

Communication to Contractors 3

SENT: 27/08/2020

RE: AGFMA future model – Update to Contractors

Dear Contractors,

The South Australian Government manages the maintenance and building works for over 5000 sites across the State via the Across Government Facilities Management Arrangements (AGFMA), which involves more than 200,000 individual work orders per year and has been in operation for over 20 years.

Approximately 98% of works under the AGFMA are delivered by private sector contractors, predominantly small to medium enterprises (SMEs).

The State Government recently announced that a modern, best-of-breed model is to be implemented for facilities management, which will come into effect in late 2021. Under the future model, 100% of works will be delivered by private sector contractors, including the same SMEs that deliver trade services across the State today.

The administration and coordination of this work is currently split approximately 50/50 between the Department for Infrastructure and Transport's internal Facilities Services team, which uses systems that are well out of date, and one external provider contracted in 2015. Under the future model the external Facilities Management Service Providers we will appoint will provide modern, best-practice systems and practices that will benefit all participants including the same contractors/SMEs who provide services today.

Importantly, the State Government will continue to retain oversight through the contracting process and the operations of the future AGFMA and is committed to ensuring community expectations are met and that local industry, particularly in regional areas, is supported now and into the future. That means local work orders will continue to be allocated to local contractors/SMEs in the future model. The future model will also provide a number of direct benefits for contractors/SMEs including improved access to a more efficient process for the registration to participate, and allocation of work orders. The other likely change is that over time there will be more regular maintenance work as the focus moves toward maximising asset usage as opposed to ad-hoc breakdown and repair work.

The Department for Infrastructure and Transport is fully committed to a process of consultation with contractors/SMEs ahead of the changes and will be providing the opportunity for you to attend one of a number of workshops from late September 2020, to give input into system improvements. These sessions will be held across the state including regional centres, and the feedback provided will help shape how contractors/SMEs interact within the future model. That information will then feed into the contracting process, the critical stage of which is set to commence from late November 2020.

The Office of the Industry Advocate will be closely involved throughout the upcoming contracting process to ensure the opportunities for small, medium and Aboriginal businesses are achieved, and a strong commitment to supporting apprenticeships is maintained.

The Department for Infrastructure and Transport remains committed to local businesses undertaking local work and being paid fair rates for all work performed under the future AGFMA. Local content and local employment provisions will be included in the future contracts, with metrics captured and monitored to ensure this continues throughout the contract term.

As previously communicated, you can register through the Industry Capability Network (ICN) to make sure you are connected with the future Facilities Management Service Providers. You are again encouraged to register at the following web site link <http://agfma.icn.org.au>.

We look forward to your ongoing participation.

Regards,
Simon Morony
Executive Director, Across Government Services
Department for Infrastructure and Transport