

**4.1 TENDER FOR HARDWARE, ELECTRICAL, PLUMBING AND COMPRESSED GASES**  
(2022071: JF)

Responsible Director: Jarrod Doake

**RECOMMENDATION\***

*That Council:*

- 1. Approves access to J Blackwood and Son Pty Ltd, Bunnings Group Limited and Sydney Tools Pty Ltd under Procurement Australia's Contract 2504/1032 Provision of Hardware, Electrical, Plumbing and Compressed Gases, Council Contract No. 2022071, for a schedule of rates-based contract with an estimated annual contract value of \$265,000 and an estimated total contract value of \$1,015,833 inclusive of all available extension options;*
- 2. Authorises the Chief Executive Officer or her delegate to execute the contract agreement; and*
- 3. Notes that the contract initial term ends on 30 April 2025 and the contract has two (2) separate extension options of one (1) year each and authorises the Chief Executive Officer to approve extension options subject to Procurement Australia extension approval and satisfactory performance for the City of Monash.*

*\*all dollar figures are GST Inclusive unless stated otherwise.*

**INTRODUCTION**

Council Officers seek to access a panel contract through Procurement Australia for the provision of Hardware, Electrical, Plumbing and Compressed Gases (PA Contract No. 2504/1032).

**BACKGROUND**

To facilitate and support the delivery of a broad range of Council services including road and street infrastructure maintenance, building maintenance, reserve maintenance and aquatic services, Council has a need to access hardware, electrical and plumbing materials, and equipment on a regular basis.

The Municipal Association of Victoria, Procurement Australia and the Victorian Government Department of Treasury and Finance often establish contracts on behalf of or accessible to Local Government authorities so that they may access supplier contracts in an efficient and cost-effective manner. These organisations are focused on achieving better procurement outcomes by aggregating demand and achieving improved commercial and service outcomes.

Council Officers considered undertaking their own tender process but, on this occasion a decision was made to seek to access the Procurement Australia contract because it provides access to quality suppliers at discounted rates leveraged through spend aggregation that is significantly greater than Council's spend.

The proposed Procurement Australia contract is for an initial period ending on 30 April 2025 with two (2) separate extension options of one (1) year each.

Council has previously accessed these services through Procurement Australia under a prior Council Contract 2018143.

**NOTIFICATION**

A Public Notice was not required because the proposal is to access a contract from the Procurement Australia Contract Number 2504/1032 Hardware, Electrical, Plumbing and Compressed Gases as allowed under Council's Procurement Policy.

**TENDER EVALUATION**

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

The Procurement Australia undertook an evaluation of all the submissions. Council was provided with a confidential recommendation report from Procurement Australia detailing the suppliers that were successfully awarded a contract.

The Council evaluation panel reviewed the recommendation report and recommended that, the City of Monash accesses this contract for the following suppliers:

- a. J Blackwood and Son Pty Ltd
- b. Bunnings Group Limited
- c. Sydney Tools Pty Ltd

The Council Evaluation Panel reviewed the rates and discounts available through these suppliers under this contract and believe that they represent good value for the range of goods and services required.

The Council Evaluation Panel also considered store locations, accessibility (including opening hours) and product range. As such, the evaluation panel recommends these suppliers as representing the best value outcome for Council.

#### **FINANCIAL IMPLICATIONS**

Council's historical spend on hardware, electrical and plumbing materials is approximately \$240,000 per annum with an additional \$25,000 per annum to ensure that the contract can cater for future growth, inflation, and any additional service demands.

The estimated value of this schedule of rates contract is summarised below.

<b>Contract Period</b>	<b>Estimated Value</b>	<b>Comments</b>
Initial Term ending 30 April 2025	\$485,833	Based on 22 months pro-rata (1 July 2023 to 30 April 2025), assuming that the contract starts 1 July 2023.
First 12 month extension option from 1 May 2025 to 30 April 2026	\$265,000	Based on maximum annual estimated spend
Second 12 month extension option from 1 May 2026 to 30 April 2027	\$265,000	Based on maximum annual estimated spend
Total maximum including all available extension options	\$1,015,833	

Spend under this contract will be covered by numerous department budgets including Building Maintenance, Fleet, Stores and Routine Maintenance budgets.

***SUSTAINABILITY OUTCOMES***

Procurement Australia did apply a Corporate Social Responsibility selection criterion to this evaluation process which also included Environmental Management in assessing and recommending their panel suppliers.

Bunnings Group Limited and Sydney Tools Pty Ltd also have store locations within the City of Monash and J Blackwood and Son Pty Ltd has a store location within an adjoining municipality.

***CONCLUSION***

That Council approves the recommendations contained within this report.