ensuring the high-profile business areas and shopping strips located within Port Phillip are clean, vibrant, and sufficiently maintained, the Provision of the Pressure Cleaning Service supports the achievement of a Vibrant Port Phillip, for Council, the community, and local businesses alike.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 It is recommended that Council awards the proposed contract to The Trustee for Calcorp Business Trust. The contract will commence on 10 November 2021, in line with the completion of the current services contract.



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11.2 COMMUNICATION

11.2.1 The contract documentation will be prepared and forwarded to The Trustee for Calcorp Business Trust for execution within 5 working days.

11.2.2 All unsuccessful tenderers will be notified in writing and offered a debrief with the TEP chairperson.

12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS **Nil**