CAMPBELLTOWN CITY COUNCIL

150 YEARS 1868-2018

Confidential Item

For Council meeting to be held on

Tuesday 23 January 2018

Refer Item 11.11

Confidential Item

11.11 Tender Report – ARC Campbelltown Staff Recruitment Services and City of Burnside Temporary Labour Hire

TRIM Reference: B4333 Manager People & Culture, Samantha Killington's Report

Purpose of Report

To advise Council of the outcome of a Tender Evaluation for the provision of Staff Recruitment Services for The ARC Campbelltown – Campbelltown City Council and General Office & Field Positions - City of Burnside.

Strategic Plan Link

Strategy 2.2.4 Attract and retain skilled and talented staff

Background

A joint tender was developed with the City of Burnside due to the timing of both Councils' contracts expiring at a similar time, which provided the opportunity to work collaboratively with a neighbouring Council.

The Tender comprised of the engagement of a service provider to assist and manage the recruitment and ongoing employment of duty managers, lifeguards, learn to swim instructors, cafe and reception Staff, gym instructors and group fitness instructors for The ARC Campbelltown and to assist and manage the recruitment and ongoing employment of general office and field positions at the City of Burnside.

Tenders were opened on 28 November 2017 in the presence of Council's Contract and Fleet Coordinator, Administration/Hiring Officer and Records Officer.

Discussion

Twelve organisations submitted a Tender for this project and the submissions were assessed by an evaluation panel which consisted of Staff from both Councils. The submissions were assessed with respect to their reliability, business capability, financial capacity, quality of service, work health and safety and previous work history undertaken by the companies.

Following the assessment, Staff conducted reference checks on the preferred supplier and they all provided positive feedback on their experience with the company.

The assessment panel believe that the majority of the companies could deliver the project, however the preferred tenderer was selected due to the following reasons:

- Understanding of the project
- Well experienced staff
- Quality systems in place
- Project management skills

- Very competitive rates
- Relevant experience.

The preferred tenderer (Maxima) has been undertaking these services for various metropolitan Councils and Campbelltown (they are the current supplier for The ARC Labour Hire) for a number of years and without any significant issues. It is noted that Maxima have proven to be very flexible in meeting the needs and the requirements of the project.

Due to the nature of the competitive economic environment, Council was able to receive a very competitive price. Therefore to gain the maximum benefit from this tender price, Staff have negotiated with Maxima for an additional contract extension for a further two years with a CPI increase only. Hence the proposed contract term will be 1 year plus two (2) optional rights of renewal of two (2) year extensions to be exercised at Council's absolute discretion at the same terms and conditions as tendered with a CPI (Consumer Price Index) increase only in the last two years.

Social Implications

There are no social implications in relation to this report.

Environmental Implications

There are no environmental implications in relation to this report.

Asset Management Implications

There are no asset management implications in relation to this report.

Governance / Risk Management

There are no governance / risk management implications in relation to this report.

Community Engagement

There are no Community engagement implications in relation to this report.

Regional Implications

By working collaboratively with a neighbouring Council, it has allowed both Councils to reduce their costs however City of Burnside will be engaging Maxima with their own contract.

Financial Implications

Currently there is approximately a $2 million budget for 2017/2018 for Agency Staff Services at The ARC based on a $2.90 margin per hour. The cost tendered by Maxima can be accommodated within the current budget for The ARC Staff Recruitment Services.

Recommendation

That Council:

- **authorise Staff to engage Maxima as the preferred tenderer to supply the Staff Recruitment Services for The ARC Campbelltown for Campbelltown Council at the tendered rates starting 1 February 2018 for a period of 1 year**

- **delegate the authority to the Chief Executive Officer to exercise the two optional rights of renewal for the two year extensions with a CPI increase only in the last two years subject to the performance being to the satisfaction of Council and in accordance with the tender specification.**

Tender Evaluation Report

ARC Campbelltown Staff Recruitment Services and City of Burnside Temporary Labour Hire

Cost centre Various

Date: 22/12/17

Prepared by: Andrew King

1. Background

The Campbelltown City Council invited tenders from companies for the provision of Staff Recruitment Services for (ARC Campbelltown – Campbelltown City Council) and (General Office & Field Positions - City of Burnside).

It comprises of the engagement of a service provider to assist and manage the recruitment and ongoing employment of duty managers, lifeguards, learn to swim instructors, cafe and reception staff, gym instructors and group fitness instructors for the ARC Campbelltown and to assist and manage the recruitment and ongoing employment of general office and field positions with the City of Burnside.

2. Contract Term

The contract term is for one (1) Year, commencing 1/1/18 and ending 31/12/18. Subject to satisfactory performance and any other conditions which may prevail at the time the Council may consider two (2) optional rights of renewal of one (1) year each to be exercised at Council's absolute discretion.

3. Procurement Process

3.1. Open Tender Process

Tender were released on the SA Tenders & Contract website (www.tenders.sa.gov.au).

Tenders Opened: 7/11/17
Tenders Closed: 28/11/17 1:00pm

3.2. Document Issued

The document issued is the standard CCC RFT package, (HPE: 17/79910)

3.3. Tender Enquiries

Multiple tender enquiries were received during the procurement process and these were replied to all parties that downloaded the documents from Tenders SA website.

3.4. Tender Briefing & Site Visit

No tender briefing or site visits were conducted.

4. Receipt of Tender & Evaluation

4.1. Receipt of Tenders

Tender submissions were received from the following companies:

- Adecco Australia
- Anderson Recruitment & Training
- Chandler Mcleod
- Hoban
- Maxima
- New Start

- Programmed Skilled Workforce
- Randstad
- Red Appointments
- RNTT Excel Recruitments
- Rubicor Group
- Skill Hire

No late tenders were received.

Tenders were opened shortly after the Closing Time by three Council staff that signed and documented the receipt of each tender. (HPE: 17/88242)

4.2. Evaluation Panel

The evaluation Panel consisted of:

- Samantha Killington, Manager People and Culture
- Andrew Nairn, Manager Leisure Businesses
- Matt Spearman, Group Manager People and Innovation (Burnside Council)
- Adrian Forster - Management (WHS System & Insurances) only
- Lisa Gergos - Management (Financial & Economic Stability) only

Each Members of the Evaluation Panel has completed the Tender Declaration Form and declared “No Conflict of Interest” and agreed to keep confidential the contents of each tender. (HPE: 17/90642)

4.3. Evaluation Criteria

The evaluation criteria are as follow: (From tender documents)

Assessment Criteria	Weightings
Relevant Experience & Track Record (Previous work of this type, general reputation for work competence, capacity etc)	20%
Technical Skills & Methodology (People, systems, specific abilities includes appreciation of key issues and tasks)	25%
Management & Time Performance (Organisation, quality system, meeting timeframes)	10%
Management (Work health & safety, acceptable insurances)	7.5%
Management (Financial performance)	7.5%
Local (Products, services & contractors)	10%
Price	20%
Total	100%

4.4. Evaluation Selection

The evaluation was individually carried out by the evaluation panel members and then averaged out on 18/12/17 and the full evaluation matrix is in (HPE: 17/88429)

The summary of the evaluation is below:

Contractor	$ Original Per hour L3	$ Revised Per Annum.	Score
Adecco Australia	$34.58	$185,428.00	231.63
Anderson Recruitment & Training	$33.27	$185,428.00	229.55
Chandler Mcleod	$34.16	$185,428.00	273.3
Hoban	$33.52	$179,777.00	329.72
Maxima	$32.87	**$179,777.00**	**390.13**
New Start	$33.53	$185,428.00	214.55
Programmed Skilled Workforce	$32.03	$179,777.00	299.72
Randstad	$33.53	**$191,080.00**	**389.79**
Red Appointments	$32.35	$179,777.00	208.88
RNTT Excel Recruitments	$33.72	$185,428.00	318.71
Rubicor Group	$32.47	$179,777.00	300.97
Skill Hire	$31.93	$179,777.00	184.72

Note: Highest score is best

The ARC's Level 3 hourly rate was used as a guide and assessed all prices against that mark and this gave initial cost estimation.

As Staff focussed on the final 2 a more detailed analysis was undertaken due to Maxima using a flat rate and Randstad a % rate. Whilst Randstad was more competitive at lower Levels they were more expensive at the higher level, so this needed to be compared. It was less straight forward to calculate these prices for all the other tenderers due to the vastly different basis of their calculations, presentation, margins and on costs. Whilst some tenderers have a cheaper margin they have more expensive oncost charges so it is not an easy exercise to calculate. Maxima and Randstad have very similar on costs and therefore more simply able to include the small difference in Randstad's on costs and compare on the charge out margin alone.

Maxima also have a fixed price margin for 3 years, where for Randstad every award increase will increase their fee accordingly. So for every 1% wage increase that will result in a $1,750 - $1,840 increase.

To keep it so the cost table could in the tender matrix after the cost review for the two preferred providers, the Panel scored the others accordingly. (If the other's $ were below Maxima's Level 3, $ was marked same as Maxima's $. If above, marked average between Maxima and Randstad and the Panel ran a few simulations scoring everyone else either the minimum or the Average however it did not change the outcome between the final top two).

4.5. Reference Checks

Staff checked the referees of the preferred supplier and they all provided positive feedback on their experience with the company.

5. Discussion

All of the submissions for the Tender were detailed and it was a competitive process and staff invited the top two providers in for a meeting with the Tender Evaluation Panel, to

discuss their submissions, provide more of an insight on their transition plans and flexibility and if there was any scope to review their pricing.

As a result of this meeting the panel reviewed their scores and updated the pricing models used to tabulate estimated costs and determined that Maxima is the preferred provider as they stood out from the rest on a number of fronts due to their:

- Understanding of the project
- Well experienced staff
- Quality systems in place
- Project management skills
- Competitive rates
- Relevant experience

The preferred tenderer (Maxima) has been undertaking these services for various metropolitan Councils and Campbelltown Council (they are the current supplier for the ARC Labour Hire) for a number of years and without any significant issues. It is noted that Maxima have proven to be very flexible in meeting the needs and the requirements of the project.

Due to the nature of the competitive economic environment, Council was able to receive a very competitive price. Therefore to gain the maximum benefit from this tender price, Staff have negotiated with Maxima for an additional contract extension for a further two year with a CPI increase only. Hence the proposed contract term will be 1 years plus two (2) optional rights of renewal of two (2) year extensions to be exercised at Council's absolute discretion at the same terms and conditions as tendered with a CPI increase only in the last two years.

6. Financial Implication

Currently there is around a $2m budget for 2017/2018 for Staff Services at The ARC based on a $2.90 margin per hour, and the reduced cost from Maxima will allow a saving for Campbelltown Council for The ARC Staff Services and a reduction for City of Burnside in cost from their current provider.

7. Terms of Payment

The contractor has requested payment of contract sum as highlighted below.

Option 3 (Schedule of Rates)

[X] - Where the Contract is a Schedule of Rates the Contractor may at monthly intervals (or as otherwise specified in this agreement) submit a written claim for the works completed / service delivered.

8. Financial Sustainability

The Finance department tender evaluation is part for the final combined assessment.

9. Recommendation

That the recommendation to Council is that Maxima be awarded the contract.

10. Approval

Endorsed/Approved by:

Signed: _____ Date:_____

Manager People & Culture