Re-tendering the Facilities Maintenance Contract
• UTAS Property Portfolio
• Total Asset Management
• Reviewing options and preferences
• Contract structure & deliverables
• Tendering process
• Assessments
• Outcomes management
UTAS Property Portfolio

- **Approx 140 major buildings located throughout Tasmania**
- **3 major campuses + numerous Satellite sites**
- **Diverse facilities - type, complexity, age and condition**
- **Gross floor area in excess of 267,000 m²**
- **Current replacement value of ~$600M**
Total Asset Management
UTAS TAM framework

– providing an **asset base that matches the business needs** of the University

– **consolidating** existing corporate capital assets **and improving asset utilisation**

– **meeting statutory compliance** requirements

– **aligning** asset **operating costs** with **business planning** and **service delivery** requirements

– **assigning** organisational **responsibility** and **accountability** for assets

– **rationalising methods of delivering** asset and facility management services
Review options for contract
New Inclusions

- **inclusion of AMC** Newnham maintenance
- daily **checking of the BMS** for faults and alarms
- **all necessary actions** to comply with and certify that Prescribed Essential Safety and Health Features and Measures are met.
- all servicing and repairs of plant and equipment must be **matched to requirements of criticality, functionality and utilisation** (not just the manufactures recommendations)
New Inclusions

- the FP&EM Fee is a **fixed amount** of the Managed Budget
- all plant and equipment **repairs** (up to the RWL) **are paid from the FP&EM Fee**.
- plant and equipment **preventive maintenance** works are managed within the Contractors system and actioned by the issuing of Job Dockets
- other preventive/legislated works such as ESM requirements, hazardous plant, roof gutter cleaning, water main flushing, semester readiness programs etc **created as templates in UTAS system**.
New Inclusions

- simplified **work order finalisation** process. (job cost totals, bulk finalisations, invoice summaries etc)
- simplified identification and management processes for ‘**Projects**’ verses ‘**Jobs**’
- simplified **monthly invoicing** with statewide activities grouped but separately identified (eg. Total for all corrective works but with Northern, AMC and Southern amounts identified separately)
Contract concept

Proposal

- **One** state wide maintenance contract including **GB&FM** and **FP&EM** plus the management and delivery of selected **minor construction** and **refurbishment works**

Exclusions

- some small sites due to **existing contracts**
- **cleaning**
- **grounds** maintenance
- **school/section owned equipment**
- **fume cupboards**
Service delivery objectives

- Meet all **regulatory & statutory** requirements
- Maintain workplace **health & safety**
- **Align** asset **management services** with **business aims** & meet the needs of internal customers
- Provide a **seamless service**
- **Reduce costs** of asset management services through use of an incentive based contract and innovative technology
- **Eliminate over & under servicing**
Services included

General building & facility maintenance; fixed plant & equipment maintenance plus minor construction and refurbishment works.

- Building fabric
- Electrical services
- Hydraulic services
- Mechanical services
- Fire detection, suppression & prevention systems
- HV electrical
- Security systems
- Energy management
- School/Section funded Minor Works
Contract term

- **Total period of six years** (Jan 2008 – Dec 2013)
- **Initial period of three years** with the option, exercisable by UTAS at its sole discretion, for a further extension up to three (3) years
- The term of each extension will be subject to negotiation with the contractor, and is subject to demonstrated satisfactory performance
Contract deliverables
Scope of contract

- management, administration and co-ordination of all the services (not just a post box for requests).
- facility condition auditing and repairs.
- preventive and corrective maintenance.
- collection and maintenance of asset data.
- management and delivery of school/section funded works (Jobs) & minor project works (Projects)
- Interaction and liaison (‘communication’) with AMS staff, building users, service providers and consultants.
Management services

- *management* and *administration* of work performed by the contractor's employees and subcontractors
- *professional* support and technical expertise
- *innovation* in service delivery which improves overall performance of the services and support to users
- *professional* maintenance planning and scheduling
- *procuring* and *managing* Consultants and Contractors
- *monitoring* and *reporting* expenditure, plus maintenance data updates into Pinnacle.
Facility condition auditing

- systematic **inspection** and **identification** of the physical and **functional adequacy** of facilities with particular reference to building fabric, plant and equipment, services and site works.

  – **recording** of information into UTAS systems.

  – provides input in **life cycle cost** analysis.

  – assists **short term** corrective maintenance planning and scheduling.

  – assists **long term** maintenance planning and backlog liability identification.
Preventive Maintenance - *FP&EM*

- undertake *all necessary actions* to comply with and certify that “Prescribed Essential Safety and Health Features and Measures” (PESHFM) are met.
- compliance with all other *statutory* requirements. (eg. air-conditioning plant, cooling towers, pressure vessels etc)
- *all servicing and repairs* (to the RWL) of plant and equipment matched to requirements of criticality, functionality and utilisation.
- separate funding arrangements for *latent conditions* repairs and *end of life* (EOL) replacements.
Corrective Maintenance - GB&FM

- **rectify unforeseen failures** and **breakdowns** to facilities and **non-plant** related assets (aka **reactive corrective**).

- **respond** within specified response times depending on priority. *(includes out of hours response)*

- identify, schedule and undertake **planned corrective** maintenance tasks (aka **planned corrective**). Could be from condition audits or deferred tasks.

- separate funding arrangements for faults that **could not be reasonably anticipated** such as those caused by vandalism and natural disasters.
Project and Works Management

- provide the University with assistance to compile programs and budgets;

- engagement and management of consultants;

- provision of limited design services;

- undertaking overall planning, programming and co-ordination of the approved projects; and

- managing the cost-effective delivery of Minor Works (Projects)

- managing the cost-effective delivery of School and Section Funded Works (Jobs)
Projects and Jobs

Projects and Jobs vary considerably in both scope and delivery management requirements.

Minor Works Projects are those works that:
- may require multiple subcontractors,
- could require detailed safety and management plans,
- may have an impact on building fabric or infrastructure,
- would normally cost more than $3,000
- project requests would not normally be submitted as a Job Request.

Jobs are those works that:
- are of a very simple nature,
- have no impact on building fabric or infrastructure,
- would normally cost less than $3,000
- can normally be undertaken with little risk involved,
- are submitted as a Job Request through Pinnacle.
Continuous improvement

- **Collaborative** contracting arrangement
  - benefits and efficiencies shared (*shared savings or budget overruns*)
  - improved standards of service delivery and property performance

- **Incentives** for achieving agreed continuous improvement in the delivery of services
  - financial
  - evaluation for extension of contract term

- **Innovative solutions expected** during term of contract
Repair Work Liability (RWL)

- the *maximum amount* for any single plant or equipment repair job the Contractor is required to charge to FP&E Fee.

- UTAS will *separately fund* the difference between the RWL amount ($2,000 ex GST) and the actual cost for any single job that exceeds the RWL. *(upon demonstration by the contractor that the works are reimbursable)*

- the Contractor *will be responsible* to meet *all* costs for repair to plant and equipment should the works be a result of the contractor not undertaking the agreed Performance Based Maintenance

UTAS Statewide Maintenance Contract
Commercial arrangements

- **risks** identified, minimised and *shared* between the parties
- **benefits** and *cost savings* are identified and *shared*
- **variations** dealt with efficiently and equitably
- **departures** from required performance identified and *appropriately addressed*
- **achievements** measured and *appropriately rewarded*
- **mediocre performance not rewarded**
Budget & Works Comprising

Tendered Managed Budget

Preventive Works
(Servicing & Repairs <RWL)

Corrective Works
(Unforeseen & Planned)

Funded Jobs
(IDR)

Funded Projects
(Backlog, CMP, EOL)

Tendered Amount

Tendered Amount

Variable Amount
Option for % increase in fees on “agreed” cap overrun

FP&EM

GB&FM

Tendered Management Fee and Profit Coverage

Total Works Value Capped

= Plant & Equipment Condition Based Maintenance Planning

UTAS Statewide Maintenance Contract
Tendering process
Tender Program

UTAS Statewide Maintenance Contract
Stage 1 - Invitation to Register
  – Submissions
  – Evaluation

Stage 2 - Request for Tender
  – Tender
  – Evaluation
  – Negotiations
  – Approvals
  – Transition / Implementation
Invitation to Register

ITR documents and processes
- Invitation to register - background and objectives
- ITR information to be provided
- Description of works - contract summary
- ITR schedules and response format
- Short listing process (with probity advisor)
ITR criteria

The basis for comparative evaluation

– Qualitative assessment of capabilities

– Respondent’s maturity in scope of works and nature of the contractual arrangements

– Complete all schedules

– Limited response to **one A4 sheet of text** for each schedule
ITR criteria & schedules

• Registration form
• Quality assurance
• Previous experience
• Past performance – references
• Capability - infrastructure and other support
• Capability - knowledge of the industry and market
ITR criteria & schedules

- Customer service
- Capability - staff resources
- Capability - sub-contractors
- Strategic alignment
- Innovation
- Workplace safety and industrial relations
- Financial viability
Request for Tender

RFT documents and processes

– Request for Tender package
  • Conditions of Tendering
  • Specification
  • Conditions of contract
  • Tender submission schedules

– Asset and Facility information docs
  • Facilities in contract
  • Details of previous work
  • Asset Descriptions
  • FP&E Assets per building
  • Anticipated level of funded works
RFT criteria & schedules

- Tender form
- Contractor details
- Departure from specification
- Willingness to agree to contract conditions
- Relevant company experience
- Organisational structure
RFT criteria & schedules

- Capability – staff resources
- Capability – subcontractors
- Quality plan
- Capability – transitional arrangements
- Schedule of insurances
- Conflict of interest
- Sample maintenance plan
RFT fee schedules

- Establishment fees
- Management fee
- Maintenance costs (Managed Budget)
- Profit
- Summary of costings
- Schedule of rates (trade)
Asset Management Services

Evaluation & selection

• Evaluation plan developed and approved
• Panel comprising representatives from UTAS overseen by probity advisor
• Individual evaluation and scoring
• Combined score and agreement
Assessment Issues

- Tenderers presentations
- Referee reports
- Costs analysis – value for money
- Negotiations – Terms & Conditions
- Recommendations
- Approvals
- Contract signed
Managing the outcomes
Transition Management

• Change Realisation/Management
• Transition management plan
• Risk management register
• Issues register
• Action plan
• Useful reporting
• Performance measurement
Dashboard Reporting

Managed Budget v's Customer Funded Expenditure 2008

- GB&FM YTD Expenditure $363,832
- GB&FM Remaining Funds $185,530
- FP&E Fee Remaining Funds $559,300
- Customer Funded Expenditure YTD $1,087,607
- Customer Funded WIP $ 413,284
- FP&E Fee Expenditure YTD (includes Repairs) $783,025.81

Total YTD Managed Funds $3,392,578.81
Dashboard Reporting

GB&FM Expenditure 2008

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KPI Assessments

- Customer Satisfaction
- Response Times
- Legislative Compliance
- Maintenance Plan Development and Compliance
- Occupational Health and Safety
- Environmental Management
- Project Management
- Budget Management
QUESTIONS