

**ITEM 7. EXEMPTION FROM TENDER - ALEXANDRA CANAL DEPOT -
EXTENSION OF SERVICES FOR TECHNICAL SERVICES CO-
ORDINATOR**

FILE NO: S121404

SUMMARY

A Technical Services Co-ordinator has been engaged by the City to provide advice in relation to the technical elements of the construction of the new Alexandra Canal Depot.

Technical advice is required for building services, upgrade and relocation of existing Fleet Services plant and equipment, commissioning and maintenance planning, and asset management information review.

Construction and commissioning is forecast to run longer than originally contracted due to the inclusion of additional scope associated with on-site generation of electricity (installation of solar panels) and mass electricity storage equipment (installation of a 500 kilowatt battery in partnership with TransGrid), along with the requirement for green star certificate rating.

This report seeks exemption from tender to extend the existing Technical Services Co-ordinator services contract due to the extended construction and commissioning program required to complete the project.

RECOMMENDATION

It is resolved that:

- (A) Council approve an exemption from tender, in accordance with section 55(3)(i) of the Local Government Act 1993, for the contracts for the Technical Services Co-ordinator services, noting that due to extenuating circumstances, a satisfactory result would not be achieved by inviting tenders;
- (B) authority be delegated to the Chief Executive Officer to execute and administer the extension of services for technical services co-ordinator for Alexandra Canal Depot;
- (C) Council note the reasons why a satisfactory outcome would not be achieved by inviting tenders are:
 - (i) a Contractor for the Technical Services Co-ordinator services has already been appointed in accordance with the City's procurement processes; and
 - (ii) the additional cost required to establish another Technical Services Co-ordinator contractor on site is not considered value for money. If the work were separately contracted, it is not considered that better value for money or suitable timeframes would be achieved for Council; and
- (D) Council note the financial and contractual implications detailed in confidential Attachment A to the subject report.

ATTACHMENTS

Attachment A: Financial and Contractual Implications (Confidential)

(As Attachment A is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. The City is constructing a new Depot at 67C – 67I Bourke Road, Alexandria to accommodate Cleansing, Infrastructure Maintenance, Fleet Services and Common Services functions.
2. Although the construction is based on a high bay warehouse type design, there is detailed fit-out to facilitate the functions of the different service units to be located within the depot. A substantial number of items of plant will be upgraded to current standards and relocated from the Fleet Services workshop at Epsom Road Depot into the new depot.
3. In early 2014, the City engaged Intellect Solutions to undertake the review of the depot facilities requirements as part of the reference brief for the Alexandra Canal Depot. A separate contract was further established for the review of the Plant and Equipment, Spatial requirements, and Services & Air Management Systems requirements for the depot facilities for the Alexandra Canal Depot.
4. In November 2015, the City engaged Intellect Solutions for the services of a Technical Services Co-ordinator to provide advice in relation to the technical services and elements for the design and construction contract of the new Alexandra Canal Depot. The consultant provided experience and depth of knowledge in the delivery of the services required to ensure a coordinated approach in the detailed and complex delivery of the integrated depot site.
5. Technical advice is required for building services, upgrade and relocation of existing Fleet Services plant and equipment, commissioning and maintenance planning and asset management information review. The building and building services will be designed and integrated to achieve the City's Green Star environmental target. The building services will be monitored and managed by means of a Building Management and Control System. An independent commissioning consultant is a requirement for Green Star certification for the new depot.
6. Construction commenced under a design and construct contract in September 2015. The Client Technical Services Co-ordinator has undertaken the plant and equipment review and services reviews, holding workshops with the contractor from commencement of the construction contract.
7. The project is complex and the construction period has been extended due to inclusion of additional on-site generation of electricity and mass storage, and the requirement for Green Star certificate rating. This, along with inclement weather and some latent conditions, has extended the construction and commissioning services period required for the Client Technical Services Co-ordinator.
8. The initial contract for the Client Technical Services Co-ordinator will conclude at a critical time before the completion of construction, and the service therefore needs to be extended. It is considered essential to retain the continuity of these services during the commissioning period.

FINANCIAL IMPLICATIONS

9. There are sufficient funds within the project's current year capital budget and future year capital budget forward estimates for these additional services.

RELEVANT LEGISLATION

10. This exemption from tender is in accordance with Section 55 of the Local Government Act 1993.
11. In accordance with Section 55 of the Local Government Act 1993, exemption from tender is required due to extenuating circumstances. Extenuating circumstances exist on this project for the following reasons:
 - (a) a Contractor for the Client Technical Services Co-ordinator services has already been appointed in accordance with the City's procurement processes; and
 - (b) the additional cost required to establish a new Client Technical Services Co-ordinator on site is not considered value for money. If the work were separately contracted, it is not considered that better value for money or suitable timeframes would be achieved for Council. It would take a new company a significant amount of time to familiarise itself with the project, and a better value for money outcome can be achieved by extending the existing contract to the completion of construction and commissioning.
12. Attachment A contains confidential commercial information of the contractor and details of Council's contracts and contingencies which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
13. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

CRITICAL DATES / TIME FRAMES

14. Program Key Milestones:
 - (a) Construction works commenced: May 2016; and
 - (b) Forecast Construction Work Completion October 2017.

OPTIONS

15. It will be essential for the commissioning of the various building services and relocated plant and equipment to operate reliably as soon as the new depot becomes operational because staff, once relocated from their existing depot, must have a proper base from which to work, and each of the three existing depots from which staff will be relocated have actions planned for them.

AMIT CHANAN

Director City Projects and Property

Graham Brideson, Project Manager