

7.3.2 TENDER AWARD - INTERNAL AUDIT SERVICE

(2024097)

Responsible Manager:	Kate Heissenbuttel, Manager Corporate Performance
Responsible Director:	Simone Wickes, Director Corporate Services

RECOMMENDATION

That Council:

- 1. Awards the tender from Pitcher Partners for Internal Audit Services Tender, Contract No. 2024097, for a schedule of rates based contract with an estimated contract value of \$485,277 for the initial term and an estimated total contract value of \$808,794 inclusive of all available extension options;**
- 2. Authorises the Chief Executive Officer or her delegate to execute the contract agreement;**
- 3. Notes that the contract will commence on 1 July 2024, with an initial term of three years and the contract has one extension option of two years and authorises the Chief Executive Officer to approve extension options subject to satisfactory performance; and**
- 4. Notes that the estimated schedule of rates contract values stated above are also subject to an annual CPI indexation as per the contract.**

(*Please note that all dollar figures are GST Inclusive unless stated otherwise).

INTRODUCTION

Council has tendered for Internal Audit Service. As part of its planning process for this tender, officers considered its procurement options, including whether to go to market itself, participate in regional or sector collaboration or to possibly access established contracts via other compliant procurement agreements.

Officers reviewed established procurement panels via State Government, MAVP and Procurement Australia, and contacted other councils to seek collaboration. It was concluded that there were no suitable procurement panels for this service. Further to this, the councils contacted advised that they were not able to collaborate. For this reason, a decision was made to run a public tender for this service.

BACKGROUND

Council is seeking to appoint a Contractor to provide internal audit services to the City of Monash.

Council's current contact for internal audit services will expire on 30 June 2024. The internal auditor service provides invaluable support to councils by offering an independent and objective evaluation of their operations, systems and controls. Through comprehensive assessments, internal auditors help identify potential risks, inefficiencies and areas for improvement within the council's processes. By conducting thorough examinations of financial records, compliance provides and internal controls, they ensure adherence to regulations and best practices. The internal audit service will help Council achieve its objectives and mitigate organisational risks.

NOTIFICATION

A public notice was placed in The Age newspaper on 6 January 2024 and the tender closed on 14 February 2024.

TENDERS RECEIVED

Seven (7) tender submissions were received by the appointed closing time. The tenders received are listed below:

- BDO Services
- Crowe Australasia
- KPMG
- Moore Australia
- NTT Australia Digital
- O'Conner Marsden
- Pitcher Partners.

TENDER CONFORMANCE

All submissions were assessed for their compliance with the tender conditions including the contractual terms and conditions and the requirements of the response schedules.

All tender submissions were deemed conforming.

TENDER EVALUATION

All members of the evaluation panel signed Conflict of Interest and Confidentiality forms and no conflicts were raised. The tenderers were assessed in accordance with the evaluation criteria published in the tender documentation detailed below.

	Selection Criteria	Criteria Weight	Sub Criteria Weight	Sub Criteria to be used in the Returnable Schedule
Pass/Fail Assessment Criteria				
Pass / fail	Tender conformance	Pass/ Fail	n/a	Quality and Occupational Health and Safety Management System
				Compliance with the Specification
				Insurance and Indemnity Competency
Scored Key Selection Criteria				
Qualitative criteria	Capacity and capability	25%	10%	Victorian Local Government Audit Experience
			5%	Staff Competency and resources availability

			10%	Performance, Innovation and Customer Services, Legal Compliance and Risk Management
	Project timelines	5%	5%	Project commencement and transitional initiatives
	Sustainability (mandatory)	10%	4%	Environmental Sustainability
			3%	Local Sustainability
			3%	Social Sustainability
Quantitative criteria	Price (mandatory)	60%	60%	Comparison of Whole of Life Cost / Total Project Cost / Estimated Annual Cost

DISCUSSION

Following the initial assessment of the evaluation ranking, tender interviews were conducted with the two highest ranked shortlisted candidates, followed by comprehensive reference checks.

The final evaluation ranking (including the price and non-price evaluation criteria) had Pitcher Partners ranked highest, and, as such, the evaluation panel recommends Pitcher Partners as representing the best value outcome for Council.

FINANCIAL IMPLICATIONS

For the initial three-year period, the estimated contract value is \$485,277 and the contract has an estimated total contract value of \$808,794 inclusive of all available extension options.

The funding for internal audit service falls part of Council's operating budget.

SUSTAINABILITY OUTCOMES

Pitcher Partners' proposal provided details with regards to their commitment to Environment and Sustainability including:

- Energy and Water – working towards zero waste by 2030 with their building owners Mirvac. Their offices at 664 Collins Street has a 5 star NABERS energy base building rating and a 4 star Water Whole Building rating. Automatic lights switch off when office areas are unoccupied.
- Office Supplies – favour environmentally friendly and efficient products.
- Paper – minimise use of paper, reduce packaging, buy recycled paper products and reuse/recycle where possible.
- Transportation – minimise travel where appropriate, promote of virtual communication, and promote public transport and cycling.
- Maintenance and Cleaning – cleaning materials are environmentally friendly, use licensed waste organisations.
- They work with suppliers, contractors and subcontractors to improve environmental performance. They use local labour and material where available.
- Sustainable Procurement – They continue to engage with certified social enterprise organisations.



CONCLUSION

That Council approves the recommendations contained within this report.

ATTACHMENT LIST

Nil