

4.1 TENDER FOR MARC DOMESTIC HOT WATER REPLACEMENT
(CF2022042: TB)

Responsible Director: Deb Cailles – Director Infrastructure and Environment

RECOMMENDATION*

That Council:

- 1. Awards the tender from Renown Services Pty Ltd for MARC Domestic Hot Water Replacement, Contract No. 2022042 for a fixed Lump Sum of \$576,763.00 with an extra \$74,176.30 for Contingencies;*
- 2. Authorises the Chief Executive Officer to execute the contract agreement;*
- 3. Notes that the contract is anticipated to commence in April 2022 and the expected completion date is June 2022; and*
- 4. Notes that the anticipated project expenditure including the fixed Lump Sum, Contingencies, Project Management/ Delivery Fees is \$670,164.29.*

*(*Please note that all dollar figures are GST Inclusive unless stated otherwise).*

INTRODUCTION

Council has conducted a tender for CF2022042 - MARC Domestic Hot Water Replacement

As part of its planning process for this tender, Council Officers considered its procurement options, including whether to go to market itself, participate in regional or sector collaboration or to access established contracts via other compliant Procurement agreements.

This a standalone works item, there was no opportunity to seek collaboration.

BACKGROUND

The current MARC domestic hot water system is close to end of life (18 years old) and due for replacement. In 2020, an option analysis signed off by the Project Control Group (PCG) determined the best replacement domestic hot water system will include a more efficient & sustainable CO2 heat pump, and condensing gas boilers (75kW/100kW).

NOTIFICATION

A public notice was placed in The Age newspaper on 13 November 2021 and the tender closed on 3 December 2021.

TENDERS RECEIVED

Tender submissions were received from the following two (2) suppliers by the appointed closing time.

No.	Tenderer
1	Renown Services Pty Ltd
2	UPR Plumbing Services Pty Ltd

TENDER CONFORMANCE:

All submissions were assessed for their compliance with the tender conditions including the contractual terms and conditions and the requirements of the response schedules.

All tender submissions were deemed conforming.

The tenders were then further evaluated as per the agreed evaluation criteria.

TENDER EVALUATION

All members of the evaluation panel signed Conflict of Interest and Confidentiality forms and no conflicts were raised.

The tenderers were assessed in accordance with the evaluation criteria published in the tender documentation:

PASS/FAIL ASSESSMENT CRITERIA	SCORE
Quality Systems	Pass/Fail
OHS	Pass/Fail
Mandatory Insurances	Pass/Fail
Attend Pre-Tender Meeting	Pass/Fail

KEY SELECTION CRITERIA		CRITERIA WEIGHTINGS	SUB WEIGHTINGS	SUB CRITERIA/RETURNABLE SCHEDULES LINK
50% NON-PRICE CRITERIA	Capacity and Capability	20%	5%	Experience
			5%	Resources
			5%	Risk Management
			3%	Legal Compliance
			2%	Performance and Innovation
	Project Timelines	10%	4%	Start and Completion timeframe
			6%	Proposed Program
	Sustainability (Mandatory)	20%	8%	Environmental Sustainability
			6%	Local Sustainability
			6%	Social Sustainability
PRICE (50%)	Price	50%	50%	Comparison of Whole of Life Cost or Total Project Cost or Estimated Annual Cost

DISCUSSION

Renown services Pty Ltd are on the Monash Panel for maintenance services and are responsible for the general Mechanical servicing and repairs for all Monash facilities.

They are very competent in their work and have successfully delivered similar projects for Monash including the Oakleigh Library Boiler removal and hot water replacement.

Their workmanship is of a very high standard and they are very responsive to Council's requirements.

The final evaluation ranking (including the price and non-price evaluation criteria) had Renown Services Pty Ltd ranked highest and as such, the evaluation panel recommends Renown Services Pty Ltd as representing the best value outcome for Council.

FINANCIAL IMPLICATIONS

BUDGET ALLOCATION	GST exclusive	GST inclusive
C01569 - 2020-21 Building Services Parent Program - Monash Aquatic Centre - Domestic Hot Water	\$567,000.00	\$623,700.00
TOTAL PROJECT BUDGET	\$567,000.00	\$623,700.00
Estimated Project Expenditure Based Upon Renown Services' Submission		
Lump Sum Price	\$524,330.00	\$576,763.00
Contingency	\$67,433.00	\$74,176.30
Project Management/Delivery Fees	\$17,477.27	\$19,225.00
ESTIMATED PROJECT EXPENDITURE	\$609,240.27	\$670,164.29

The anticipated project expenditure is above the available budget. The higher construction tender prices received are due primarily to increases in material costs and are reflective of the movement in pricing in the construction industry.

The shortfall in budget will be funded through savings in the overall 2021/22 Capital Works program.

SUSTAINABILITY OUTCOMES

As part of Council's commitment to sustainability this project involves the use of:

- 1. Environmental Sustainability:** This system will avoid 1668GL in gas, 95,040kWh Electricity, and total savings of \$11,786, compared to current system. While the DHW upgrade was not an action of under the Energy Performance Contract (EPC) because return on investment is 10+years (EPC criteria), it will still provide significant energy savings and contribute to meeting Council's carbon net zero target by 2025. The electricity will be sourced from VECO contract and 200kW Solar panels due to be installed this year and avoid 884 tCo2e through avoidance of gas use.
- 2. Local Sustainability:** Renown Services Pty Ltd has identified multiple preferred suppliers who are located within the City of Monash boundaries. Any further requirement for product or services in relation to this contract will be targeted towards those businesses located within the City of Monash
- 3. Social Sustainability:** Renown Services Pty Ltd are committed to target employees from within the Monash municipality and within the region where feasible from disadvantaged backgrounds.

CONCLUSION

That Council approves the recommendations contained within this report.