



Future AGFMA

What We're Actioning Report

December 2020





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OVERVIEW

The Future AGFMA team remains committed to a process of transparent communications and consultation as it progresses towards the introduction of a new model for the delivery of facilities management services in South Australia, to take effect from 1 December 2021.

We recently produced a [‘What We’ve Heard Report’ \(link\)](#), from the valuable feedback provided by hundreds of contractors working within the AGFMA, both through face-to-face workshops and an online survey, conducted over recent months.

That input has been critical in helping shape the way in which contractors will interact within the Future AGFMA, with a focus on elements within the existing AGFMA that are considered important to retain, as well as opportunities and enhancements to drive improvements going forward.

This ‘What We’re Actioning Report’ details the actions and commitments made by the Future AGFMA team, with those actions and commitments reflected in the tender documentation provided to shortlisted Facilities Management Service Provider (FMSP) companies as part of the tendering process.

Further details will be worked through with the shortlisted companies and captured in the contractual clauses to provide certainty for contractors moving forward. To ensure transparency, the Future AGFMA team is committed to providing this additional detail in an ‘Outcomes Report’, ahead of the commencement of the new contracts. You can expect the ‘Outcomes Report’ to be available around May 2021.

We remain committed to informing you throughout and will provide updates via the Future AGFMA website as new information becomes available.

CONTEXT

The Across Government Facilities Management Arrangements (AGFMA) is the mechanism by which the South Australian Government ensures over 5,000 government-owned facilities around the State are properly maintained so that they remain safe and fit for purpose. Each year, more than 200,000 individual work orders are put through the AGFMA across the state, with the very large majority of work carried out by private sector contractors and Small and Medium Enterprises (SMEs).

The decision to progress to the Future AGFMA was made by the South Australian Government earlier this year following reviews by a number of agency authorities including the Ombudsman, SafeWork SA and the South Australian Productivity Commission.

The existing AGFMA has been in place since 1998 and while it has served South Australia well, it is considered that there are substantial opportunities for improvement. Under the future model, the administration and works coordination role will be entirely met by specialised external FMSPs who bring the benefits of modern, best-practice systems and processes, delivering improved safety, efficiency and effectiveness in the maintenance of government assets.





FUNDAMENTALS AND HIGH LEVEL ACTIONS

Fundamentals to the Future AGFMA as raised at the face-to-face workshops and via the online survey are detailed below. Some of the fundamentals have already been included in the Future AGFMA tender documentation, and others are still being assessed to ensure that the Future AGFMA maximises benefits and outcomes.

FUNDAMENTALS OF THE FUTURE AGFMA AS REINFORCED AT WORKSHOPS

Your Input

Our Action

Continued work opportunities for appropriately qualified locally based contractors

The Future AGFMA will ensure local work is performed by local contractors, except for rare circumstances where site criticality may require permanent site staff (possibly at a major hospital) or if specialised trades are required that are unable to be sourced locally. The Office of the Industry Advocate will oversee the contracting process to ensure local contractor participation.

Continued fair rates of pay (including travel) for work performed

The Department for Infrastructure and Transport (the Department) will set upper limit rates and retain oversight to ensure that rates paid to contractors will be fair and equitable, and largely in line with the rates of the existing AGFMA. Prescribed mechanisms within the FMSP contracts will ensure a balance between fair payment structures and value for money.

Maintaining fair payment terms, ensuring contractors are paid promptly

Contractor payment terms will be set at 14 days, with a key performance indicator set to ensure compliance by the FMSP.





Your Input

Our Action

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|---|--|
| <p>Ensuring local contact, local co-ordination, knowledge, and availability is part of the future model</p> | <p>Regional facilities managers will be provided in regional areas to co-ordinate facilities management work orders, support regional government sites and support regional contractors including SMEs.</p> |
| <p>Contract work need to be managed to ensure quality standards and controls are maintained</p> | <p>One of the key criteria for the new FMSPs will be to demonstrate how they will ensure quality services are maintained and controlled (Quality Control - QC). This will be reported by the FMSP and monitored by the AGFMA team.</p> |
| <p>A job priority system is very useful and important</p> | <p>A similar structure of job prioritisation system will be in place. The Future AGFMA team is working to simplify and improve processes for all participants.</p> |
| <p>Require improved technology and systems, significant reduction in paperwork, and removal of duplication and inefficiencies</p> | <p>New FMSPs will be required to provide state of the art ICT systems, at no on-cost to contractors. These systems will improve the way you as contractors interact with FMSPs, and FMSPs will be assessed on the functionality of those systems including the ability to provide efficient processes and systems, such as photos of jobs.</p> |





Your Input

Our Action

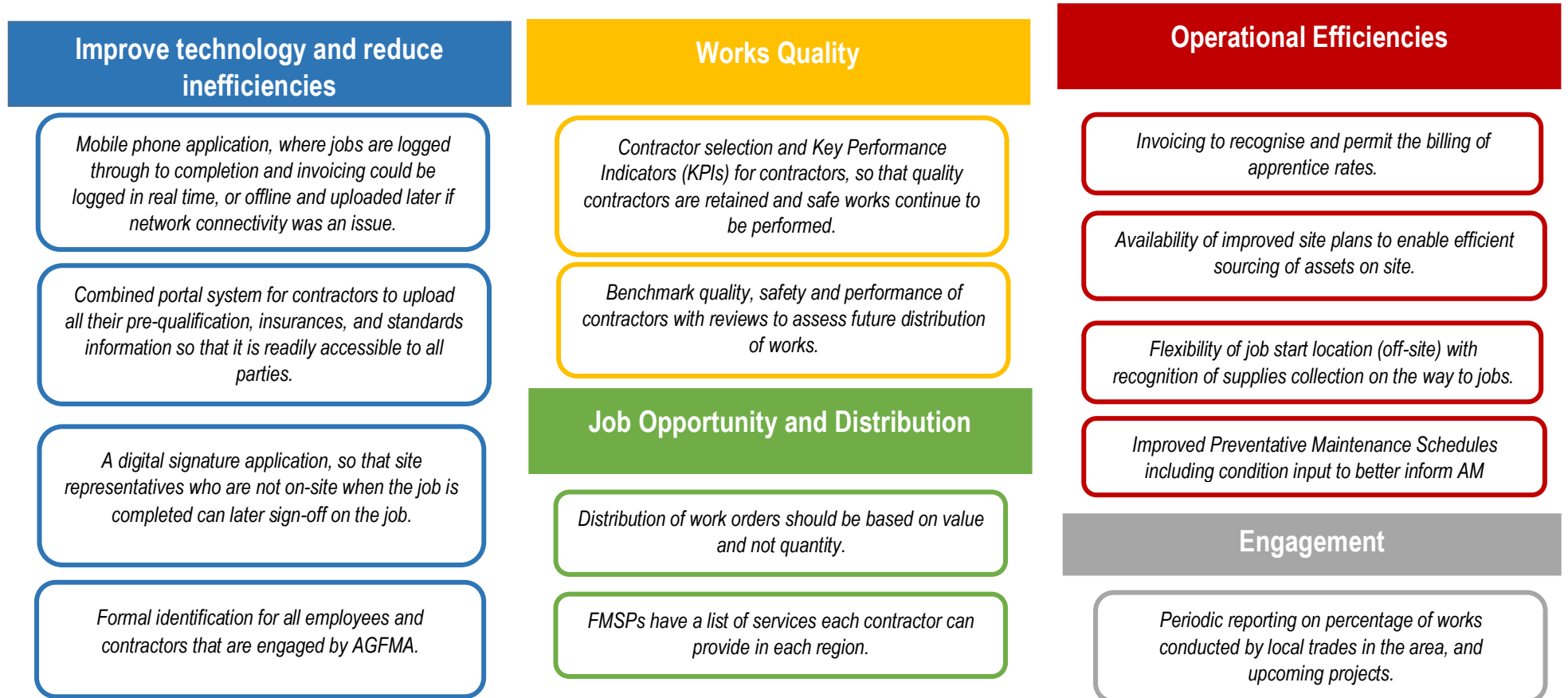
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| Contractor recommendations should be considered further | The FMSP's systems will provide an improved feedback loop so that the maintenance history of an asset can be considered when performing works, including the opportunity for contractors to provide feedback on that asset following works complete. |
| Ability to claim minimum charges (i.e. 1hr); and margin on materials | The Department will retain oversight to ensure that rates paid to contractors will be fair and equitable. Mandating mechanisms such as minimum charges and the provisions for margins on materials is being further explored. |
| Travel charges need to reflect the vehicle and environment (i.e. dirt tracks) | Travel rates will remain in the Future AGFMA, with the Department working to define flexible travel payment mechanisms place. |
| Quality Assurance (QA) - monitoring/auditing | One of the key criteria for the new FMSPs will be to maintain and improve quality assurance processes, and how they support the continued delivery of quality workmanship. This will be monitored by the Department throughout the life of the contracts. |
| Grouping of jobs where possible | The Department will be working with FMSPs to ensure that they implement systems that arrange works in the most efficient manner. |





FUTURE AGFMA CONSIDERATIONS

Contractors raised a number of valuable suggestions and comments in the survey and workshops that require further analysis. The Future AGFMA team will be considering these suggestions over the coming months (as part of the FMSP tendering process) to determine if and how these suggestions can be integrated into the Future AGFMA model to enhance the functionality for all parties including contractors, FMSPs, and Agencies.





NEXT STEPS

The process to procure FMSPs for the Future AGFMA is progressing well. A two stage process is being used:

1. Expression of Interest – open tender call – complete, with four shortlisted companies progressing to the second stage; and
2. Invitation to Supply (ITS) – commenced early December 2020, and will close in March 2021.

Following assessment of the proposals from the FMSPs via the ITS process, the Department will release an Outcomes Report to contractors, containing greater detail on what the Future AGFMA will contain and how contractors will interact within it. This Outcomes Report will be released around May 2021.

The image below depicts the three reports that will be provided to contractors.



Additional information specific to contractor communications can be accessed on the Future AGFMA site including [the timeline](#) which indicates the implementation timing for the Future AGFMA.

Registrations and updates for the Future AGFMA are coordinated through the Future AGFMA website: https://dit.sa.gov.au/future_agfma. We strongly encourage you to register at this site if you haven't already.

