

**LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY**

**WRITTEN QUESTION**

Ms Martin

to Minister for Industries and Business

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**Cleaning Contracts for Government Buildings**

1. Are all contracts involving cleaning of government buildings let by the issue of a public tender, if not why not.
2. Is an expired tender contract for the cleaning of government buildings –
  - (a) resubmitted for re-tendering publicly; or
  - (b) renegotiated with the existing contractor.

**ANSWER**

See attachment.

## **RESPONSE TO WRITTEN QUESTION NO 73**

1. In most instances cleaning contracts are awarded following the public invitation of tenders; however, the procurement process also makes provision for selective tenders to be obtained where legitimate reasons exist for doing so. Situations which can lead to the selective tendering of cleaning contracts are set out below:

Where it is intended that only a shortlist of selected contractors will be invited to tender, a Certificate of Exemption from Public Tendering (COE) must be obtained. Circumstances that would justify the issue of a COE could relate to urgency, resulting, for example, from unexpected termination of a contract; or the specialised nature of the requirement, for example the service required is of a different order to run-of-the-mill cleaning contracts.

Occasionally COE's are utilised to cover the need for an interim arrangement between expiry dates of previous contracts and award of new contracts resulting from the advertising of public tenders. NT Property Management has recently revised the specification for cleaning and is soon to re-advertise all current cleaning contracts under the new specification through the Department of Corporate and Information Services. To achieve this a number of cleaning contracts have been extended expressly to bring about a common expiry date.

Cleaning (commercial, domestic and industrial) is covered by Contractor Accreditation Limited (CAL) Sub Category 2.27, and tenderers for cleaning contracts valued at or greater than \$30,000, must be fully accredited by CAL to the relevant level. Where Agencies invite selective tenders from all those cleaning contractors having the appropriate CAL accreditation for the cleaning project in question there is no requirement to obtain a Certificate of Exemption from Public Tendering.

Cleaning Services in remote communities for the most part are well below the level at which CAL accreditation is required, but may be above the public advertising threshold. Public invitation of tenders for these requirements can often result in a single offer, or no offers at all being received. It follows that a proportion of cleaning contracts in remote locations is arranged by COE, particularly when a previous invitation of public tenders has not resulted in competitive bids.

Cleaning contracts in Government owned buildings are administered by the Agency that owns the asset or by the building occupant. NT Property Management is responsible for cleaning contracts in buildings leased by Government, although under the terms of some leases the building owners may supply their own cleaners.

The initial contract period plus any options to extend do not normally exceed three years. Cleaning contracts are for the most part let for a twelve month period with one or two options to extend for further periods of twelve months, or alternatively let for a twenty-four month period with a single option to extend for a further twelve months.

2. Excluding situations similar to those outlined above, once the extended contract period has expired or should the option to extend not be taken up, the tendering process re-commences.