

## 2 Contract No: 2017/87 - Annual Supply Plumbing & Irrigation Services

### Abstract

This report seeks Council endorsement for the award of Contract No. 2017/87, Plumbing and Irrigation Services - Annual Supply. This contract consists of two panels. One panel will be to provide maintenance and repair of the plumbing services to Council buildings and facilities throughout, whilst the second panel will provide the repair and maintenance of Council's irrigations systems including sportsgrounds and parks, for up to the next four years. This contract is a direct replacement of Contract No. 2011/007 Annual Supply - Plumbing and Irrigation Services which expires on 1 July 2017.

The estimated total contract cost for a four year maximum contract term is \$1,457,989 (including GST) and excluding any price adjustment due to rise and fall. The estimated cost to Council after return of GST Input Credits is \$1,325,445. The estimated cost is based on labour rates and materials.

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 89(2) of the *Local Government Act 1989*, as the information relates to contractual matters and premature disclosure of the information could be prejudicial to the interests of Council or other persons. This 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. 2017/87, Plumbing and Irrigation Services - Annual Supply, to the following nine recommended Tenderers that collectively will constitute two panels as listed below:
  - A) Plumbing Services Panel:
    - Omnigas Services Pty Ltd trading as Omni Trade Services (ABN 57 069 325 050);
    - International Plumbing Solutions trading as New Plumbing Solutions (ABN 79 261 981 649);
    - Eric Robertson Builders Pty Ltd trading as On Time Building Trades ABN 22 678 404 360); and
    - Hydrotech Services Pty Ltd (ABN 35 083 931 766).

## B) Irrigation Services Panel:

- Chapman & Rivett (Vic) Pty Ltd trading as Century Rain (ABN 95 008 083 592);
- Planned Irrigation Projects Pty Ltd trading as Think Water Melbourne (ABN 12 007 352 114);
- Ashburton Plumbing Pty Ltd (ABN 27 096 827 762);
- Urban Maintenance Systems Pty Ltd (ABN 38 005 251 954); and
- Super Gardens Pty Ltd (ABN 50 006 031 590).

at their tendered schedule of rates for an initial contract term of two years and a possible further two year period to a maximum contract term of four years. The estimated total contract cost for a four year maximum contract term is \$1,457,989 (including GST) and excluding any price adjustment due to rise and fall. The estimated cost to Council after return of GST Input Credits is \$1,325,445. The estimated cost is based on labour rates and materials.

2. To authorise the Chief Executive Officer or such other person that the Chief Executive Officer selects for the purpose of giving effect to this resolution to execute the contract agreements with the above contractors.
3. To authorise the Chief Executive Officer or such other person that the Chief Executive Officer selects for the purpose of giving effect to this resolution to negotiate extensions to Contract No. 2017/87, Plumbing and Irrigation Services - Annual Supply, with the above contractors to the maximum four year contract term.
4. To note that expenditure under this contract in 2017-18 is in accordance with Council's adopted budget and expenditure in future years will be in accordance with the approved budget allocations.

**Responsible director: Bruce Dobson  
Environment and Infrastructure**

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### **1. Purpose**

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2017/87, Plumbing and Irrigation Services - Annual Supply.

### **2. Policy implications and relevance to council plan**

This tender process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy.

This contract is aligned with Strategic Objective13 "Managing Assets".

### **3. Background**

Council requires suitably experienced and qualified organisations to form two panels, one consisting of four contractors (Panel A) for the provision of plumbing services and (Panel B) consisting of five contractors for the provision of irrigation services.

The Works to be performed by the Contractors shall generally include, but not be limited to:

- Maintenance of plumbing services in Council buildings;
- Repair to sportsground and park irrigation, including drip irrigation; and
- Modification of existing irrigation systems.

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

This contract will replace the existing current Plumbing and Irrigation services Contract No. 2011/007 which expires on 1 July 2017.

#### **Invitation to tender**

In accordance with Council's tendering procedures and Section 186 of the Local Government Act, Council invited public tenders from suitably qualified organisations to provide plumbing and irrigation services. An Invitation to Tender was advertised in the local government tenders section of "The Age" on Saturday, 12 November 2016 and on Council's website. The closing date for submissions was 4:00PM, Tuesday 6th December, 2016.

In response to the advertisement, Council received 15 submissions:

- Ashburton Plumbing Pty Ltd
- MCD Hydraulics (Vic) Pty Ltd trading as Australian Facilities Plumbing
- Blue Plumbing Pty Ltd (The trustee for Blue Plumbing Unit Trust)
- Chapman & Rivett (Vic) Pty Ltd trading as Century Rain
- DG Green Plumbing and Facilities Maintenance
- Hydrotech Services Pty Ltd
- Kilkenny Bros Plumbing Pty Ltd

- Lewton Building & Plumbing
- International Plumbing Solutions Pty Ltd trading as New Plumbing Solutions
- Omnigas Service Pty Ltd t/as Omni Trade Services
- Eric Robertson Builders Pty Ltd trading as On Time Building Trades
- RCI Building Services
- Urban Maintenance Systems
- Super Gardens Pty Ltd
- Planned Irrigation Projects Pty Ltd trading as Think Water Melbourne

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

It is envisaged that there are no issues.

#### 5. **Consultation/communication**

Internal consultation across the appropriate teams within the Parks and Infrastructure Department informed the development of the specification and associated tender documents.

#### 6. **Financial and resource implications**

Council's 2016/2017 budget for plumbing services contains a provision of \$311,930 (Account Number 23200/53065) and for irrigation services a provision of \$30,770 (Account Number 24301/53095).

This is a Schedule of Rates contract and no guarantee of a minimum quantity of work in relation of any of the contract components has been made. The amount of works performed will be in accordance with the need and budgetary allocations each term. Payment will be made in line with the respective Tenderer's Schedule of Rates.

It is estimated that expenditure (excluding GST) under the contract will comprise the following breakdown:

| <b>Items</b> | <b>Amount per annum (\$)</b> | <b>Amount over 4 years (\$)</b> |
|--------------|------------------------------|---------------------------------|
| Labour       | 211,361                      | 845,445                         |
| Materials    | 120,000                      | 480,000                         |
| <b>Total</b> | <b>331,361</b>               | <b>1,325,445</b>                |

Expenditure under this contract may be higher if this contract is utilised for other Council services and projects.

Estimated expenditure is based on historical data for these services.

#### 7. **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 direct or indirect interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probit Policy and Council's Procurement Policy.

## 8. Social and environmental issues

There are minimal social or environmental issues with this contract.

## 9. Evaluation and review

The Tender Evaluation Panel carried out a qualitative and quantitative evaluation of the 15 tenders to establish each tenderer's compliance with the requirements of the specification and the criteria specified in the tender documents.

As a result of the tender evaluation process, the tender evaluation panel recommends that Contract No. 2017/87, Plumbing and Irrigation Services - Annual Supply, to the following nine Tenderers that collectively will constitute two panels as listed below:

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**Manager:** Andrew Mackinnon, Parks and Infrastructure

**Report officer:** Michael Robins, Facilities Maintenance, Infrastructure Services