FINANCE AND CORPORATE PERFORMANCE COMMITTEE REPORT

Agenda Item 5.3

TENDER EVALUATION REPORT: PROVISION OF SECURITY OFFICER SERVICES FOR THE CITY OF MELBOURNE

Division Design & Culture

Presenter Garth Bradbury, Manager Facilities Management

Purpose

1. To seek council approval to award a contract to SECUREcorp for the Provision of Security Officer Services for the City of Melbourne tender.

Recommendation

2. That the Finance and Corporate Performance Committee recommend that Council:

2.1. award the contract for the Provision of Security Officer Services for the City of Melbourne to SECUREcorp for an initial term of four years commencing on 8 November 2005 (with an option for Council to extend for a further period of one year), for the sum of $5,947,383 over the initial term and otherwise in accordance with the negotiated terms and conditions of contract;

2.2. by instrument of delegation sealed by the Council under section 98(1) Local Government Act 1989 ("the Act") delegate to the Chief Executive Officer, or the persons from time to time acting in that position, the authority to enter into the contract and to do all things incidental and ancillary to the same;

2.3. under section 98(3) of the Act, authorise the instrument of delegation to the Chief Executive Officer, or the person from time to time acting in that position, to empower him or her to delegate any power, duty or function delegated to him or her under the paragraph above, to a member of Council staff; and

2.4. resolve that the instrument of delegation referred to in paragraph 2.2 of this report will cease and be of no further effect upon the completion of all necessary steps and the execution of all necessary documents to enter into the contract with the successful tenderer.

Key Issues: Tender Evaluation Process

Invitation to Tender

3. Tenders for the Provision of Security Officer Services for the City of Melbourne Contract closed on 9th August 2005 after a twenty one day tender preparation period. One late tender was received, this tender was returned in accordance with the Tender Lodgement process, detailed in the Invitation to Tender, Section 2 Conditions of Tendering.
Evaluation Criteria and Weighting System

4. Tenders were evaluated by the Tender Evaluation Panel established in accordance with Council’s Corporate Contract Management System. The panel consisted of representatives of Facilities Management, Community Services, Financial Services and two independent external contractors specialising in security and risk management.

5. Members of the Tender Evaluation Panel are listed below:

5.1. Russell Lightfoot, Head of Security & Building Safety City of Melbourne. Full Member & Chairperson.

5.2. Nancy Di Santo, Senior Policy Officer Community Services City of Melbourne. Full Member.

5.3. Gary Rowe, Risk Management consultant. Full Member.

5.4. Iain Simpson, Security Consultant. Full Member.

5.5. Robert Dekleva, Security Operational Specialist City of Melbourne. Advisory Member.


5.7. Rod Varker, Contracts Adviser City of Melbourne. Advisory Member.

6. The following table lists the evaluation criteria that were stated in the City of Melbourne’s Invitation to Tender document.

Table 1: Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Tender</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Cost</td>
<td>50%</td>
</tr>
<tr>
<td>➢ Experience, Capability &amp; Past Performance</td>
<td>20%</td>
</tr>
<tr>
<td>➢ Plan for Proposed Services</td>
<td>20%</td>
</tr>
<tr>
<td>➢ Occupational Health &amp; Safety (OHS)</td>
<td>10%</td>
</tr>
</tbody>
</table>

Tender Evaluation

7. Nine tenders were received from which a shortlist of four was compiled. The companies short listed were:

7.1. SECUREcorp Victoria Pty Ltd;

7.2. CHUBB Security;

7.3. AFS – AMIL Security Collections; and

7.4. Skilled Maritime Security.
8. Following extensive evaluation of each tenderer’s submission, interviews and reference checks the Tender Evaluation Panel scored and rated each tender according to the table below.

Table 2: Tender Evaluation Panel Scores and Rating

<table>
<thead>
<tr>
<th>Evaluation Criteria Description</th>
<th>Securecorp</th>
<th>Chubb</th>
<th>AFS Amil</th>
<th>Skilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cost</td>
<td>45.50</td>
<td>45.70</td>
<td>50.00</td>
<td>40.10</td>
</tr>
<tr>
<td>2. Experience, Capability &amp; Past Performance</td>
<td>17.47</td>
<td>14.40</td>
<td>11.47</td>
<td>13.87</td>
</tr>
<tr>
<td>4. Occupational Health and Safety</td>
<td>8.00</td>
<td>8.00</td>
<td>7.00</td>
<td>7.40</td>
</tr>
<tr>
<td>Ranking</td>
<td>1.00</td>
<td>2.00</td>
<td>3.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Total Weighted Score</td>
<td>87.43</td>
<td>82.43</td>
<td>79.93</td>
<td>76.30</td>
</tr>
</tbody>
</table>

9. SECUREcorp achieved the best overall score. The critical factors influencing this decision are summarised as follows:

9.1. SECUREcorp was the superior submission, with an extremely thorough and well supported delivery plan for the provision of security officer services.

9.2. SECUREcorp is an established company with its head office in Melbourne and offices in New South Wales and Queensland, with a workforce of 500 full time employees.

9.3. SECUREcorp has involvement with local government safe city programs in Queensland and offered significant value adds to the contract, these include investigations and risk management divisions, access to worldwide networks in law enforcement and counter terrorism specialists and risk alert newsletters to clients about current events.

9.4. SECUREcorp provided a thorough and well documented proposed contractual structure and demonstrated clear understanding and commitment to OHS procedures.

9.5. SECUREcorp did not provide the lowest price however the cost is within budget expectations.

Performance Measurement

10. Methods to manage the contract and provision of services include a number of qualitative and quantitative measures, some to be reported by the service provider, others built in to the contract Service Specifications and Contract Administration Plan that will be implemented under this contract.

Concluding comments

11. The tender evaluation process has identified that the tender for SECUREcorp was the superior submission, with an extremely thorough and well supported delivery plan for the provision of security officer services. As this contract is to be undertaken by a new contractor an approved transition plan will be implemented as part of the contract start up.

Pecuniary Interest and Probity Statement

12. No member of the evaluation panel has a pecuniary or personal interest in the tenders or contract.
13. The evaluation has fully complied with the Local Government Act 1989 and the Conditions of Tendering. No potential tenderer had access to the final specification prior to its release. All advice, written or verbal, provided to a respondent clarifying any aspect of the tender documentation was also provided to all other respondents. No tenderer was provided any advantage over other tenderers, and all were treated fairly and equally during the tendering process. Information provided by tenderers which has been deemed confidential, has been protected, and will not be disclosed. A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer/s.

14. Tenderers were provided Council’s Conditions of Tendering. These conditions state that canvassing of Councillors by any tenderer on any matter relating to the tender will result in automatic disqualification.

Time Frame

15. The contract is for four years beginning on 8 November 2005 with an option for a further one year.

Relation to Council Policy

16. Council aims to deliver quality services that are responsive to business and community expectations, demonstrably cost-effective and subject to public accountability. Council is committed to delivering its services equitably and in a way that meets customer needs, minimises costs and recognises Council accountability.

Finance

17. Funding allocated in the 2005/2006 budget for the provision of security officer services, will cover the cost of the new contract.

Legal

18. When the Council intends to enter into a contract for the purchase of goods or services or the carrying out of works valued at $100,000 or more, section 186 of the Local Government Act 1989 imposes a duty on the Council by public notice either to invite tenders or expressions of interest.

Sustainability

19. There is no significant sustainability impact.

Background

Current Arrangements

20. The current provision of Security Officer Services is provided by Amil Security Collections, in accordance with Security Guard Services Contract No. 59/2/3226, which commenced on 1 May 2001.

Proposed Arrangements

21. In addition to the current service requirements, which include control room operation, Safe City Cameras, concierge staff, alarm response and mobile patrols, is the extension of these services to include the Docklands precinct.

22. Also included within this contract are the additional security requirements by the City of Melbourne, during the period of the Commonwealth games in March 2006.
Rationale for putting out to tender


Expected Outcomes

24. Council is seeking to establish a long term partnership with a service provider. This partnership is to achieve the long term goals of aligning Council’s corporate objectives with quality property asset management includes the provision of security services.

25. The contract is a performance based contract with measurable key performance indicators and minimum standards of performance. The service provider will have the freedom to explore and implement innovative options that will reduce costs, whilst improving the quality of security services to the council. Specifically the objectives of this contract are:

25.1. ensure the security integrity of Council’s assets;

25.2. increase the level of safety, staff and visitors in and around Council’s assets;

25.3. increase service provider accountability;

25.4. continually improve Council’s strategic security planning; and

25.5. achieve best value for money.
FINANCE ATTACHMENT

TENDER EVALUATION REPORT: PROVISION OF SECURITY OFFICER SERVICES FOR THE CITY OF MELBOURNE

Funding has been provided in the 2005/2006 budget for the provision of security officer services, it is anticipated that sufficient funds will exist to cover the cost of the new contract.

Joe Groher
Manager Financial Services
LEGAL ATTACHMENT

TENDER EVALUATION REPORT: PROVISION OF SECURITY OFFICER SERVICES FOR THE CITY OF MELBOURNE

When Council intends to enter into a contract for the purchase of goods and services valued at $100,000 or more, section 186 of the Local Government Act 1989, (“the Act”) imposes a duty on the Council by public notice either to invite tenders or to invite expressions of interest.

Where a Council seeks expressions of interest, the Council must, when ready to enter into the contract, invite tenders from some or all of those who registered their interest in undertaking the contract.

The Act does not require Council to accept the lowest tender.

Instrument of Delegation

On 16 December 2004 the Council resolved to delegate to the Finance and Corporate Performance Committee the power, duties and functions directly relating or ancillary to Asset Management.

Alison Lyon
Manager Legal & Governance