



13.3 INTEGRATED SECURITY SERVICES CONTRACT EXTENSION

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1. PURPOSE

1.1 The purpose of this report is to seek Council's approval for a one-year extension of Integrated Security Services Contract 000296.

2. EXECUTIVE SUMMARY

- 2.1 The current contract term commenced 1 July 2017, for a four-year term with a further three-year extension at Council's discretion. Council approved a one-year extension option commencing 1 July 2021.
- 2.2 This report outlines the findings of a detailed review against the contract and proposes a further one-year extension with the current contractor National Protective Services Pty Ltd.
- 2.3 The original contract terms were aligned to neighbouring councils to provide the City of Port Phillip the opportunity for joint procurement to satisfy the 2020 Local Government Act requirements which commenced December 2021. Officers are working with our neighbouring councils to align contracts and prepare an options paper to ascertain the possible benefits of a joint procurement approach to market for Security Services. Exercising this second one-year extension will enable council officers to continue with this exercise and identify and take up opportunities ahead of the third and final year extension option.
- 2.4 Council officers have assessed the contractor's performance of its duties under this contract as efficient, effective, and representing value for money. It is recommended the contract one-year extension option be awarded.
- 2.5 Council awarded the contract to National Protective Services Pty Ltd through Council Report 8.9 Provision of Security Patrol Services on 7 June 2017. Whilst the 2017 report provides Council with the discretion to exercise further option on the Contract, it did not provide authority for officers to execute the necessary contract documents. Without this written authority, and the estimated amount of this extension being above officer delegation, authority is now required for the contract documents to be executed.

3. RECOMMENDATION

That Council:

- 3.1 Awards the extension of Contract 000296 to National Protective Services P/L for one year commencing 1 July 2022 and notes that it is the intention of Council to approach the market for a new security contract prior to the end date of this extension.
- 3.2 Notes that the estimated contract expenditure for this one-year extension is \$1,200,324.00 (exclusive GST) and this would take the estimated contract expenditure



from 1 July 2017 to 30 June 2023 to \$7,767,276.17 (GST exclusive). This is above the total contract expenditure estimated at the start of the contract of \$7,090,209 (GST exclusive) due to the inclusion of additional services over the last five years as outlined in this report.

- 3.3 Notes that the contract value will increase by the All Groups Consumer Price Index (CPI) Melbourne on the contract anniversary 1 July 2022.
- 3.4 Affixes the common Seal of Port Phillip City Council to Contract 000029 between Council and National Protective Services P/L.

4. KEY POINTS/ISSUES

- 4.1 On 1 July 2017, National Protective Services P/L (National Protective Services) commenced the contract for Integrated Security Services for an initial period of four years with a further three-year extension at Council's discretion. Council approved a one-year extension option commencing 1 July 2021.
- 4.2 The tender was a collaborative tender with the City of Melbourne who advertised the tender on behalf of both Councils.
- 4.3 This contract has provided a comprehensive suite of security services for all Council buildings and assets throughout the municipality.

5. CONTRACT PERFORMANCE

- 5.1 National Protective Services has performed well over the initial contract term with average performance exceeding the minimum target of 95% each month. National Protective Services have also provided on a number of occasions an ability to provide services in emergency situations, such as COVID shut down management, extra security guards for foreshore people management during extreme hot weather incidents and concierge services at Council town halls during COVID.
- 5.2 On the basis of contract performance, there are no compelling reasons to suggest that Council should not exercise the one-year option to extend the contract.

6. CONSULTATION AND STAKEHOLDERS

- 6.1 Security Services in Council buildings ensures we meet our safety and compliance requirements.
- 6.2 Feedback was provided for several departments regarding access control and scheduling of opening and closing times of buildings to help with service delivery.

7. LEGAL AND RISK IMPLICATIONS

- 7.1 An effective and efficient Security Service contract is required to enable council to meet its obligations of providing safe and compliant facilities for the community.
- 7.2 The original tender process was conducted in accordance with Section 186 of the Local Government Act 1989.
- 7.3 The recommended extension allows Council to prepare to explore opportunities for collaborative procurement with other councils as required under the new Local Government Act 2020 which will commence after the new procurement policy is adopted by end calendar 2021.



8. FINANCIAL IMPACT

- 8.1 As per the contract conditions, the lump sum, schedule of rates will increase by All Groups Consumer Price Index, Melbourne. Council's draft 2022/23 budget includes allowances for the continuation of the contract at current rates subject to forecast used at 1.5% increase. This increase is likely to be higher given the recently released CPI figures. The actual increase figure will be considered as part of the 2022/23 budget finalisation.
- 8.2 The total contract expenditure to date over the first five years of the contract has been approximately \$6,566,952.17 (Inclusive of GST)
- 8.3 The total estimated contract expenditure is up to \$7,767,276.13 (GST Inclusive) over the revised life of the contract including this one-year extension.

9. ENVIRONMENTAL IMPACT

Nil

10. COMMUNITY IMPACT

- 10.1 Maintaining safe and secure Council buildings ensures a positive user experience.

11. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 11.1 The security of Council buildings and assets is an integral and significant service contribution to the current City of Port Phillip Council Plan 2017-27, Direction 4: We are growing and keeping our character.
- 11.1.1 Direction 4.2 – A City of diverse and distinctive neighbourhoods and places. We will work towards this outcome by enhancing safety of our buildings and assets for our community.

12. IMPLEMENTATION STRATEGY

12.1 TIMELINE

- 12.1.1 Subject to Council consideration, the commencement of the Security Patrol Services extension period will commence 1 July 2022

12.2 COMMUNICATION

- 12.2.1 Contract documentation shall be prepared and forwarded to the contractor for execution.

13. OFFICER DIRECT OR INDIRECT INTEREST

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

ATTACHMENTS

Nil