

7.4.2 2024141_MUSEUM OF AUSTRALIAN PHOTOGRAPHY HVAC UPGRADE- CONTRACT VARIATION REPORT

Responsible Manager:	Andrew Andonopoulos, Manager Capital Works
Responsible Director:	Jarrold Doake, Director City Services

RECOMMENDATION

That Council

1. Approves additional contingency funds of \$38,280, which includes a \$32,780 variation and an extra contingency allowance of \$5,500 for Contract 2024141 - Museum of Australian Photography HVAC Upgrade with Renown Services Unit Trust.
2. Notes that this request for additional contingency funds is compliant with Council's Contract Variation Delegation Rules as approved by Council on 31 October 2023.
3. Notes that the increased contract value (\$478,137) resulting from this pending approval remains within the existing adopted Project Budget of \$957,000.

Please Note: All values in this report are GST inclusive unless stated otherwise.

INTRODUCTION

In accordance with Council's Contract Variation delegation rules, this report explains the reason for a Contract Variation for Council approval.

COUNCIL PLAN STRATEGIC OBJECTIVES

Good Governance

Ensure a financially, socially and environmentally sustainable organisation.

BACKGROUND

On 24 April 2024 the Chief Executive Officer approved the tender for 2024141, Museum of Australian Photography – HVAC Upgrade with Renown Services Pty Ltd for a lump sum price of \$379,720 and a contingency sum of \$37,972 totalling an available contract sum of \$417,692.

The contract is expected to be completed by 30 April 2025.

The contract includes provision for upgrading the existing heating, ventilation and air conditioning systems at the Museum of Australian Photography.

DISCUSSION

The recent operational changes encountered with the existing, external chiller unit, particularly the multiple breakdowns during the installation of the replacement units, have necessitated a thorough investigation. The Facilities Maintenance Team engaged the manufacturer to conduct an examination of the existing condenser fan housing and the fan motors that were replaced. This revealed that the failure of one condenser fan motor was attributable to the accumulation of leaf litter and gum nuts from the overhanging tree canopies. The debris collecting within the fan housing, lead to overheating and subsequent motor burnout.

In response to this issue, it is proposed to install four discharge ducts above the new fans. This design enhancement aims to facilitate improved airflow and reduce the likelihood of debris ingress, thereby extending the operational lifecycle and reliability of the replacement units. A secondary protection screen will also be installed over the top of the fans to prevent larger debris from entering while maintaining adequate airflow. The design improvements together with a routine maintenance schedule to focus on cleaning and inspecting the units will significantly enhance the reliability and performance of the chiller units and ultimately safeguard Council's investment in the new equipment.

FINANCIAL IMPLICATIONS

There are no financial implications to this report as the contract variation can be funded within the adopted Project Budget.

In line with Councils Contract Variation Rules, Council must approve variations to Officer Approved Contracts that do not meet the definition of Exceptional Circumstances and where the revised value of the Contract including approved contingency exceeds \$450,000.

Please refer to the following table for a summary of the contract expenditure:

Spend Information	Value (GST Exclusive)	Value (GST Inclusive)
a. Fixed Lump Sum Contract	\$345,200	\$379,720
b. Approved Contingency	\$34,520	\$37,972
c. Previous Officer Approved Contingency Increase	\$20,150	\$22,165
d. Total Available Contract Funds	\$399,870	\$439,857
e. Approved Contract Variations to date	\$54,670	\$60,137

f. Contingency Remaining	\$0	\$0
g. Value of Contract Variations pending approval in this report	\$29,800	\$32,780
h. Extra Contingency Allowance for potential future variations	\$5,000	\$5,500
i. Additional Contingency required	\$34,800	\$38,280
j. Total revised Contract value, including contingency	\$434,670	\$478,137

POLICY IMPLICATIONS

There are no policy implications to this report.

CONSULTATION

Community consultation was not required.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a 'policy', 'program' or 'service'.

CONCLUSION

That Council approves the recommendations contained within this report.

ATTACHMENT LIST

Nil