

#### 4.1 TENDER FOR WHEELERS HILL LIBRARY AND MGA AIR CONDITIONING UPGRADE (CF2019042: TB)

Responsible Director: Ossie Martinz

##### **RECOMMENDATION**

*That Council:*

- 1. Awards the tender from Inter-Chillers Pty Ltd for the supply, installation and commissioning of the new air handling units upgrade at the Wheelers Hill Library and Monash Gallery of Art, Contract No. 2019042 for a fixed Lump Sum of \$485,320 with an extra \$24,266 for Contingencies.*
- 2. Authorises the Chief Executive Officer to execute the contract agreement.*
- 3. Notes that the total budget including the fixed Lump Sum, Contingencies, Consultant and Project Management fees is \$534,046.*

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

##### **INTRODUCTION**

Council has conducted a tender for the replacement of the existing air handling units and associated componentry of the air conditioning system at the Monash Gallery of Art (MGA) and the Wheelers Hill Library.

##### **BACKGROUND**

The existing air handling units and coils are 20 years old and were deemed to be at the 'end of life cycle' in regard to ongoing maintenance servicing and costs, therefore replacement of the units was scheduled. Another factor in the replacement of the units was the existing air conditioning units serving the library use refrigerant type R22 which is being phased out across the air conditioning and refrigeration industry in accordance with Australia's obligation to the Montreal Protocol on Substances that Deplete the Ozone Layer. The continued use of R22 presents a risk to the Monash Council. The ongoing reduction in imports is resulting in reduced availability and an elevated cost for this refrigerant, where obtainable. Availability of the refrigerant is now highly constrained as the import quota reduces to its lowest level. The air conditioning units are to be replaced with new energy efficient and ozone friendly R134A gas units.

The new air handling and coil units will meet current Australian Standards and be capable of interfacing with the new upgraded Building Management System (BMS) to be installed as part of the works.

Council engaged the services of a specialist mechanical consultant to design the system upgrade that is able to be retro fitted into the facility.

The scope of works has made provision for the installation of:

- New air handling units.
- New fan coil units.
- New switchgear.
- New digital controllers compatible with new switchgear.
- New Building Management System (BMS) upgrade.
- The opportunity to also incorporate a number of maintenance activities as part of the works including painting and duct cleaning.

Although not initially included in the scope of the project, the Monash Gallery of Art air conditioning units, and costing approximately \$80k, were included as part of the contract. The Monash Gallery of Art is exhibiting works on loan from the National Gallery of Victoria and has changed its operating process, as NGV has very strict requirements for temperature control in relation to the works it loans out.

### ***NOTIFICATION***

A public notice was placed in The Age newspaper on 12 January 2019 and the tender closed on 1 February 2019.

### ***TENDERS RECEIVED***

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

- Air Engineers Pty Ltd
- Inter-Chillers Pty Ltd
- IRS International Pty Ltd
- Renown Services

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.

One (1) submission was deemed non-conforming and this submission was not evaluated further.

### ***TENDER EVALUATION***

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

**Evaluation Criteria:**

The remaining conforming tenders were assessed in accordance with the evaluation criteria published in the tender documentation: *(Note: Financial Viability may be treated as either a weighted percentage or pass/fail)*

Key	Key Evaluation Criteria	Weighting (%)
Non-Price (40%)	<i>Relevant Experience</i>	10%
	<i>Time Performance</i>	10%
	<i>Track Record</i>	10%
	<i>Sustainability, Environmental Initiatives</i>	10%
Price (60%)	<i>Tender Price</i>	60%
	<b>Total</b>	<b>100%</b>
<i>Mandatory Items</i>	<i>Occupational Health &amp; Safety Conformity with Tender Documents</i>	<i>Pass/Fail</i>

**DISCUSSION**

The following information supports the evaluation panel's recommendations.

Tenderers were contacted seeking clarification on various items contained within their submissions during the tender evaluation. Reference checks were conducted regarding the quality and type of work being undertaken with referees.

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

**FINANCIAL IMPLICATIONS**

The 2018/19 Capital Works Program has allocated funding of \$530,000 (GST Exclusive) for the Heating and Air Conditioning – Replacement of R22 Refrigerant Program (B319.000).

Anticipated total Project expenditure:

Project Budget	Ex GST	Incl GST
B319.000	\$530,000	\$583,000
<b>Tender Submission</b>		
Inter-Chillers Pty Ltd Submission	\$441,200	\$485,320
Project Contingency	\$22,060	\$24,266
Consultants	\$9,000	\$9,900
Project Management fees	\$13,236	\$14,560
<b>Total Project Cost</b>	<b>\$485,496</b>	<b>\$534,046</b>

**CONCLUSION**

That Council approves the recommendations contained within this report.