

ITEM 6

TENDER T20/42 - ILLAWARRA PERFORMING ARTS CENTRE - HVAC REPLACEMENT WORKS

This report recommends acceptance of a tender for the Illawarra Performing Arts Centre (IPAC) Heating, Ventilation and Air Conditioning (HVAC) Replacement works in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

IPAC is a regional performing arts facility located in central Wollongong which is owned by Council. IPAC is managed by the Merrigong Theatre Company who deliver a program of events under a service agreement with Council.

The purpose of these works is to replace existing HVAC plant and associated equipment that is at, or near end of life with modern equipment with improved energy efficiency, operational reliability and comfort for IPAC facility patrons. This will enable the ongoing operational use of the IPAC.

### RECOMMENDATION

- 1 In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Climax Air Conditioning Pty Ltd for Illawarra Performing Arts Centre HVAC Replacement, in the sum of \$3,953,852, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 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: Glenn Whittaker, Manager Project Delivery

Authorised by: Joanne Page, Director Infrastructure + Works - Connectivity Assets + Liveable City (Acting)

### ATTACHMENTS

- 1 Location Plan

### BACKGROUND

IPAC is a regional performing arts facility owned by Council and located in Burelli Street, Wollongong. The facility is operated and managed under a service agreement with Merrigong Theatre Company who are responsible for the delivery of the events program.

Council's IPAC facility first opened in 1988 and consists of two (2) main theatres, a rehearsal studio, several dressing rooms, amenities/utility rooms, offices, workshop and storage areas, bar facilities, café with kitchen area and two (2) mechanical HVAC plant rooms. Most of the HVAC equipment is original except for the Cooling Tower and Chiller, which were replaced in 2005 and 2011 respectively, and the building management control system (BMCS) which was upgraded in 2005.

An assessment of the mechanical plant in the IPAC has determined that most equipment has reached end of life, is performing poorly and becoming increasingly unreliable. While the original equipment was appropriate for the era of construction, it is now outdated and highly inefficient when compared with modern systems. The poor performance of the plant will increasingly impact on the comfort of patrons attending the IPAC facility.

The scope of works under this proposed design and construct contract will include:

- Preliminary design to determine a National Construction Code (NCC) compliant layout, configuration and operating system. This will allow Council to determine the correct approval

pathway either via complying development or development approval and finalise any necessary supporting building works that may be required.

Following determination of the approval pathway, Council will direct the contractor to proceed to:

- Detailed design development;
- Supply of HVAC equipment;
- Provision of temporary construction access into the roof space above the main HVAC plant room, scaffolding in theatre spaces and foyer areas to access ceiling voids;
- Removal of redundant HVAC mechanical, electrical, fire, hydraulic services, ducting and ancillary equipment and control systems;
- Installation and commissioning of new HVAC mechanical, electrical, fire, hydraulic services, ducting and ancillary equipment and control systems;
- Plant commissioning;
- Removal of temporary construction access into the plant room roof spaces, theatre scaffolding and access flooring and reinstatement of the existing ceilings on completion of the works.

The final construction program will be determined once the approval pathway has been determined. Initial consultation with Merrigong Theatre Company has indicated works should preferably occur in the first months of the calendar year when bookings are low.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on Tuesday, 17 November 2020.

Three (3) tenders were received by the close of tenders and all tenders have been scrutinised and assessed by a Tender Assessment Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representatives of the Project Delivery, Infrastructure Strategy and Planning and Governance and Customer Service 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:

#### **Mandatory Criteria**

- 1 Satisfactory references from referees for previous projects of similar size and scope including detailed design development and construction.
- 2 Financial assessment acceptable to Council which demonstrates the tenderer's financial capacity to undertake the works.
- 3 As a minimum, WHS Management Systems that comply with AS-NZS 4801:2001 or ISO 45001:2018 and is certified to either of these standards by a JAZ-ANZ accredited company OR WHS Management System accredited by an NSW Government Agency OR WHS Management System accredited by the Federal Safety Commission.
- 4 Site Inspection – All tenderers to attend a site inspection.

#### **Assessable Criteria**

- 1 Cost to Council – 35%
- 2 Appreciation of scope of works and design and construction methodology – 15%
- 3 Experience and satisfactory performance in undertaking projects of similar size, scope and risk profile including staff qualifications and experience – 20%
- 4 Proposed Sub-Contractors – 5%
- 5 Project Schedule, including shutdown – 10%

- 6 Demonstrated strengthening of local economic capacity – 10%
- 7 Workplace Health and Safety and Environmental Management systems – 5%

The mandatory assessment criteria have been met by the recommended tenderer.

The Tender Assessment Panel utilised a weighted scoring method for the assessment of tenders which allocates a numerical score out of 5 in relation to the level of compliance offered by the tenders to each of the assessment criteria as specified in the tender documentation. The method then takes into account pre-determined weightings for each of the assessment criteria which provides for a total score out of 5 to be calculated for each tender. The tender with the highest total score is considered to be the tender that best meets the requirements of the tender documentation in providing best value to Council. Table 1 below summarises the results of the tender assessment and the ranking of tenders.

TABLE 1 – SUMMARY OF TENDER ASSESSMENT

Name of Tenderer	Ranking
Climax Air Conditioning Pty Ltd	1
Ryan Wilks Pty Ltd	2
Crest Air Conditioning Pty Ltd	NON-CONFORMING

## PROPOSAL

Council should authorise the engagement of Climax Air Conditioning Pty Ltd trading as Climax Air Conditioning to carry out the HVAC Replacement Works in accordance with the scope of works and technical specifications developed for the project.

The recommended tenderer has satisfied the Tender Assessment Panel that it is capable of undertaking the works to Council's standards and in accordance with the technical specification.

An acceptable financial capability assessment has been received in relation to the recommended tenderer.

Referees nominated by the recommended tenderer have been contacted by the Tender Assessment Panel and expressed satisfaction with the standard of work and methods of operation undertaken on their behalf.

## CONSULTATION AND COMMUNICATION

- 1 Merrigong Theatre Company
- 2 Members of the Tender Assessment Panel
- 3 Nominated Referees

Merrigong Theatre Company has been briefed on the extent of the scope as well as difficulties, complexities and risks associated with some aspects of the work. The input provided has allowed Council to determine, on balance, the most appropriate approach to performing the works via a shutdown of the IPAC facility at a time when historically its show program is less active. Merrigong Theatre Company has been periodically updated on progress and when further information or input has been required.

## PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal 5 “We have a healthy community in a liveable city”.

It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2022	Operational Plan 2020-21
Strategy	4 Year Action	Operational Plan Actions
5.5.1 Public facilities in key locations and transport routes are maintained and clean, accessible and inviting to our community and visitors	5.5.1.2 Manage and maintain community infrastructure portfolio with a focus on asset renewal	1 Achieve our expenditure targets for capital renewal by programming these works with sufficient flexibility to allow re-phasing, deferral and/or the introduction of other deferred renewal works as required

## 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 currently considered high based upon Council’s risk assessment matrix and appropriate risk management strategies will be implemented throughout the design and project planning phases to mitigate and manage these risks.

## SUSTAINABILITY IMPLICATIONS

The following sustainability implications have been considered:

- Improved equipment, operational reliability and energy efficiency options are considered in the design
- Sustainable procurement by providing open tender to give local companies the opportunity to tender for the work
- Weighting in tender assessment provided for using local services, labour and materials.

## FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Operational Plan –

2020/21 and 2021/22 – Capital Budgets

## CONCLUSION

Climax Air Conditioning Pty Ltd has submitted an acceptable tender for these works and Council should endorse the recommendations of this report.





