

ITEM 9 TENDER T19/47 - ADMINISTRATION BUILDING EFFICIENCY UPGRADES

This report recommends that Council decline to accept the tender submitted for Efficiency Upgrades to the Wollongong City Council Administration Building in accordance with clause 178(1)(b) of the Local Government (General) Regulation 2005.

The Tender Assessment Panel has concluded that the tender is not acceptable for the reason that:

- The tender received does not comply with the overall requirements of the request for tender.

It is anticipated that negotiations with the tenderer or any other party in relation to a revised scope of works will result in a satisfactory outcome being achieved.

RECOMMENDATION

- a In accordance with clause 178(1)(b) of the Local Government (General) Regulation 2005, Council decline to accept the tender received for the Administration Building Efficiency Upgrades and resolve to enter into negotiations with the tenderer or any other party with a view to entering into a contract in relation to the subject matter of the tender.
 - b In accordance with clause 178(4) of the Local Government (General) Regulation 2005, the reason for Council hereby resolving to enter into negotiations with the tenderer or any other party and not inviting fresh tenders is that it is anticipated that a satisfactory outcome can be achieved with one of those parties who demonstrate a capacity and ability to undertake the works.
- 2 Council delegate to the General Manager the authority to undertake and finalise the negotiations, firstly with the tenderer, and, in the event of failure of negotiations with the tenderer, any other party, with a view to entering into a contract in relation to the subject matter of the tender.
- 3 Council grant authority for the use of the Common seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Corey Stoneham, Manager City Works (Acting)
Authorised by: Andrew Carfield, Director Infrastructure + Works - Connectivity Assets + Liveable City

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

Tenders were required to be invited to deliver these Efficiency Upgrades for the Administration Building's Building Management Control System (BMCS). A detailed specification for these works was developed and focuses on the control function upgrades identified as offering energy efficiencies for the building.

There is scope relating to mechanical and mechanical/electrical works included in this specification, such as installing Thyristor Controllers for electric duct heaters. It is envisaged that the main contractor for this project will engage and manage any sub-contractors required.

Tenders were invited by the Open tender method with a close of tenders of 10.00 am on Tuesday 2 June 2020.

One tender was received by the close of tenders and it has been scrutinised and assessed by a Tender Assessment Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representatives of the City Works and ISP Divisions.

The Tender Assessment Panel assessed all tenders in accordance with the following assessment criteria and weightings as set out in the formal tender documents:

- Cost to Council - 40 %
- Appreciation of scope of works and methodology of the works - 25%
- Demonstrated extensive experience and satisfactory performance in undertaking projects of similar size, scope and risk profile - 20 %
- Project Schedule - 10 %
- Demonstrated strengthening of local economic capacity - 5 %

PROPOSAL

The Tender Assessment Panel has concluded that none of the tenders is acceptable and has recommended that all tenders be declined and negotiations be undertaken with one or all of the tenderers, or any other party, with a view to entering into a contract for the subject matter of the tender.

The Panel anticipates that a satisfactory outcome will be achieved through a negotiation process conducted in accordance with Council’s Procurement Policies and Procedures.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Assessment Panel
- 2 Nominated Referees
- 3 External Consultants – TAI

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal “We value and protect our environment”. It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2022	Operational Plan 2020-21
Strategy	4 Year Action	Operational Plan Actions
1.2.1 Reduce our ecological footprint, working together to minimise the impacts of climate change and reduce waste going to landfill.	1.2.1.3 Methods to reduce emissions are investigated and utilised	Implement and review annual water and energy saving actions

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council’s Procurement Policies and Procedures and the Local Government Act 1993.

The risk of the project works, or services is considered Low based upon Council’s risk assessment matrix and appropriate risk management strategies will be implemented.

The risks involved in the outcome of this report relate to the costs associated with entering into a negotiation with a more suitable company. This risk will be mitigated by ensuring that the company that Council will begin negotiations with, has an intimate knowledge of the building and the scope of works which allows Council to achieve greater value for money than a company unfamiliar with the site.

SUSTAINABILITY IMPLICATIONS

This project aims to increase energy efficiencies within the administration building by upgrades to the BMCS.

This project has been out to two different markets (Vendor Panel and Tenderlink), both times the Tender Assessment Panel were unsuccessful in finding a suitable contractor with an adequate submission. The first procurement (through VendorPanel) yielded no submissions, whereas this procurement through Tenderlink yielded one. Although this submission was declared less than satisfactory and non-conforming on the grounds that the company either did not provide answers or only provided a very basic response to the criteria.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Capital Works Plan 2020/21.

Project Number 125509 Floor VAV Refurbishments within the Infrastructure Delivery Program.

The tender assessment panel believe we will deliver a better outcome financially and professionally engaging and negotiating with a service provider directly.

CONCLUSION

Council should endorse the recommendations of this report, which are the following:

- Reject the sole submission, on the grounds of non-conformance,
- Enter into negotiations with another contractor with knowledge and experience related to the building and scope of these works, which has the previous experience with the current control systems.