

7.4.1 2021090 POOL PLANT MAINTENANCE SERVICES COUNCIL VARIATION REPORT

Responsible Manager:	Dino De Melis, Manager Facilities and Infrastructure Maintenance
Responsible Director:	Jarrod Doake, Director City Services

RECOMMENDATION

That Council

1. Approve a variation to contract 2021090B/C/D Provision of Pool Plant Maintenance Services, by Roejen Services in the amount of \$219,500 being greater than 10% of the original contract sum awarded, for the current year plus final two-year extension option.
2. Notes that the revised total 2021090A/B/C/D contract value will be increased to an estimated \$2,052,475 inclusive of all possible extension options, all approved variations to date and includes this proposed variation (excluding CPI indexation).
3. Notes that variation to contract 2021090, category B regular programmed inspection and maintenance of plant and equipment (Routine), by Roejen Services is for the amount of \$60,500.
4. Notes that variation to contract 2021090, category C regular programmed inspection and maintenance of plant and equipment (Reactive), by Roejen Services is for the amount of \$44,000.
5. Notes that variation to contract 2021090, category D Quoted works, by Roejen Services for the amount of \$115,000.
6. Notes that the increased contract value resulting from this approved variation remains within the existing approved and adopted facilities maintenance reactive building and programmed works budgets.

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.

BACKGROUND

On 31 August 2021 Council approved tenders for:

1. *Category A: Asset Condition Assessment, for a fixed Lump Sum of \$1,925 per annum and a total estimated contract value of \$12,143 inclusive of all available extension options*;*

2. Category B & C: Regular programmed inspection and maintenance of plant and equipment, for a fixed Lump Sum of \$16,737.60 per annum, and an estimated Schedule of Rates spend of \$66,000 per annum for reactive works, and an estimated total contract value of \$416,336 inclusive of all available extension options*;

3. Category D: Quoted Works, for a schedule of rates-based contract with an estimated annual contract value of \$150,000 and an estimated total contract value of \$946,218 inclusive of all available extension options*.

A copy of the original Council Report is attached for supporting background information.

The contract is for an initial term of two (2) years and the contract has two separate extension options of two (2) years each and authorises the Chief Executive Officer to approve extension options subject to satisfactory performance.

DISCUSSION

The contract includes provision for Provision of Pool Plant Maintenance Services to three Council managed facilities, these including Monash Aquatic and Recreation Centre, Oakleigh Recreation Centre and Clayton Aquatic and Recreation Centre where Council support the delivery of the services. More recently the contract also includes the provision of Maintenance Service for the pond outside the Monash Civic Centre. The services are required to fulfil Council's legislative obligations in accordance with the Building Act and Regulations. The facilities are maintained by Council and used by the community and school groups to provide a range of services, including but not limited to rehabilitation provisions, learn to swim lessons, general exercise and school carnival events and competitions.

Contract 2021090A/B/C/D Provision of Pool Plant Maintenance Services which includes allowance for asset condition reporting, routine maintenance services, repairs and renewal of Pool Plant and Equipment as well as to heat, treat and maintain water quality.

An amended variation to the amount of \$219,500 is sought in response to the following items that have impacted the Contract spend.

These include:

- an increase to the scope of works under the Contract, maintaining the Monash Civic Centre Pond, treatment of pond water and servicing of pond equipment,
- providing routine maintenance to recently installed plant upgrades at Monash Aquatic and Recreation Centre and Oakleigh Recreation Centre, namely heat pumps to meet Council ESD requirements and targets,
- Increased service levels to equipment to prolong life expectancy of equipment beyond its typical life expectancy due to major renovation being extended,
- Increased costs linked to updates or changes in operation structure, compliance standards and OH&S regulations, i.e. water and chemical storage and treatment being outsourced

- Increased cost of labour to service specialty equipment, including programming for newer type products, as well as modification to ensure compatibility to advancements in equipment
- Greater costs for more works completed at night to ensure centres are not impacted or shut down during normal opening times which may inconvenience customers

FINANCIAL IMPLICATIONS

In line with Council’s Contract Variation Delegation Rules, Council must approve variations to Council Approved Contracts that do not meet the definition of Exception Circumstances and where the variation is greater than 10% of the awarded sum including approved contingency, or greater than \$100,000 of the awarded sum including approved contingency.

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

Contract 2021090A Provision of Pool Plant Maintenance Services (Asset Condition Assessment)

Spend Information	Value ex GST	Value incl GST
a. Fixed Lump Sum Contract 2021090A (Total Contract Value)	\$10,500	\$11,550
b. Approved Contingency	N/A	N/A
c. Total Available Contract Funds (Current period)	\$5,994	\$6,593
d. Approved Contract Variations to date	N/A	N/A
e. Contingency Remaining (b less d)	N/A	N/A
f. Value of Contract Variations pending approval in this report	N/A	N/A
g. Additional Contingency required (f less e)	N/A	N/A
h. Total revised Contract 2021090B Routine Maintenance Services value, incl contingency (a plus d plus f)	\$10,500	\$11,550

Contract 2021090B Provision of Pool Plant Maintenance Services (Routine)

Spend Information	Value ex GST	Value incl GST
a. Fixed Lump Sum Contract 2021090B (Total Contract Value)	\$91,295	\$100,425
b. Approved Contingency	N/A	N/A
c. Total Available Contract Funds (Current period)	\$3,808	\$4,188
d. Approved Contract Variations to date	\$36,363	\$40,000
e. Contingency Remaining (b less d)	N/A	N/A

f. Value of Contract Variations pending approval in this report	\$55,000	\$60,500
g. Additional Contingency required (f less e)	N/A	N/A
h. Total revised Contract 2021090B Routine Maintenance Services value, incl contingency (a plus d plus f)	\$182,658	\$200,925

Contract 2021090C Provision of Pool Plant Maintenance Services (Reactive)

Spend Information	Value ex GST	Value incl GST
a. Fixed Lump Sum Contract 2021090C (Total Contract Value)	\$360,000	\$396,000
b. Approved Contingency	N/A	N/A
c. Total Available Contract Funds (Current period)	\$62,094	\$68,303
d. Approved Contract Variations to date	\$140,909	\$155,000
e. Contingency Remaining (b less d)	N/A	N/A
f. Value of Contract Variations pending approval in this report	\$40,000	\$44,000
g. Additional Contingency required (f less e)	N/A	N/A
h. Total revised Contract 2021090C Reactive Maintenance Services value, including contingency (a plus d plus f)	\$540,909	\$595,000

*subject to CPI adjustments

Contract 2021090D Quoted works - Provision of Pool Plant Maintenance Services

Spend Information	Value ex GST	Value incl GST
a. Fixed Lump Sum Contract 2021090D Quoted Works (Total Contract Value)	\$818,182	\$900,000
b. Approved Contingency	N/A	N/A
c. Total Available Contract Funds (Current period)	\$1,738	\$1,911
d. Approved Contract Variations to date	\$209,090	\$230,000
e. Contingency Remaining (b less d)	N/A	N/A
f. Value of Contract Variations pending approval in this report	\$105,000	\$115,000
g. Additional Contingency required (f less e)	N/A	N/A
h. Total revised Contract 2021090D Quoted Works value, including contingency (a plus d plus f)	\$1,132,272	\$1,245,000

*subject to CPI adjustments



CONCLUSION

That Council approves the recommendations contained within this report.

ATTACHMENT LIST

1. 2021090 Council Recommendation Report PUBLIC [7.4.1.1 - 4 pages]

5.4 TENDER FOR PROVISION OF POOL PLANT MAINTENANCE SERVICES
(2021090: RM)

Responsible Senior Officer: Jarrod Doake, Chief Operating Officer

RECOMMENDATION*

That Council:

1. *Awards the tender from Roejen Services Pty Ltd for the following Provision of Pool Plant Maintenance Services, Contract No. 2021090:*
 - a. *Category A: Asset Condition Assessment, for a fixed Lump Sum of \$1,925 per annum and a total estimated contract value of \$12,143 inclusive of all available extension options*;*
 - b. *Category B & C: Regular programmed inspection and maintenance of plant and equipment, for a fixed Lump Sum of \$16,737.60 per annum, and an estimated Schedule of Rates spend of \$66,000 per annum for reactive works, and an estimated total contract value of \$416,336 inclusive of all available extension options*;*
 - c. *Category D: Quoted Works, for a schedule of rates based contract with an estimated annual contract value of \$150,000 and an estimated total contract value of \$946,218 inclusive of all available extension options*.*

2. *Authorises the Chief Executive Officer to execute the contract agreement;*

3. *Notes that the:-*
 - a. *Services for this contract will commence October 1, 2021 with an initial term of two (2) years and the contract has two separate extension options of two (2) years each, and authorises the Chief Executive Officer to approve extension options subject to satisfactory performance.*

4. *Notes that the total allocated budget for year one available for this contract including the fixed Lump Sum and contingencies is \$ 238,513.*

**Assuming an annual CPI increase of 2%*

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

INTRODUCTION

Council has conducted a tender for Provision of Pool Plant Maintenance Services.

BACKGROUND

Council officers are seeking to appoint a supplier to provide Pool Plant Maintenance Services to three Council-operated Aquatics facilities, including Monash Aquatic and Recreation Centre, Clayton Aquatic and Community Centre and Oakleigh Recreation Centre. The services are required to fulfil Council's legislative obligations in accordance with the Public Health and Wellbeing Act and Regulations. The facilities are operated and maintained by Council and used by various community groups to provide swimming lessons and aquatic leisure activities for the community.

Monash is seeking to form a relationship with suitably qualified and experienced suppliers to manage and deliver Pool Plant Maintenance to nominated facilities. The suppliers are required to maintain the equipment to meet Council's objectives in providing safe and accessible facilities for users.

Council has divided the services into the following four major categories:

Service Group	Work Required	Form of Contract
Category A. Triennial Equipment audit, condition assessment and renewal costing	Fixed Price Routine	Routine and Reactive
Category B. Routine Services - Regular programmed inspection, testing and maintenance.	Fixed Price Routine & Reactive	Routine and Reactive
Category C. Reactive Maintenance.	Reactive Maintenance	Routine and Reactive
Category D. Quoted Works	Quoted programmed Works and Major Maintenance	Routine and Reactive

NOTIFICATION

A public notice was placed in The Age newspaper on 24 April 2021 and the tender closed on 19 May 2021.

TENDERS RECEIVED

Four (4) tender submissions were received by the appointed closing time. The tenders received are listed below:

Tenderer
Commercial Aquatics Australia Pty Ltd
Mechanical Plumbing Services Pty Ltd
Poolside Plumbing Services
Roejen 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.

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
Completed and signed returnable schedules	<i>Pass/Fail</i>
OHS Quality Systems	<i>Pass/Fail</i>
Mandatory Insurances	<i>Pass/Fail</i>
Conforming Tender	<i>Pass/Fail</i>
Participation in the Mandatory pretender brief	<i>Pass/Fail</i>

Table 2	Key Selection Criteria	Criteria Weightings
Qualitative Criteria	Capacity and Capability	25%
	Project Timelines	5%
	Sustainability (Mandatory)	10%
Quantitative Criteria	Price (Mandatory)	60%

DISCUSSION

The following information supports the evaluation panel’s recommendations.

Reference checks were undertaken on the highest ranking tenderer for further consideration. Roejen Services Pty Ltd were highly commended by organisations and other local government authorities contacted.

For these services, the panel confirms that only one supplier is required to satisfy Council’s service needs. The final evaluation (including price and non-price evaluation criteria) ranked the following four suppliers the highest.

Tenderer	Rank	Total Weighted Score
Roejen Services Pty Ltd	1	89%
Commercial Aquatics Australia Pty Ltd	2	84%
Mechanical Plumbing Services Pty Ltd	3	56%
Poolside Plumbing Services	4	55%

As such, the evaluation panel recommends Roejen Services Pty Ltd as representing the best value outcome for Council.

FINANCIAL IMPLICATIONS

The total estimated expenditure for the first year of the contract is \$234,662.60 and an estimated total contract value of \$1,480,280.07 inclusive of all available extension options (including CPI of 2%).

The 2021/22 Operating Budget makes provision for an allocated budget toward this contract as follows.

Budget Account	Contract allocation (excluding GST)
MARC Services (527)	\$100,000
CAHC Services (528)	\$70,000
ORC Services (529)	\$ 68,513

CONCLUSION

That Council approves the recommendations contained within this report.