

CT7817 PROVISION OF CLEANING SERVICES TO BUILDINGS, PUBLIC CONVENIENCES AND BARBECUES

Report Author: Executive Officer - Property & Facilities Management

Responsible Officer: Director Built Environment & 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 Attachments 1a and 1b. 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 summarises the evaluation process and seeks Council approval for the award of the contract for CT7817 Provision of Cleaning Services to Buildings, Public Conveniences and Barbeques.

CT7817 Provision of Cleaning Services to Buildings, Public Conveniences and Barbeques has been through a public EOI process, followed by a request for tender process from those companies successfully shortlisted through the EOI process. The contract is proposed for an initial term of 3 years and 9 months, with two available extension options, each of up to 3 years.

RECOMMENDATION

That

- 1. Council awards the tender from Blue Sky Services for CT7817 Provision of Cleaning Services to Buildings, Public Conveniences and Barbeques for an estimated annual lump sum value Year 1 of \$2,002,742 (Excl. GST), inclusive of items detailed in the Confidential Attachment to this report.***
- 2. Council notes the estimated total contract value inclusive of the initial 3 year and 9 months term, all available extension options (two options of up to 3 years each) and future indexation adjustments (3.1% assumed from the end of year 1 onwards) is \$22,406,192 (Excl GST).***
- 3. The Director Built Environment and Infrastructure be delegated the authority to finalise negotiations and sign the contract documents, including future option term documents.***
- 4. The confidential attachments 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 23 July 2019 awarded 2 Cleaning Contracts being:

Contract CT5854-A– Provision of Cleaning Services – Buildings & Facilities for an initial contract term of two years plus 5 options of one year each to a maximum term of seven years to Elite Property Care Pty Ltd.

Contract CT5854-B– Provision of Cleaning Services – Public Conveniences & Barbeques for an initial contract term of two years plus 5 options of one year each to a maximum term of seven years to Pickwick Integrated Facilities Services

DISCUSSION

Purpose and Background

To seek Council approval to enter a contract for the provision of Cleaning Services to Buildings, Public Conveniences and Barbecues (CT7817) with the preferred tenderer.

The Cleaning Services currently being provided to Council were put in place over six years ago, pre-COVID, and at a time when systemised management of Cleaning Services was less prevalent.

The services as tendered, will reflect industry best practice for our community and staff in providing effective, efficient and customer focussed cleaning services.

Key Services within the contract include:

- Contract Management Services
- Cleaning Services to Council's specified portfolio of Buildings, plus Public Conveniences and Barbecues:
 - Regular Scheduled Cleaning;
 - Unscheduled Cleaning comprising ad-hoc requests (under a response and rectification regime);
 - Planned Periodic Cleaning;
 - Additional Cleaning Services, as requested by Council, including cleaning services to support Council's event program;
 - Provision of a help desk, contact centre or similar mechanism to receive and process ad-hoc service requests, provide status updates and other information relevant to the delivery of the Services and complaints;
 - Supply and replenishment of cleaning consumables;
 - Provision of sanitary services and sharps services to identified facilities.
 - Waste collection, movement at specified facilities covering a range of waste types.

Tenderers were expected to have the capability to use best practice systems in the delivery of the Cleaning Services, including digital cleaning management and cleaning auditing tools.

A KPI regime within the Services Agreement (the Contract) was developed based on feedback from stakeholders together with the experience of the current Contract Management Officer. The KPI's contain service expectations aligned with quality of service, timely service and customer focus.

Key Objectives of the Service requested were:

- Develop and maintain a high level of customer service delivering an effective, efficient and responsive service with proactive communication to customers.
- Ensure that Services are with the utmost commitment to safety and in compliance with all regulations, statutory requirements and all relevant Standards.
- Ensure that all Services are performed efficiently and effectively with minimal disruption to users.
- Achieve maximum value for expenditure on the Services and ensure Contractor accountability.

- Ensure that the contracted business operations align with Council values and strategies, are provided in good faith with the highest level of commercial and professional integrity.
- Provide the Services in a responsive, effective and efficient manner to meet the Council's social and economic commitment to the community.
- Encourage and foster a collaborative relationship with Council and other stakeholders.
- Pursue innovation and continuous improvement, and
- Local staff and sub-contractor employment.

Options considered

The procurement method for this tender was a two stage competitive process, commencing with an Expression of Interest, then Request for Tender for shortlisted tenderers.

An advertisement calling for Expressions of Interest released on Saturday 5 April 2025. The EOI was also advertised in The Age Newspaper, and on Council's LinkedIn platform.

Suppliers were asked to respond to three (3) quality evaluation criteria:

- Understanding Key Issues - weighted at 30%
- Experience and capability - weighted at 40%
- Capacity - weighted at 30%.

The EOI closed on Monday 5 May 2025 and 33 submissions were received. The attached confidential Evaluation report for the Expression of Interest outlines the process, parties and outcome (Attachment A)

The Expression of Interest to market addressed two major considerations:

Whether Council should seek two separate contracts to different suppliers, separating the delivery of cleaning services to our occupied buildings from those delivered to our public toilets and barbeques. The Expression of interest allowed those responding to respond to either of these two services, or both. Of 33 respondents, 28 responded for the whole service.

The second consideration related to a targeted Request for Tender process to a smaller number of parties having assessed suitability and capacity to deliver the service against the Evaluation Criteria for the Expression of Interest.

A Request for Tender (RFT) was issued out on Friday 20th June 2025 with submissions closing on Thursday 24th July.

The RFT was prepared with a detailed specification and a financial schedule that provided greater clarity of our service delivery requirements and Council's expectation for an experienced service provider to deliver these requirements consistently and to the expected standard.

Shortlisted tenderers were assessed against the following criteria:

- Cleaning Services Transition (10%)
- Management of Service Delivery (20%)
- Cleaning Services Delivery (30%)
- Community Benefit (10%)
- Value for Money (30%)

Recommended option and justification

The evaluation of request for tender responses is outlined in the attached confidential Evaluation Report (Attachment B). The recommended party provided the strongest response overall considering the scoring of both the non-financial and financial criteria, together with formal presentation/interview sessions, third party references and financial checks.

On evaluation and discussion on all information available, the Evaluation Panel were unanimous in their decision to recommend Blue Sky Services for the award of contract.

The attachments to this report contain confidential information related to contractual matters and commercially sensitive details. This includes, but is not limited to, the names of the tendering parties, the evaluation panel members, the tendered prices, and the evaluation of the tenders against the published criteria.

FINANCIAL ANALYSIS

Financial information and analysis are provided in the confidential attachment B.

The Service Agreement (Contract) is for an initial term of 3 years and 9 months, with the aim being to adjust the commencement timing of a future new contract away from December. The two additional extension options can be exercised up to a maximum of three years. The financial modelling assumes the total maximum term.

The estimated total contract value inclusive of the initial 3 year and 9 months term, all available extension options (two options of up to 3 years each) and future indexation adjustments (3.1% assumed from the end of year 1 onwards) is \$22,406,192 (Excl GST).

APPLICABLE PLANS AND POLICIES

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

Healthy Connected Communities.

The cleaning services support a wide range of facilities used by our community including our Community Links, Libraries, Halls, Maternal Child Health, Public Toilets and Barbeques. As such the services directly support the provision of fit for purpose buildings and amenities to enable our communities to connect and have confidence in the standard of their spaces

Protected and Enhanced Natural Environment

- The requirements of the RFT include providing an Environmental Management Plan. This to cover not only the resources and assets applied to the delivery of the service, but also the requirement for the staff delivering the service on the ground to highlight any environmental issues or concerns they identify whilst visiting our sites to undertake the service. The service will optimise sustainable products and has clear expectations around waste management.

Quality Infrastructure and Liveable Places

- Cleaning services are part of the upkeep and maintenance of our building portfolio infrastructure and the specification of the services under the new contract reflect the standards Yarra Ranges community and team members expect.

Prosperous Community & Vibrant Economy

- The recommended party clearly understands the importance of their service to our community and how the perception of those living, working and visiting our region can be positively or negatively impacted by the standards of cleaning undertaken.

There is no specific local government legislation that impact the delivery of these services; however, they are a contributing service to our overall commitment under the to provide appropriate services.

Legislation and Quality Assurance standards that relate specifically to the delivery of these services are encapsulated in the Services Agreement and Specification, together with the associated Management Plans.

No Gender impact Assessment has been undertaken as part of this tender process. The facilities covered by this service are existing and would only be amended through investment in the facilities themselves. The recommended party demonstrates strong alignment with Yarra Ranges in regard to Gender Equity that is reflected in both their management team and service delivery teams.

SUSTAINABILITY IMPLICATIONS

The RFT included a Community Benefit Criteria which reflected both Economic and Social implications

Economic Implications

There are strong commitments from the recommended supplier to our local economy relating to both sourcing of supplies and workforce. The recommended supplier commits to a target of 60% of the service delivery workforce living within the municipality of Yarra Ranges.

Social Implications

All staff are employed under the Cleaning Services Award, and the company has a Modern Slavery Policy, which was submitted as part of the response to the RFT and is available to all their staff.

The recommended supplier has an endorsed Reconciliation Action Plan and works with Indigenous employment organisations including Supply Nation. They also outline a culture that is actively supporting candidates from culturally and linguistically diverse backgrounds, LGBTQIA+ individuals, and people with disabilities. Their employment practices are equitable, with mental health a focus and support such as EAP provided. From the submissions and subsequent presentations this culture appears genuinely aligned to Yarra Ranges.

There is a commitment to allocating 10%+ of the total contract value to Social Procurement activity over the life of the contract. There is also a proposal to hold annual events where their staff join with local community groups and Indigenous organisations to deliver high-visibility community or environmental projects.

Environmental Implications

The recommended supplier holds ISO certification 14001:2015 Environmental Management system which sets requirements in use of energy, chemicals and water and waste management with operational procedures that minimise the use of chemicals and ensure those that are used comply with GECA (Good Environmental Choice Australia, a not-for-profit organisation) certification.

Consumable commitments:

- Toilet paper – 100% recycled material
- Paper hand towels – 100% recycled material
- Bin liners – 100% degradable and recycled materials

There is also a commitment to provide quarterly environmental reporting on chemical usage, water consumption, greenhouse gas reduction, and waste diversion from landfill.

COMMUNITY ENGAGEMENT

No formal community engagement was undertaken as part of the tender process, however, there was engagement with other Councils and stakeholders of the existing services to establish ongoing requirements and identify problem areas or risks we could mitigate or exclude in a new service.

The many examples of community feedback and concerns that have been raised in relation to the service of public facilities in the last year, which have directly informed and influenced the content and structure of the RFT and evaluation criteria.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Innovation and continuous improvement are requirements within the contract, and the recommended supplier has an Innovation Register which would be reviewed biannually by the operations management team and our own Contract Management team. Examples of previous innovations are energy efficient equipment, robotic assets where appropriate, and new graffiti related products.

Continuous improvement is an expected part of each contract management meeting and something Yarra Ranges Contract Management Officer will drive alongside the new supplier. It has been noted throughout the tender process that the most effective innovations in the industry appear to be the systems and software that support both the management and auditing of services, and we will receive a much more transparent and auditable service than is currently possible under the new regime.

RISK ASSESSMENT

The procurement process undertaken in line with the Council's Procurement Policy has a strong focus mitigating risk to Council risk with strong processes and systems that support the procurement and tender evaluation process

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*.

The Probity Management Plan and the attendance of the appointed Probity Advisor ensured Conflicts of interest were checked at each meeting of the Evaluation Panel related to the Tender Evaluation.

ATTACHMENTS TO THE REPORT

1. Expression of Interest Evaluation (Confidential)
2. Request for Tender Evaluation (Confidential)