

ITEM 11

TENDER T20/43 - HEATING, VENTILATION AND AIR CONDITIONING MAINTENANCE AND SERVICE AGREEMENT

This report recommends acceptance of a tender for an initial three-years for Heating, Ventilation and Air Conditioning (HVAC) Service Agreement with the option to extend for a further one plus one year in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

The work to be performed under this Contract is for the provision of preventive maintenance services for Heating, Ventilation and Air Conditioning (HVAC) systems in twelve of Council's buildings. These buildings provide for a range of community services including youth activities, libraries, performing arts, sporting activities and accommodation for Council's staff.

RECOMMENDATION

- 1 In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Axis Air Pty Ltd for the HVAC Service Agreement, in the sum of \$306,624.00, 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: Corey Stoneham, Manager City Works

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

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

This HVAC Service Agreement is for the following sites - Corrimal Library and Community Centre, Administration Building and library, Illawarra Performing Arts Centre (IPAC), Town Hall and 93 Crown Street, City Art Gallery, Integral Building (81/83 Burelli Street), Wollongong Youth Centre, Dapto Ribbonwood Community Centre, Berkeley Community Centre, Lakeside Leisure Centre, Beaton Park Leisure Centre and Thirroul Library and Community Centre.

This tender is for the renewal of the HVAC Service Agreement to deliver a proactive maintenance program for the HVAC systems and associated equipment including servicing and maintaining Council's Cooling Towers. The Service Agreement allows Council to deliver comfort, reliability, and efficiencies for the HVAC systems across twelve of Council's community and operational building spaces.

Tenders were invited for this project by the Open Tender method with a close of tenders of 10.00 am on 28th January 2021.

Seventeen (17) tenders were received by the close of tenders and all tenders have been evaluated and assessed by a Tender Assessment Panel constituted in accordance with Council's Procurement Policies and Procedures.

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.

- 2 Financial assessment acceptable to Council which demonstrates the tenderer's financial capacity to undertake the works.
- 3 WHS System.

Assessable Criteria

- 1 Cost to Council – 35%
- 2 Demonstrated extensive experience and satisfactory performance in provision of services of similar size, scope and risk profile in accordance with DA19 and relevant industry standards. 25%
- 3 Service Methodology – 20%
- 4 Staff Qualifications and demonstrated experience assigned to this service agreement. – 10%
- 5 Demonstrated strengthening of local economic capacity. – 10%

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
Axis Air Pty Ltd	1
Total Ventilation Hygiene Pty Ltd	2
A.G. Coombs NSW Pty Ltd	3
Grosvenor Engineering Group Pty Ltd	4
CBC Facilities Maintenance Pty Ltd	5
AMEK Engineering Pty Ltd	6
Trane Thermo King Pty Ltd	7
D&E Air Conditioning Pty Ltd	8
Inter-Chillers	9
Airmaster Australia Pty Ltd	10
A E Smith Services Pty Ltd	11
Hirotec Maintenance Pty Ltd	12
Camray Air Pty Ltd	13
ENGIE	14
Climax Air Conditioning	15
Crest Air Conditioning Pty Ltd	16
Ausone Airconditioning	17

PROPOSAL

Council should authorise the engagement of Axis Air Pty Ltd to carry out the HVAC Service Agreement in accordance with the scope of works and technical specifications developed for this service requirement.

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.

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 Members of the Tender Assessment Panel
- 2 Nominated Referees

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	5.5.1.1 Well maintained assets are provided that meet the needs of the current and future communities	Coordinate the refurbishment of community facilities, in partnership with licensees and community groups, as identified in the capital works and maintenance programs

RISK ASSESSMENT

The risk in accepting the tender 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 HVAC works, and services is considered low based upon Council's risk assessment matrix and the appropriate risk management strategies that will be implemented.

The objectives of the Service agreement are to proactively maintain Council's HVAC systems to:

- Maintain the safety and comfort of community members, visitors and Council staff utilising the buildings.
- Minimise breakdowns and disruptions to the community and Council's operations.
- Meet legislative requirements in relation to the health and hygiene of HVAC systems.

SUSTAINABILITY IMPLICATIONS

This Service Agreement will allow Council to properly maintain the HVAC systems across these (12) building assets. This will ensure Council are providing safe and comfortable spaces for all visitors and employees at our community centres, libraries, leisure centres, administration building and operational buildings.

Maintaining and servicing these sites for Council will create energy efficiencies as the plant and equipment will be running to its most efficient parameters.

FINANCIAL IMPLICATIONS

It is proposed that the service level agreement contract be funded from the Operational Plan – Operational Plan Budgets, starting from 2020/2021 to 2024/2025 for the individual sites.

CONCLUSION

Axis Air Pty Ltd tendered an acceptable tender for this work and Council should endorse the recommendations of this report.