

7.2 Contract No 2021/241 - Routine Maintenance Of Mechanical Services

Executive Summary

Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2021/241, Routine Maintenance of Mechanical Services.

Background

Council requires the services of a suitably qualified and experienced Contractor to provide Routine Maintenance Services for Mechanical plant across Boroondara's Municipal Offices, Hawthorn Arts Centre, Community Centres, Libraries, Leisure Centres and Depots, in accordance with the requirements of the Contract to replace the following three existing contracts, which have all expired:

- Contract No. 2018/66 Mechanical Maintenance Services Camberwell Municipal Offices Buildings 1, 2 and 3;
- Contract No. 2015/109 - Mechanical Maintenance Services - Libraries and Other Buildings; and
- Contract No. 2021/128 - Maintenance of Leisure Centre Mechanical Plant.

Key Issues

The key considerations used in the assessment and ultimately determination of the outcome of this tender process were:

- ability to plan, schedule and perform the works in strict accordance with the specified outcomes;
- a proven track record undertaking similar works in the past;
- access to appropriately skilled personnel and subcontractors; and
- value for money within the constraints of the Council budget.

All tenders received were considered to be conforming tenders.

The officer recommendation is considered the best value for money within the constraints of the Council budget.

Next Steps

Upon award of the contract, Council will oversee the management and execution of these services.

There will be minimal disruption to building users as the recommended tenderer has provided a transition plan to commence this service.

Confidentiality

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 66(2)(a) and the definitions of 'confidential information' in section 3(1) of the *Local Government Act 2020*. The information relates to:

- a. private commercial information, being information provided by a business, commercial or financial undertaking that—
 - i. relates to trade secrets; or
 - ii. if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage;

The item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council resolve:

1. To award Contract No. 2021/241, Routine Maintenance of Mechanical Services, to Refmech Pty Ltd (ACN 164 181 408), at their tendered annual lump sum price for an initial period of three (3) years, with one (1) possible extension of a further two (2) years, up to a maximum contract period of five (5) years. The estimated value over the maximum contract term is \$2,895,750.00 (including GST). The estimated cost to Council after return of GST Input Credits is \$2,632,500.00.
2. Authorise the Director Places and Spaces to execute the contract agreement with the above Contractor.
3. Authorise the Director Places and Spaces to negotiate extensions to the contract with the above Contractor to the maximum five-year contract term.
4. Note that expenditure under this contract is in accordance with Council's adopted in 2022- 23 budget. Future years expenditure is foreshadowed and in accordance with the approved budget allocations.

Responsible director: Daniel Freer, Director Places and Spaces

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2021/241, Routine Maintenance of Mechanical Services.

2. Policy implications and relevance to community plan and council plan

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2021-31) and Council Plan (2021- 25):

Theme One - "Your Community, Services and Facilities"

Strategy 1.6 - Create and maintain public areas, facilities, amenities, footpaths and spaces that are inviting, clean and appropriately lit to increase social connection and improve perceptions of safety; and

Strategy 1.11 - Ensure Council's assets are suitable for community use through proactive asset inspections, maintenance of asset data in the corporate asset system and development of Asset Management Plans.

This procurement process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

3. Background

Council requires a suitably qualified organisation to undertake the routine maintenance of mechanical services in accordance with the requirements of the specification.

Invitation to tender

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitably qualified organisations to routine maintenance of mechanical services. An Invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Wednesday 23 February 2022 and on Council's tendering portal. The closing date for submissions was 2pm, Wednesday 16 March 2022.

In response to the advertisement, Council received nine submissions:

- Mechanical Project Services;
- Saunders Asset Services;
- Total Air Services (Vic) Pty Ltd;
- BSA Limited;
- Geoff Proctor (Sole Contractor);
- CFM Air Conditioning Pty Ltd trading as Commercial Facilities Management Pty Ltd;
- AG Coombs Services;
- Renown Services Unit Trust trading as Renown; and
- Refmech Pty Ltd.

4. Outline of key issues/options

Boroondara's Municipal Offices, Hawthorn Arts Centre, Community Centres, Libraries, Leisure Centres and Depots all operate mechanical systems of different types as part of their building design and construction to service the needs of clientele and users. Without the upkeep and maintenance of these systems, service standards and building functionality is significantly compromised. This service contract is crucial to ensuring the adequacy of these buildings in responding to community needs.

5. Collaborative Procurement Opportunities

Officers held discussions with neighbouring local governments to determine suitability of a collaborative procurement process. No other local government required the same services at this time, therefore collaborative procurement wasn't appropriate in achieving a better value outcome.

6. Consultation/communication

Internal consultation with contract users was undertaken in reviewing the service specification to ensure expectations are met.

7. Financial and resource implications

Council's 2022-23 adopted Mechanical Maintenance budget has the following allocation:

Total Budget Allocation FY 2022-23	\$535,715
Expenditure and Commitments to Date	\$86,457
Total Remaining Budget FY 2022-23	\$449,258

The annual expenditure under this contract will be \$526,500. This budget allocation is sufficient to fund the contract as recommended.

8. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no general or material interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

9. Social and environmental issues

A well-maintained facility protects the building structure, creates safe and healthy surroundings for occupants, and allows the equipment to operate as efficiently as designed. It encourages and creates more opportunities for usage and provides a sense of pride.

10. Evaluation and review

The evaluation report is provided as **Confidential Attachment 1.**

As a result of the evaluation, the evaluation panel recommends that Council award Contract No. 2021/241, Routine Maintenance of Mechanical Service to:

- Refmech Pty Ltd (ACN 164 181 408).

Manager: **George Batsakis, Manager Facilities, Waste and Infrastructure**

Report officer: Michael Robins, Acting Coordinator Facilities Maintenance