



Council Meeting

Agenda

Tuesday, 8 November 2022
Civic Centre, 15 Anderson Street, Lilydale

Information for Councillors and the community

ACKNOWLEDGEMENT OF COUNTRY

We respectfully acknowledge the Traditional Owners, the Wurundjeri People, as the Custodians of this land. We also pay respect to all Aboriginal community Elders, past and present, who have resided in the area and have been an integral part of the history of this region.



COUNCIL VISION

Whether you live here or visit, you will see how much we care for country, how inclusive and connected our communities are, and how sustainable balanced growth makes this the best place in the world.

VALUE OF HISTORY

We acknowledge that history shapes our identities, engages us as citizens, creates inclusive communities, is part of our economic well-being, teaches us to think critically and creatively, inspires leaders and is the foundation of our future generations.

COUNCILLOR COMMITMENT

We'll be truthful, represent the community's needs, be positive and responsive and always strive to do better.

OUR COUNCILLORS

Billanook Ward: Tim Heenan
Chandler Ward: David Eastham
Chirnside Ward: Richard Higgins
Lyster Ward: Johanna Skelton
Melba Ward: Sophie Todorov

O'Shannassy Ward: Jim Child
Ryrie Ward: Fiona McAllister
Streeton Ward: Andrew Fullagar
Walling Ward: Len Cox

CHIEF EXECUTIVE OFFICER & DIRECTORS

Chief Executive Officer, Tammi Rose
Director Communities, Jane Price
Director Corporate Services, Andrew Hilson
Director Recovery, Jane Sinnamon

Director Environment & Infrastructure,
Bill Millard
Director Planning Design & Development,
Kath McClusky

GOVERNANCE RULES

All Council and Delegated Committee meetings are to be conducted in accordance with Council's Governance Rules, which can be viewed at: <https://www.yarraranges.vic.gov.au/Council/Corporate-documents/Policies-strategies/Governance-rules>

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- making a verbal submission for up to 5 minutes on matters not listed on the agenda.
- submitting a question.
- speaking for up to 5 minutes to a specific item on the agenda. For planning applications and policy issues, the Chair will invite one person to speak on behalf of any objectors and one person to speak on behalf of the applicant. For other matters on the agenda, only one person will be invited to address Council, unless there are opposing views. At the discretion of the Chair, additional speakers may be invited for items of large interest.
- speaking for up to 5 minutes to a petition to be presented at a meeting.

For further information about how to participate in a Council meeting, please visit: <https://www.yarraranges.vic.gov.au/Council/Council-meetings/Submissions-questions-petitions-to-Council>

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In the case of an emergency during a meeting held at the Civic Centre, 15 Anderson Street, Lilydale, you should follow the directions given by staff and evacuate the building using the nearest available exit. You should congregate at the assembly point at Hardy Street car park.

CONTACT US

Post	PO Box 105, Anderson Street
Telephone	1300 368 333
Facsimile	(03) 9735 4249
Email	mail@yarraranges.vic.gov.au

Agenda

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13.3 CT7060 Facilities Maintenance Services Tender 5 - 21

19. URGENT BUSINESS

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In accordance with Chapter 3 Rule 24 of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

19.1 Leave of Absence - Cr Johanna Skelton 23 - 25

CT7060 FACILITIES MAINTENANCE SERVICES TENDER

Report Author: Executive Officer - Property & Facilities Management

Responsible Officer: Director Environment and Infrastructure

Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

Confidential information is contained in Attachment 1. This information relates to contractual matters and contains commercially sensitive information including, but not limited to, the name of tendering parties, the evaluation panel members, the tendered prices and the evaluation of the tenders received against the published evaluation criteria.

Any disclosure of the information included within the confidential attachment to this report could be prejudicial to the interests of the Council or other parties. If discussion of this information is required, the Council is recommended to resolve that the item be deferred to the confidential section of the agenda when the meeting is closed to members of the public in accordance with Section 3(1)(g)(i)(g)(ii) of the Local Government Act 2020.

This report seeks Council approval to award a contract that complies with the Section 108 of the *Local Government Act 2020*.

SUMMARY

This report informs Council on the Tender Process for the CT7060 Facilities Maintenance Services tender, which closed on 19 August 2022 and seeks approval to award the contract as per the recommendations.

The urgency of the report relates to ensuring the transition of services can be appropriately managed and achieved by Dec 31 2022, when the current contract expires and the contract can be awarded before offers expire.

RECOMMENDATION

That

- 1. Council awards the tender from Programmed Facility Management Pty Ltd for CT7060 Facilities Maintenance Services for an estimated annual lump sum**

value of \$4,936,893, (Excl. GST), subject to the resolution of proposed contract departures and inclusive of all negotiated cost savings, schedule of rates and provisional items detailed in the Confidential Attachment to this report.

- 2. The estimated total contract value inclusive of the initial 4 year term, all available extension options (two options of 2 years each) and future indexation adjustments (5% assumed from the end of year 2 onwards) is \$45,133,118 (Excl GST) and exclusive of spend on provisional projects.**
- 3. The Director Environment and Infrastructure be delegated the authority to finalise negotiations and sign the contract documents and future extension options.**
- 4. The confidential attachment to this report remains confidential indefinitely as it relates to matters specified under Section 3(1) (g)(i), (g)(ii) of the Local Government Act 2020.**

RELATED COUNCIL DECISIONS

Council Decision of 28 November 2017 awarded Contract CT5369 – Provision of Facilities Maintenance and Management Services to Campeyn Group Pty Ltd for Provision of Facilities Maintenance and Management Services for three + three x two year options

On February 19 2021 Yarra Ranges exercised a deed of variation and extended the Contract CT5369 to 30 June 2022 with updated terms and conditions and option terms. Yarra Ranges did not take up an option to extend the current CT5369 Contract beyond December 30 2022 and advertised a new tender in July this year.

DISCUSSION

Purpose

To seek Council approval to enter a contract for the provision of Maintenance Facilities Services (CT6070). To recommend acceptance of the preferred tender from Programmed Facility Management Pty Ltd.

Background

The incumbent Facilities Maintenance services contractor is Campeyn Group; the Contract expires on 30 December 2022.

Services with the new contractor will begin 31 December 2022 for an initial four year term with an extension option that allows Council the option to extend the term twice, for a maximum of two years

Key services within the contract include:

1. Reactive Maintenance being the remediation of a faulty asset(s) to ensure their condition or functionality is maintained

2. Programmed Maintenance meaning all tasks necessary to undertake the delivery of scheduled maintenance and services to and within facilities
3. Planned Works of non-Maintenance building repair or other works of a minor nature to be undertaken as requested by Council (at the discretion of Council).
4. Condition Assessment Audits – Inspections and recording of the condition of main building and component assets
5. Maintenance/Contract Management: coordination of all maintenance activities and including 24/7 helpdesk to ensure:
6. Customer satisfaction and proactive customer service
7. High quality service delivering best value for money
8. Effective and proactive risk management.

Tenders were advertised/released by eTendering on 11 July 2022 and closed 2pm, 19 August 2022

The Tender Evaluation Panel (TEP) was established in accordance with Council's Procurement Guidelines and an independent Probity Auditor reviewed and signed off the process. The Panel consisted of an independent consultant with expertise in the field, in addition to Council's representatives.

Eight companies lodged tenders for the service. One of the submissions was non-conforming and therefore was excluded from proceeding to evaluation stage.

Options considered

This tender has been carried out in accordance with the requirements of Council's Procurement Policy.

The seven (7) conforming tenders received were assessed by the evaluation panel and scored against pre-established evaluation criteria using a Total Weighted Score Methodology of 70% quality and delivery and 30% price related. A summary of the evaluation criteria is as follows:

	Category	Weighting	Description
Quality and Delivery	Services Transition	15%	Services will be capable of compliant delivery from the contract start date.
	Management of Service Delivery	20%	The sufficiency of the proposed management resourcing, structure, systems, experience and contract management approach by the tenderer to ensure the compliant delivery of the contract management and administration services.
	Services Delivery	30%	The service specific solutions including the demonstrated understanding of the requirements, resource and system sufficiency, experience and service delivery quality control that will ensure the compliant delivery of each service.

	Community Benefit	5%	Council is seeking a partner equally committed to ensuring that the delivery of the services maximises the community benefits available to members of the municipal district. These community benefits include local, social, economic and/or environmental sustainability.
Price Related	Value for Money	30%:	Provision of the best overall value for money pricing proposal to Yarra Ranges Council.

Further detail on the submissions and evaluation are provided in Confidential attachment.

Recommended option and justification

Following an extensive evaluation process, the evaluation panel are unanimous in their decision to recommend from Programmed Facility Management Pty Ltd for the CT7060 Facilities Maintenance Services contract for an estimated annual lump sum value of \$4,936,893 (Excl. GST) as detailed in the Confidential Attachment to this report. Programmed Facility Management Pty Ltd offered the best package of value and services that addressed Council transition risks and opportunity to strengthen our own asset maintenance and management practices, systems, data and customer service.

The evaluation panel request that Council adopts the recommendations within this report.

FINANCIAL ANALYSIS

There are material financial implications to the organisation of the new contract, due to the current budget reflecting current contract obligations.

This contract will see an estimated increase in the annual facilities maintenance costs in the order of \$2.7 million pa (exclusive of GST). This increase is reflective of higher service levels and market cost increases within the industry and have been vigorously tested through the evaluation process.

Additional details on the financial impact are contained in the Confidential Attachment to this report.

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective(s) in the Council Plan:

Connected and Healthy Communities

- Provision of a range of facilities for our community that enable them to meet, socialise and take up services provided in their local area

Quality Infrastructure and Liveable Places

- A quality service will ensure we are confident in our statutory compliance and provision of fit for purpose facilities

High Performing Organisation

- The focus in the new contract on asset and building condition data will enable us to mature our analysis and understanding to plan our investment for a more efficient outcome, including both planned maintenance and minor works.
- The expected contract outcomes, including KPIs centred on Customer, Quality and Risk align to our organisation's performance expectations

In addition, this report contributes to the following:

Asset Management Policy 2022

Community Engagement Policy 2021

Community Vision 2036

Council Plan 2021-25

Financial Plan 2021-22 to 2030-31

RELEVANT LAW

This report seeks Council approval to award a contract that complies with the Section 108 of the *Local Government Act 2020*.

There are various statutory laws that apply in ensuring our compliance as the owner and operator of the buildings under this maintenance services contract. These are extensive and include those relating to compliance of buildings, the safety of occupants and any specific obligations relating to the use of each building or part of a building which may rely on the layout and assets within the building.

The contract will outline the obligations to comply and includes improved clarity around our expectations for some specific areas such as the management of asbestos and related records.

A Gender Impact Assessment has not been undertaken due to the breadth and scale of the service this contract contains. Gender will be considered in scoping site specific works on our facilities where appropriate

SUSTAINABILITY IMPLICATIONS

Economic Implications

Considering the economic ramifications of selecting the most appropriate contract models and service levels allows Council expenditure to be targeted towards local economic benefits. The recommendations made in this report are designed to optimise the balance between financial cost and appropriate levels and quality of service, whilst minimising economic, reputational, and other risks across the components of the services. Please also see comments under Social Implications.

Social Implications

Local and social sustainability was considered as part of the evaluation process and was weighted 5% of the overall qualitative evaluation.

In the Invitation to Tender documentation and the during the Tender briefing the tenderers have been asked to consider the social implications of their service, particularly in relation to initiatives the tenderers might consider for our local population, including indigenous opportunities. The submissions received from the shortlisted tenderers indicate serious commitment to support strategies in these areas.

Key criteria for the recruitment of staff for the outsourced services will be policies that encourage local employment opportunity and traineeships. The tenderers have indicated a preference to generate employment from the local community.

There are no human rights implications, but all shortlisted parties have strong corporate social responsibility policies

Environmental Implications

Facilities Maintenance services are a key sustainability function. Tenderers are required to operate an Environmental Management system certified to ISO14001

There are also contractual obligations around the management of waste and hazardous substances.

In addition, tenderers highlighted their view and initiatives contained in Environmental and Social Governance frameworks. These have provided confidence that we will be dealing with mature and forward-thinking organisations who have policies supporting these such as commitments to reduce carbon emissions year on year, introduction of battery powered machinery over petrol/diesel, the move towards hybrid and electric vehicles and strong recycling commitments.

In addition, the new contract schedule includes maintenance of our solar and related assets that to date have been managed outside of our main facilities maintenance contract.

COMMUNITY ENGAGEMENT

No specific community engagement on the facilities maintenance contract has been undertaken however the scope and management of services under the contract will be influenced by the following community engagement outcomes:

Asset Management Plan - Deliberative Engagement Panel

Council has worked directly with a community panel to understand what is most important when planning our assets, as part of a deliberative engagement process. This is the first time Yarra Ranges has used deliberative engagement to inform our asset management practices.

Through the deliberative engagement process, we have also gained a new understanding of the community's views around the way Council currently manages its assets, and how Council should best approach the challenges it faces in managing those assets in the long term.

The development of this work will further inform the management of services under the contract and the data that will be gathered over time under the contract will reciprocate in providing intelligence to our investment decisions and options.

Stakeholder Consultation

The specification for the new contract has been developed with insight from a number of reviews and initiatives undertaken in the past two years with extensive consultation with staff and with community users of our services including the Properties and Facilities Management Service review and audits into the performance of current contract services.

The Evaluation panel included representatives from across the organisation and was supported by additional internal and external expertise in procurement, probity and property and facility maintenance

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Award of this contract replaces the current collaborative arrangement in place with City of Greater Dandenong and Cardinia Shire Councils for facilities maintenance services that end on 30 December 2022.

The contract will support Councils continued improvement in processes, data and systems associated with facilities maintenance.

No collaboration with other Councils, Governments or statutory bodies was available on this item. Initial investigation early in the specification process confirmed Yarra Ranges timelines did not align with other potential partners. As an alternative the independent experts brought into the process have provided broader insight and access to current industry good practice.

RISK ASSESSMENT

The evaluation criteria were targeted to understand and mitigate Council risk with a focus on strong management structures and processes, systems that support the process, including strong stakeholder communications and the ability to report in real time for Yarra Ranges.

In addition, the risk around transitioning the service, particularly in such a constrained timeline has formed a significant element of the evaluation. Additionally, Council will be establishing its own internal transitions team to support the transition activities.

Some of the risks identified and which the Panel has endeavoured to address in through the assessment process include:

- non-compliance with legal and regulatory requirements;
- deterioration of buildings and loss of value;
- poor quality service delivery to the Yarra Ranges community users;
- major difficulties with contract management;
- default by the Contractor and a need to retender the services;
- the Contractor requesting a pricing variation;
- major disruptions to usage and operation of facilities; and
- reputational damage to the Yarra Ranges Council.

There has also been a strong focus on the geographical extent of the organisations buildings and how this will be effectively managed. Having locally based contractors available, particularly for core trades, has been highlighted as an expectation of Yarra Ranges Council and the preferred supplier has made commitments to this end.

Financial and credit checks on the preferred tenderer are underway as per Yarra Ranges procurement policy requirements.

Additionally references checks with current clients nominated by the preferred tendered and site inspections were also reassuring.

There are still a number of potential contract departures that require resolution these are discussed in the confidential report.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Confidential Attachment – CT7060 Facilities Maintenance Service Tender Evaluation Report

Confidential Item

19. URGENT BUSINESS

In accordance with Chapter 3 Rule 24 of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

LEAVE OF ABSENCE - CR JOHANNA SKELTON

Report Author: Governance Coordinator

Responsible Officer: Chief Executive Officer

Ward(s) affected: Lyster

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

Cr Johanna Skelton has given formal notice to the Chief Executive Officer of her intention to run in the upcoming 2022 State Election. It is therefore recommended, in the interest of community confidence and in accordance with the Councillor Code of Conduct and the MAV guidelines, the Council grant a leave of absence for a period of four weeks.

This item has arisen since the distribution of the agenda and is effective immediately.

RECOMMENDATION

That Council grant a leave of absence to Cr Skelton for a period of four weeks, effective immediately.

RELATED COUNCIL DECISIONS

There are no related Council decisions relevant to this item.

DISCUSSION

Purpose and Background

The purpose of this report is to determine the request to grant a leave of absence to Cr Skelton.

Councillors are elected to perform their duties in a lawful manner and must comply with relevant provisions of the *Local Government Act 2020* including the standards of

councillor conduct which are prescribed in regulation 12 of the Local Government (Governance and Integrity) Regulations 2020. When considering standing for Federal or State Parliament, it is recommended councillors consider these duties and requirements under the Act, including standards of conduct and potential conflicts of interest.

Taking a leave of absence is not required under the *Local Government Act 2020*, however the Yarra Ranges Councillor Code of Conduct provides that a Councillor who is contesting in a State or Federal Election will apply for a leave of absence from the Council, to commence no later than the date of their nomination as a candidate. Councillors are advised to do so in the interests of maintaining community confidence.

The *MAV Guidelines for Councillors Standing for State and Federal Elections* also encourages Council to grant a leave of absence and explicitly states that such a request should not be unreasonably refused. Any decision to refuse the request should therefore be supported by reasons, particularly given the provisions of Section 34(2)(a) of the *Local Government Act 2020* in respect of an extraordinary vacancy being created.

On previous occasions where a leave of absence has been granted, it has been the practice of Council for the Mayor to stand in and deal with matters affecting a Ward when a Ward Councillor has been absent.

Recommended option and justification

It is recommended that Council grant a leave of absence for four weeks for Cr Johanna Skelton to ensure community confidence and to allow for good governance during the 2022 State Government election caretaker period.

FINANCIAL ANALYSIS

There are no budget implications with the recommendation in this report. The Act provides that Cr Skelton may continue to receive the allowance payable to a Councillor during a leave of absence.

APPLICABLE PLANS AND POLICIES AND RELEVANT LAW

Under section 49 of the Victorian Constitution, a person who holds any office or place of profit under the Crown (whether in right of Victoria or any other capacity), or is in any manner employed in the public service of Victoria or of the Commonwealth for salary, wages, fees or emolument may stand for election to the Victorian Parliament provided they resign from that position if elected to the Parliament. Otherwise, the person's election may be null and void. Accordingly, once a councillor is elected to Victorian Parliament they must resign from council.

SUSTAINABILITY IMPLICATIONS

Economic Implications

There are no economic impacts associated with the recommendation in this report.

Social Implications

There are no social impacts associated with the recommendation in this report.

Environmental Implications

There are no environmental impacts associated with the recommendation in this report.

COMMUNITY ENGAGEMENT

There has been no consultation undertaken in respect of the recommendation in this report.

RISK ASSESSMENT

The Local Government Act provides for Council to grant a leave of absence and explicitly states that such a request should not be unreasonably refused. Any decision to refuse the request should therefore be supported by reasons, particularly given the provisions of Section 34(2)(a) in respect of an extraordinary vacancy being created.

As a prospective or nominating candidate, a councillor needs to ensure they continue to act with integrity, avoid potential conflicts of interests and the perception of misuse of their position and council resources. By granting of a leave of absence Council and the community will be provided a level of confidence that these risks are being managed and that Council has done everything reasonably necessary to confirm this fact.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

Nil