

3 Contract No: 2017/106 - Painting Services - Annual Supply

Abstract

This report seeks Council endorsement for the award of Contract No. 2017/106, Painting Services - Annual Supply. This contract will provide Council with a panel of painting contractors for an initial term of three years with a possible extension of a two year period to a maximum contract term of five years. This contract is a direct replacement of Contract No 2012/015 Painting Services - Annual Supply which has reached the end of its maximum term.

The estimated contract cost for a five-year maximum contract term is \$1,039,500 (including GST) and excluding any price adjustment due to rise and fall. The estimated cost to Council after return of GST Input Credits is \$945,000. Expenditure in future years will be in accordance with the approved budget allocation.

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. 2017/106, Painting Services - Annual Supply, to the following four recommended Tenderers that collectively will constitute a supply panel:
 - A & P Painting Pty Ltd (ABN 73 110 458 583);
 - Programmed Property Services Pty Ltd (ABN 66 106 015 632);
 - Urban Maintenance Systems Pty Ltd (ABN 38 005 251 954) and;
 - Purpaint Pty Ltd (ABN 90 129 513 926).

at their tendered schedule of rates for an initial contract term of three years with a possible extension of a two year period to a maximum contract term of five years. The estimated contract cost for a maximum five year term is \$1,039,500 including GST. The cost to Council after the return of GST Tax Input Credits is \$945,000.

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. 2017/106, Painting Services - Annual Supply, with the above Contractors to the maximum five year contract term.
4. To note that expenditure under this contract in 2016/17 will be 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

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2017/106, Painting 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 Objective 13 "Managing Assets".

3. Background

Council maintains approximately 400 buildings and other structures within the municipality which are either occupied and/or utilised by Council and various groups/committees.

Council requires a panel of suitably qualified and experienced painting contractors to provide maintenance and cyclic painting services in these assets in accordance with the requirements of the specification.

This contract will replace the existing current painting services Contract No. 2012/015, which has reached its maximum term.

Invitation to tender

In accordance with Council's tendering procedures and Section 186 of the *Local Government Act 1989*, Council invited public tenders from suitably qualified and experienced contractors to provide Painting Services. An Invitation to Tender was advertised in the local government tenders section of "The Age" newspaper on Saturday 17 December 2017 and on Council's website. The closing date for submissions was 4pm, Friday 3 February 2017.

In response to the advertisement, Council received eight submissions:

- A & P Painting Pty Ltd
- Ducon Maintenance Pty Ltd trading as Ducon Building Solutions
- Harris HMC Interiors Pty Ltd trading as Harris HMC Maintenance
- K2Connect Pty Ltd trading as K2 Painting and Rendering
- Programmed Property Services Pty Ltd trading as Programmed Property Services
- Purpaint Pty Ltd
- Total Trade Property Services Pty Ltd
- Urban Maintenance Systems Pty Ltd trading as Urban Maintenance Systems

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 contains provision of \$189,110 for the annual supply of painting services (Account Number 23200-53063).

The estimated contract cost for a maximum five year term is \$1,039,500 including GST. The cost to Council after the return of GST Tax Input Credits is \$945,000.

This is a schedule of rates panel supply contract with no guarantee of a minimum quantity of work. The amount of works performed will be in accordance with the necessity and budgetary allocations each year.

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

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 Probity Policy and Council's Procurement Policy.

8. Social and environmental issues

A proactive painting program is part of Council's asset management approach to buildings. Painting also improves the image of buildings, encourages and creates more opportunities for usage, and provides a sense of pride and safe communities.

9. Evaluation and review

As a result of the tender evaluation, the tender evaluation panel recommends that Council award Contract No. 2017/106, Painting Services - Annual Supply to:

- A & P Painting Pty Ltd (ABN 73 110 458 583);
- Programmed Property Services Pty Ltd (ABN 66 106 015 632);
- Urban Maintenance Systems Pty Ltd (ABN 38 005 251 954) and;
- Purpaint Pty Ltd (ABN 90 129 513 926).

at their tendered schedule of rates. The estimated contract cost for a maximum five year term is \$1,039,500 including GST. The cost to Council after the return of GST Tax Input Credits is \$945,000.

Manager: Andrew Mackinnon, Parks and Infrastructure

Report officer: David Zappulla, Coordinator Facilities Maintenance