

## 7.6 Contract No. 2023/14 Carpentry and Joinery Services - Annual Supply

### Executive Summary

#### Purpose

The purpose of this report is to seek Council support to award Contract No. 2023/14 Carpentry and Joinery Services - Annual Supply to a panel of contractors. This panel of contractors will provide maintenance and repair services for carpentry and joinery components in Council owned buildings and facilities.

#### Background

This contract replaces Contract No. 2017/162 Carpentry and Joinery Services – Annual Supply. The services are to provide, but not limited to, carpentry and joinery maintenance, minor alterations and improvement works to Council buildings.

Council is seeking to appoint contractors to two (2) panels.

**Panel 1** will be considered the primary panel and will consist of three (3) contractors, appointed to supply the majority of the ad hoc maintenance and reactive works. This will be supplied to Council at an hourly rate and contractors may also be required to perform minor alterations and improvement works in accordance with Council's procurement policy.

**Panel 2** will be a secondary panel consisting of two (2) contractors. The contractors on this panel will perform ad hoc maintenance and reactive works at an hourly rate, or minor alterations and improvement works after the provision of a quotation when there is work above the capacity of Panel 1 to perform or to satisfy Council's procurement policy.

Contractors from Panel 2 can be promoted to Panel 1 when a Panel 1 contractor is either:

- unable to continue to provide the services; or
- is terminated under the contract for a failure to adequately provide the services; or
- Council deems that an additional contractor is required on Panel 1.

This contract will provide Carpentry and Joinery Services for an initial period of three (3) years, with up to three (3) increments of one (1) year each up to a maximum contract period of six (6) years.

#### Next Steps

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

## Confidentiality

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

If discussion of the confidential information in the attachments to this report is required for Council to make a decision, Council may resolve to discuss the matter in a confidential session or to defer the matter to the confidential section of the agenda.

## **Officers' recommendation**

That Council resolve to:

1. Award Contract No. 2023/14, Carpentry and Joinery Services – Annual Supply to the following five (5) Contractors across the two panels:

### **Panel 1**

- Keon Constructions Pty Ltd (ACN 077 075 266);
- Impakt Constructions Pty Ltd (ACN 144 927 211); and,
- Blended Services Group Pty Ltd (ACN 634 713 554).

### **Panel 2**

- Building Impressions Pty Ltd (ACN 074 337 965); and
- Total Construction Maintenance Solutions (ACN 163 796 138).

At their tendered schedule of rates for an initial period of three (3) years, with up to three increments of one (1) year each, to a maximum contract term of up to six (6) years. The estimated cumulative value over the maximum contract term is \$2,992,841.50 (incl. GST) including an annual CPI increase commencing from year two (2) of this new contract. The estimated cost to Council after the return of GST Input Credits is \$2,720,765.00 ex. GST.

2. Authorise the Director Places and Spaces to sign and execute the contracts on behalf of the Council with the above Contractors.
3. Authorise the Director Places and Spaces to negotiate and execute optional extension periods.
4. Note that expenditure under this contract is in accordance with Council's adopted budget for the financial year 2023/24. Future years expenditure is foreshadowed and in accordance with the approved budget allocations.

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**Responsible director:**     **Mary-Anne Palatsides, Acting Director Places and Spaces**

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## **1. Purpose**

The purpose of this report is to seek Council support to award Contract No. 2023/14 Carpentry and Joinery Services - Annual Supply to a panel of contractors. The contractors selected will be assigned to one (1) of two (2) panels.

Panel 1 will be considered the primary panel and consist of three (3) contractors who will undertake the majority of carpentry and joinery work.

Panel 2 will be considered a secondary panel and consist of two (2) supplementary contractors, who will provide maintenance and repair services for carpentry and joinery components in Council owned buildings and facilities.

## **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, and amenities. Footpaths and spaces that are inviting, operational, clean, safe and secure to increase social connection and improve the perceptions of safety.

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

## **3. Background**

Council requires suitably qualified and experienced contractors who can deliver a range of Carpentry and Joinery Services - Annual Supply throughout the City of Boroondara, which:

- are of high quality;
- are cost-effective, reliable, and efficient; and
- comply with Government Acts, regulations, and Council's local laws and policies.

Successful contractors will be appointed to one of two panels to provide carpentry and joinery services in various municipal facilities in accordance with required specifications.

**Panel 1** will consist of three (3) primary contractors and will provide the majority of carpentry and joinery works. This maintenance and reactive work will be provided at an hourly rate and contractors may also be required to perform minor alterations and improvement works.

**Panel 2** will consist of two (2) supplementary contractors who will be utilised based on demand and the quality and performance of Panel 1.

The contractors on this panel will perform ad hoc maintenance and reactive works at an hourly rate, or minor alterations and improvement works after the provision of a quotation. Contractors from Panel 2 can be promoted to Panel 1 when a Panel 1 contractor is either:

- unable to continue to provide the services; or
- is terminated under the contract for a failure to adequately provide the services; or
- Council deems that an additional contractor is required on Panel 1.

The works to be performed by the contractors shall generally include, but not limited to:

- Maintenance and repair of Council Buildings; and
- Minor alterations and improvements to Council Buildings.

The contract structure is a schedule of rates contract, with materials charged on a cost-plus basis.

### **Invitation to tender**

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitable experienced and qualified organisations to provide carpentry and joinery services on an ad hoc basis at various municipal facilities.

An invitation to tender was advertised in the local government tenders' section of "The Age" newspaper on Saturday, 13 May 2023 and on Council's tendering portal Vendor Panel. The closing date for submissions was 2 pm Friday, 2 June 2023.

In response to the advertisement, Council received nine submissions:

- Blended Services Group Pty Ltd;
- Building Impressions Pty Ltd;
- Construct4 Building Group Pty Ltd;
- Haus Residential Pty Ltd;
- Impakt Constructions Pty Ltd;
- Keon Constructions;
- State Property Building Services Pty Ltd;
- Total Construction and Maintenance Solutions Pty Ltd; and
- Valyarra Pty Ltd.

## **4. Outline of key issues/options**

Building carpentry and joinery maintenance assists with preventing or detecting carpentry-related or general maintenance problems to avoid injury and costly interruptions. It assists in providing safe and operational community facilities for staff and visitors.

The key considerations used to determine the outcome of this tender process were:

- The contract allowed for a two-panel arrangement, Panel 1 consisting of three (3) primary contractors that could demonstrate a wide range of building maintenance capabilities and that could deliver the majority of works, and a secondary panel consisting of two (2) contractors that would be utilised based on demand and or the quality and performance of Panel 1.
- Contractors are required to be adequately resourced and industry qualified,
- Emphasis should be placed on the qualitative analysis given the broad range of carpentry and joinery service industry rates,
- A proven track record undertaking similar works in the past and
- Ability to plan, schedule, and perform the work in accordance with the specified outcomes.

## 5. Collaborative Procurement Opportunities

Officers discussed with neighbouring local government organisations to determine the suitability of a collaborative procurement process. No other local government required the same services at this time. Therefore, collaborative procurement wasn't possible in achieving a better value outcome.

## 6. Consultation/communication

Internal consultation across the appropriate services with the Facilities, Waste and Infrastructure team informed the review and development of the specification and associated tender documents.

## 7. Financial and resource implications

Council 2023-24 Adopted Budget contains the following allocation:

| Item                                     | Ex GST           |
|--|------------------|
| Carpentry Services                       | \$400,000        |
| Less expenditure and commitments to date | \$75,273         |
| <b>Remaining Budget 2023-24</b>          | <b>\$324,727</b> |

This is a Schedule of Rates contract; expenditure under this contract will be in accordance with the budget allocations.

As this is a schedule of rates contract and subject to budgetary approval, the tendered rates shall be reviewed annually and adjusted based on the movements in the Consumer Price Index (CPI) ABS Catalogue 6401.0, All Groups Index Table 1, Melbourne.

Council does not guarantee the appointed contractors a minimum quantity of work in relation to any of the contract components.

The amount of work performed will be in accordance with the need and budgetary allocations each year. Payment will be made in line with the respective Tenderer's Schedule of Rates.

## 8. Governance issues

The recommendation contained in this report is compatible with the Charter of Human Rights and Responsibilities 2006 as it does not raise any human rights issues.

No Officers preparing this report have a general or material conflict of interest requiring disclosure under Chapter 5 of the Governance Rules of Boroondara City Council.

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

## 9. Social and environmental issues

Well maintained infrastructure enhances the safety, security and operation of council facilities, creates greater opportunities for usage and provides a sense of pride and safer communities.

## 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. 2023/14, Carpentry and Joinery Services – Annual Supply, to the following five (5) companies, which will constitute each panel of Contractors.

### Panel 1

- Keon Constructions Pty Ltd (ACN 077 075 266);
- Impakt Constructions Pty Ltd (ACN 144 927 211); and
- Blended Services Group Pty Ltd (ACN 634 713 554).

### Panel 2

- Building Impressions Pty Ltd (ACN 074 337 965); and
- Total Construction Maintenance Solutions (ACN 163 796 138).

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

**Report officer:**        Michael Robins, Coordinator Facilities Maintenance