

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

14.2 Contract 2024.49 Provision of Facility Maintenance

Directorate: Infrastructure and City Services
Responsible Officer: Acting Manager City Works and Amenity
Reviewer: Director Infrastructure and City Services
Attachments: Nil

Purpose

To seek Council's approval to award Contract 2024.49 for the Provision of Facilities Maintenance Services.

Recommendation

That Council:

- 1. Awards Contract 2024.49 for Provision of Facilities Maintenance Services to Platinum FM Pty Ltd for:**
 - a. A fixed lump sum of \$11,159,643.72 (including GST) for planned maintenance over the initial four-year term.**
 - b. An additional allocation of up to [REDACTED] (including GST) for reactive maintenance over the initial four-year term.**
- 2. Approves a contingency and variation allowance of up to [REDACTED] (including GST) for Contract 2024.49, representing [REDACTED] per cent of the total contract value, to accommodate both planned and reactive elements of the contract.**
- 3. Notes that the contract includes two one-year extension options beyond the initial four-year term and that a further report will be presented to Council for consideration should officers seek to exercise these extension options.**
- 4. Delegates authority to the Chief Executive Officer to:**
 - a. Execute the formal agreement for Contract 2024.49.**
 - b. Approve contingencies and variations to Contract 2024.49.**
- 5. Authorises the Chief Executive Officer to release the officer's report to the public with redaction of the financial amounts and percentage referenced in items 1b and 2 of this resolution to maintain confidentiality and ensure that the contractor does not have visibility over the approved variation limits. This protects Council's negotiating position and supports the achievement of best value outcomes.**

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

Summary

Contract 2024.49 Provision of Facilities Maintenance Services seeks to provide facilities maintenance services for a diverse range of Council owned facilities and public amenities. The tender was publicly advertised on the Council's e-Tendering portal for five weeks with a non-mandatory tender briefing and site visit attended by 14 suppliers. At the close of tender 10 submissions were received, evaluated and ranked. Subsequently the panel shortlisted two companies and proceeded to a "Best and Final Offer" (BAFO) stage.

At the conclusion of the BAFO stage, the panel agreed to recommend Platinum FM Pty Ltd on weighted score, best value price, relevant experience and performance, capacity and capability, management systems, social procurement and proposed efficiencies including value added services and innovation. The contract will commence from 1 July 2025.

Background

Council is responsible for providing facilities maintenance services to a diverse range of council owned buildings and public amenities to ensure that they are fit for purpose, safe and operationally compliant with any prescribed statutory standards. Buildings include, but are not limited to the Civic Centre, libraries, maternal and child health care centres, aged services buildings and community hubs. Public amenities include but are not limited to the Altona Boat Ramp, public toilets, sports ground lighting and maritime buoyage systems.

The current facilities maintenance services contract, which was awarded on 1 July 2018 with a lump sum component of \$6,381,078.00 (GST inclusive) and a provisional schedule of rates component estimated at \$9,259,675.50 (GST inclusive), expires on 30 June 2025 with no remaining extension options. The proposed contract outlined in this report is intended to replace it.

While joint tendering and resource sharing can often deliver cost savings and operational efficiencies, in this instance, collaborative procurement was not deemed applicable due to the specific requirements and scope of the project. However, future opportunities for collaboration will continue to be assessed where feasible.

Discussion

The tender process was undertaken in accordance with Council's Procurement Policy with the aim of ensuring a competitive process to select a fit for purpose service provider on a best value for money basis.

Public notice was given of the tender in accordance with the *Local Government Act 2020* (the Act). The tender was publicly advertised on Council's e-Tendering portal on 3 March 2025 for a period of five weeks with a non-mandatory tender briefing and site visit held on 14 March 2025 with fourteen suppliers participating. At the close of tender on 7 April 2025 Council had received 10 submissions.

Procurement conducted an initial conformance check to determine if the mandatory criteria was met and presented this to the Evaluation Team prior to providing them access to view the submissions to review the technical components of the tender submission.

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

The tender evaluation panel consisted of three voting members and four non-voting advisors who evaluated all 10 submissions. A consensus scoring process took place where the evaluation team and procurement lead discussed scoring, clarifications, contract departures, assumptions, inclusions and exclusions. This resulted in the shortlisting of the top two tenderers and the first round of clarification questions issued with responses due by 16 April 2025.

Interviews with the two shortlisted companies were then conducted addressing outstanding clarification questions and general inquiries related to their submissions. At the conclusion of the meetings, it was communicated that Council would proceed to the BAFO stage of the evaluation process. The BAFO request is an opportunity to refine their pricing while incorporating any value-added initiatives, innovations, or efficiency improvements their company could offer.

Following the BAFO submissions, a final evaluation meeting then occurred. The evaluation panel reviewed and adjusted scores based on the updated submissions resulting in Platinum FM Pty Ltd being assessed as offering the best value for money.

Strategic Alignment

This report specifically addresses priorities from the following strategic documents:

Hobsons Bay 2030 Community Vision

This report specifically relates to the following priorities of the Hobsons Bay 2030 Community Vision.

Priority 2: Community wellbeing and inter-connection

The provision of facilities maintenance services directly facilitates the priority by maintaining buildings and facilities in a “fit for purpose” and safe condition enabling Council to facilitate community services and programs such as the arts, libraries and community centres that encourage people to get together, learn and share ideas.

Priority 3: Growth through innovation, access to local jobs, technology and education

In provisioning facilities maintenance services Council will, via the contractor, provide opportunities for local businesses to provision these services, thus Council will be creating an environment which facilitates business growth and retention, and promotes Hobsons Bay as a place to live, work, invest and visit.

Furthermore, by maintaining kindergartens, libraries and community centres in a fit for purpose condition, it will enable Council to continue to provide people of all ages and abilities with equitable access to technology, learning, networking and job seeking opportunities.

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

Priority 4: Proactive enrichment, expansion and conservation of the natural and urban environment

The contract for the provision of facilities maintenance services includes the proactive maintenance of Council assets located within Council public spaces including foreshore areas. These services ensure that open spaces are maintained to a high standard, enabling the community to enjoy safe, accessible and attractive environments. In addition to routine maintenance, the contract includes activities such as graffiti removal, which promotes the beautification of the municipality.

Priority 5: Active sustainable practices

Included in the contract is the proposal to provision Environmental Hybrid Emergency Exit Signs that have a longer product lifespan and lower electricity consumption thus reducing Council's carbon footprint and e-waste. This will support Council's leadership role in reducing energy consumption and incorporating energy savings initiatives by leveraging Council's investment in renewable energy technologies such as solar panels thus further embedding sustainability into Council's operational practices.

Priority 6: An accessible and connected community

This priority is directly supported by the contract in that it provisions maintenance activities to the Altona Boat Ramp, floating pontoons and also to the Maritime Buoyage systems which are essential in order to enable Council's waterfront assets to be used as a springboard for innovative connections with water mobility solutions.

Council Plan 2021-25

Objective 2: Environment - Valuing our environment

Strategy 2.4: Continue to reduce Council's greenhouse gas emissions by increasing the use of renewable energy, increasing energy efficiency and implementing Council's zero net emissions strategy

Priority b) Reduce energy consumption across key asset classes including street lighting and major buildings.

The implementation of Environmental Hybrid Emergency Exit Signs that have a longer product lifespan and lower electricity consumption is aligned with this strategy

Objective 3: Place, Recreation and Economy – Vibrant place and economy

Strategy 3.1: Support diversification and growth of our local economy in response to significant changes in land use and the ongoing impacts of the COVID-19 pandemic.

Priority b) Support existing and emerging local businesses through activation, promoting buying local and local business-to-business activity

The contractor has committed to engage with local businesses to provide facilities maintenance services.

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

Objective 4: Community Infrastructure - Visionary community infrastructure

Strategy 4.2: Ensure that our assets are properly maintained now and into the future at the most economical cost to the community and the environment

Priority a) Reduce the asset renewal demand gap for key assets including roads, footpaths, buildings, recreation and community facilities.

This procurement aligns with Strategy 4.2 in that building, recreation and community facilities will be maintained in a planned and reactive manner in order to provide fit for purpose and compliant facilities ensuring that the life expectancy of these assets is maximised.

Objective 5: Organisation – A high performing organisation

Strategy 5.4: Enhance transparency, accountability and good governance practice

Priority b): Establish publicly accessible dashboards and reports to enable real time access to service performance, enquiry progress, scheduled works and services and updates on events.

The contractor will implement a Computerised Maintenance Management System (CMMS) which is a centralised work order and asset management system designed specifically as a one-stop solution and the single source of truth for operations. It uses the latest digital technologies to manage the capture and delivery of maintenance activities (planned and reactive). This will enable Council to provision more timely and detailed information and enhance the integrity of dashboard information.

Policies and Related Council Documents

Section 3.3.1 of the Hobsons Bay Procurement Policy 2021 (the Policy) states that a public tender process must be used for all procurement valued at \$300,000 (GST inclusive) and above for goods, services or works. Council conducted a Request for Tender process consistent with the Policy.

Section 3.4.2.1 of the Policy states that the Chief Executive Officer's delegation (currently \$1 million including GST) is determined by Council annually under an Instrument of Delegation. The amount of \$1 million is consistent with the S5 Instrument of Delegation adopted by Council on 10 October 2023. Therefore, a resolution is required by Council to award this contract.

Legal/Statutory Obligations and Risk

Section 108 of the Act outlines Council's responsibilities in relation to preparing and adopting a Procurement Policy including the contract value above which the Council must invite a tender or seek an expression of interest.

Section 109 of the Act requires that a Council report that recommends entering into a procurement agreement must include information in relation to any opportunities for collaboration with other councils or public bodies which may be available.

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

The procurement process was conducted in accordance with Council's Procurement Policy. The recommended contract will include appropriate terms and conditions to manage performance, mitigate service disruption risks, and ensure compliance with occupational health and safety, insurance, and legislative requirements. Risk assessments were undertaken throughout the tender process to ensure service continuity and contractual compliance.

As part of the tender evaluation phase, Procurement initiated credit assessments for the two shortlisted companies to ensure their financial stability and reliability. These credit checks returned a satisfactory risk score for each company which provided confidence to the evaluation team that the companies had the ability to fulfill contractual obligations.

Financial and Resource Implications

The proposed contract represents a value-for-money outcome within existing budget parameters. Funding for facilities maintenance services across Council-owned facilities is allocated within the operational budget within the City Works and Amenity Department. The appointment of the preferred tenderer is expected to deliver operational efficiencies and cost predictability over the contract term.

Environmental, Social and Economic Impacts

The tender evaluation considered environmental and social procurement criteria. The recommended tenderer demonstrated a commitment to sustainable practices including the implementation of Environmental Hybrid Emergency Exit Signs that have a longer product lifespan and lower electricity consumption thus reducing Council's carbon footprint and e-waste. Introducing "work order bundling" will decrease travel time and travel frequency thus also reducing the carbon footprint.

Social procurement outcomes include the provision of local tradespersons, support for workforce diversity and inclusion and engagement with social enterprises, striving to maintain a gender balance and working with Vision Australia to identify and engage with visually impaired individuals who may be looking for suitable employment. The recommended contractor's system INFORM has been adapted to be operable by the visually impaired.

The recommended tenderer has a strong commitment to ethical procurement through its Modern Slavery Policy and supports environmentally sustainable practices across its operations. It complies with the *Fair Work Act 2009* and National Employment Standards. All entitlements including leave, superannuation, redundancy and flexible work are clearly outlined and regularly reviewed. Payroll information is reported to the ATO and reports will be provided as part of regular contract performance processes.

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

Consultation and Communication

The Tender Evaluation Report was presented to the Tender Board meeting held on 30 April 2025. The Tender Board agreed with the Tender Evaluation Panel's recommendation to award Contract 2024.49 for the provision of Facilities Maintenance Services to Platinum FM Pty Ltd.

Council contacts at key facilities were consulted to ensure any bespoke facilities maintenance requirements were taken into consideration and understood by tenderers during the Tender Briefing phase which included visits to various sites.

Declaration of Conflict of Interest

Section 130 of the *Local Government Act 2020* requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council meeting.

A member of the evaluation team formally declared a potential perceived conflict of interest in relation to one of the tendering companies. The declaration was made in accordance with Council's Procurement Policy and was assessed as having no impact on this panel member's ability to remain impartial and objective. The company in relation to which the declaration was made was not one of the shortlisted companies.

Other Council staff involved in the preparation of this report have no conflict of interest in this matter.

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

14.3 Contract 2025.35 Mixed Recycling and Glass Acceptance and Sorting

Directorate: Sustainable Communities

Responsible Officer: Manager Strategy Economy and Sustainability

Reviewer: Director Sustainable Communities

Attachments: 1. CONFIDENTIAL - Tender Evaluation Report - 2025.35
M9 Recycling Processing Services [14.3.1 - 7 pages]

Purpose

To seek Council endorsement for the awarding of a contract to Visy Pty Ltd to provide Mixed Recycling Acceptance and Processing along with Glass Acceptance and Sorting services.

That Council:

1. **Awards Contract 2025.35 for Mixed Recycling and Glass Acceptance and Sorting Services to Visy Pty Ltd for an initial contract period of four years at an estimated value of \$3,900,000 (three million, nine hundred thousand dollars) (including GST) with three one-year options to extend.**
2. **Approves a contingency and variation allowance of up to [REDACTED] (including GST) for Contract 2025.35, representing [REDACTED] per cent of the total estimated contract value.**
3. **Notes that the contract includes three one-year extension options beyond the initial four-year term and that a further report will be presented to Council for consideration should officers seek to exercise these extension options.**
4. **Delegates authority to the Chief Executive Officer to:**
 - a. **Execute the formal agreement for Contract 2025.35.**
 - b. **Approve contingencies and variations to Contract 2025.35.**
5. **Authorises the Chief Executive Officer to release the officer's report (excluding attachments) to the public with redaction of the financial amount and percentage referenced in item 2 of this resolution to maintain confidentiality and ensure that the contractor does not have visibility over the approved variation limits. This protects Council's negotiating position and supports the achievement of best value outcomes.**

Summary

This contract is for acceptance and sorting services for two streams of the kerbside collection service: Mixed Recycling and Glass.

The report outlines the tender review process and recommends the contract be awarded to Visy Pty Ltd.

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

Background

Council provides a four-stream kerbside collection waste and recycling service to approximately 40,000 properties across the municipality. The contents of Mixed Recycling (yellow lid) and Glass (purple lid) bins are transported to appropriate facilities for sorting and processing.

The current contractual arrangements are due to expire on 30 June 2025.

In 2023 Council was invited to participate in a collaborative tender for a range of recycling services by the M9 group of councils. This tender resulted in pricing options from a panel of providers, allowing Council to choose to enter a contract with any of the successful providers.

Discussion

The M9 tender was led by the City of Melbourne who invited all members to participate in an opportunity to leverage market power and seek the best price and contract specifications as a group. The tender was designed to meet the City of Melbourne's Procurement Policy obligations but also aligns with Hobsons Bay City Council's procurement requirements.

The procurement process included public advertising from 2 September 2023 to 12 October 2023 and an evaluation by technical experts from four participating councils.

Hobsons Bay officers then reviewed the tendered options which included pricing across a range of contamination rates.

In parallel to the tender evaluation, Council delivered its annual program of contamination audits to ensure that the pricing analysis was informed by credible data.

Council also assessed the capability of tender participants to achieve the upcoming Victorian Standards and analysed the strength of the Circular Economy outcomes, meaning to what extent the sorted materials will be recycled into quality products locally.

The new contract includes benefits to Council including:

- favourable pricing
- no minimum tonnes
- expanded acceptance list – able to process more types of plastic
- flexibility for Council to change its waste and recycling service in the future.

The collaborative procurement process undertaken with the M9 councils leveraged market power based on material volumes and aligned requirements of the service.

It is proposed that Council will enter into its own separate contract with the selected provider. However, all contracts will have a common expiry date enabling councils to re-tender under a similar collaborative procurement process at the end of the contract.

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

Outcome of tender evaluations

The Tender Board has reviewed the tender evaluation and has recommended that the contract be awarded to Visy Pty Ltd.

Strategic Alignment

This report specifically addresses priorities from the following strategic documents:

Hobsons Bay 2030 Community Vision

Priority 5: Activate sustainable practices

Council Plan 2021-25

Objective 2: Environment

Strategy 2.1: Increase resource recovery and reducing landfill across Council's waste services and improve the customer experience of waste services

Policies and Related Council Documents

Awarding this contract facilitates the delivery of the kerbside collection of waste and recycling as outlined in the Waste Service Charge and Reserve Policy (2022). The successful tenderer Visy Pty Ltd has also provided sufficient flexibility in its offering to enable future changes to Council's Waste and Litter Management Strategy 2025 (2019) which is due to be reviewed in 2025-26.

Legal/Statutory Obligations and Risk

The awarding of the contract to Visy Pty Ltd through the public tender process delivered by M9 councils complies with the *Local Government Act 2020*. Drawing on the expertise and experience of the collaborating councils provides additional oversight to the tender analysis and decision making.

At the time of writing this report, council officers were undertaking a final review of four contract departures requested by Visy Pty Ltd. Three of these have been agreed "in principle". It is anticipated that all four will be resolved before the Council meeting.

In addition, Council has sought legal advice to ensure that the procurement process and contract negotiations have been managed appropriately.

RELEASE OF PREVIOUSLY CONFIDENTIAL REPORTS

as resolved by Council at the 27 May 2025 Council Meeting

Financial and Resource Implications

The processing of waste and recycling is budgeted for within the Waste Reserve. Pricing from the M9 collaborative tender was favourable due to the efficiencies of combining tonnes of Mixed Recycling and Glass with the other participating councils.

The total value of the contract can only be estimated as it is dependent on the actual tonnes disposed of by the Hobsons Bay community and any changes to contamination rates.

The estimate has been based on previous tonnes with allowance for population growth, latest contamination audit data and the predicted impacts of Victorian Government initiatives such as the Kerbside Reform Agenda and the Container Deposit Scheme.

Actual costs will be reassessed each year during budget preparation and reported to Council through the usual budget quarterly reporting process.

Environmental, Social and Economic Impacts

Council seeks to maximise recycling and minimise waste to landfill. This contract will provide sorting services to maximise the recycling into new products from the contents of the Mixed Recycling and Glass bins. This supports the Circular Economy. Materials will be almost exclusively reprocessed internally to local end markets.

Consultation and Communication

The M9 tender was publicly advertised. The Tender Board that assessed the final recommendation included representatives from Council's Environment and Sustainability and Finance teams.

Declaration of Conflict of Interest

Section 130 of the *Local Government Act 2020* requires members of Council staff to disclose any general or material conflict of interest in matters to be considered at a Council meeting.

Council staff involved in the preparation of this report have no conflict of interest in this matter.