

Item 11.**Exemption from Tender - Maybanke Kindergarten Façade - Paint and Window Repair****File No: X010200****Summary**

This report seeks an exemption from tender for Maybanke Pre-School Façade, Paint and Window Repair.

The contract for works relating to the Maybanke Pre-School Façade, Paint and Window Repair was awarded following a Request for Quotation process. The façade of the property was in poor condition due to its age, requiring façade improvements, window repairs, sandstone restoration and restoration of the apex monument.

Works commenced on site in December 2017. Due to a review of the methodology by the engaged heritage consultant and additional advice from an engaged structural engineer, additional works are required to complete the restoration of the building's sandstone apex. The remaining original sandstone pieces have been identified by the sandstone installer and structural engineer as requiring replacement in the near future. As the scaffolding and contractor are already established on site, it is considered prudent to undertake these works now. This saves the contractor leaving the site and the site having to be re-established once the additional works are programmed. This will reduce the costs for the additional works and enable them to be undertaken as part of the current program of works.

The additional costs submitted for approval will take the total contract value including variations, in excess of \$150,000, including GST.

This report seeks approval for an exemption from tender to vary the contract with the existing contractor for Maybanke Pre-School Façade, Paint and Window Repair.

Recommendation

It is resolved that:

- (A) Council approve an exemption from tender to vary the contract with the existing contractor for Maybanke Pre-School Façade, Paint and Window Repairs;
- (B) Council note that because of extenuating circumstances a satisfactory result would not be achieved by inviting tenders for the additional works to the Maybanke Pre-School Façade;
- (C) Council note the reasons why a satisfactory result would not be achieved by inviting tenders are:
 - (i) there is currently an engaged contractor on site with scaffolding in place. Ongoing hire of the existing scaffolding will be a significantly lower cost than removing and reinstating at a later date with an alternative contractor;
 - (ii) the contractor and sandstone sub-contractor have already supplied and installed a number of sandstone pieces on the building's apex. They have an understanding of the site and the requirements for the additional stones to be replaced, including the type of sandstone and profile for manufacture as specified by the heritage consultant;
 - (iii) completion of the remaining scope of works by the current contractor will allow works to be completed and risks associated with remaining stones will be mitigated significantly more quickly than completing a new tendering process; and
 - (iv) quoted prices have been reviewed against the original submissions and prices supplied by other bidders, and the extension of the original contract has been determined to represent good value for money; and
- (D) authority be delegated to the Chief Executive Officer to negotiate and execute the variation to the contract for Maybanke Pre-School Façade, Paint and Window Repair.

Attachments

Attachment A. Maybanke RFQ Evaluation Summary (Confidential)

Background

1. The Maybanke property is located on Harris Street Pyrmont. It is a heritage property circa 1870s and is currently tenanted by a pre-school. The façade of the property was in poor condition due to its age, requiring façade improvements, window repairs, sandstone restoration and restoration of the apex monument.
2. Scope of works was defined by an engaged heritage consultant through a Heritage Impact Statement. On site establishment, the heritage consultant revised a number of their recommendations which resulted in scope increase to include removal of façade paint and repainting of all brickwork.
3. The original scope of works required that only the missing pieces of sandstone should be replaced. After the scaffolding was established, a closer inspection was undertaken by the heritage consultant that recommended a number of existing pieces were of sufficiently poor condition that they should be replaced. The other pieces to be retained would require a process of lime washing to improve their durability and longevity.
4. Following manufacture and delivery of the sandstone pieces for installation, the installing sandstone contractor commented on the remaining pieces that had been undergoing the lime wash treatment as instructed by the heritage consultant. The age and level of deterioration was identified as requiring action.
5. A structural engineer was engaged to inspect and provide recommendations on the condition of the stones. The recommendations detailed a management strategy that would require short term works to be undertaken immediately, and medium term works to be completed requiring replacement of the stones within the next two to five years.
6. It has been determined that the best option from a safety risk management and value for money perspective is to replace all remaining pieces of sandstone immediately, while the current contractor is established at site.

Invitation to Tender

7. Original contractor engagement was run through a Request for Quotation process. A total of five organisations were invited to provide submissions.

Tender Submissions

8. Four submissions were received from the following organisations:
 - Matrix Group Co Pty Ltd;
 - MSS Group;
 - Smith Zak Constructions Pty Ltd; and
 - Sullivans Constructions.
9. No late submissions were received.

Tender Evaluation

10. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
11. The relative ranking of tenders as determined from the total weighted score is provided in Attachment A - Tender Evaluation Summary (Confidential).
12. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) previous experience with projects of a similar nature;
 - (b) specified personnel and sub-contractors;
 - (c) proposed program;
 - (d) proposed methodology, materials and environmental management;
 - (e) Work, Health and Safety (WHS); and
 - (f) financial and commercial trading integrity, including insurances.

Performance Measurement

13. Key objectives/ deliverables (as set out in the specification) are quality of work, time, reporting, communication, and WHS compliance.

Financial Implications

14. There are sufficient funds allocated for this project within the current year's capital works budget.
15. Dollar amounts stated in this report are inclusive of GST.

Relevant Legislation

16. The quotation was conducted in accordance with the City's Procurement and Contract Management Policy.
17. Attachment A contains confidential commercial information of the contractor and details of Council's quotation evaluation 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.

Critical Dates / Time Frames

18. The site is currently established with scaffolding in place. Approval of the additional works will allow the orders to be placed for the additional sandstone pieces. A four week lead time has been given for supply, with an additional week for installation.
19. It is expected that works will be completed by end of May 2018.
20. If the decision is deferred, the scaffolding will remain in place and accrue additional costs for the City and delay project completion further.
21. If the decision is not approved, the City would incur additional costs of re-establishing scaffolding at a later stage.

Options

22. If the additional works do not proceed now, the works will be required to be undertaken within the next two to five years as per the recommendation of the structural engineer's report.
23. Immediate replacement will eliminate any potential safety risks associated with the ageing stones. The ongoing treatment strategy will cost more in the long term than the costs for immediate replacement and will result in ongoing interruptions to the operations of the pre-school.
24. On assessment, it is considered that immediate replacement provides the best result for the City from a risk management and value for money perspective.

Public Consultation

25. All relevant tenants and stakeholders are being provided with regular weekly updates on the projects status and progress. Further information will be provided to the tenants, through the Property Manager, regarding the works recommended in this report.

AMIT CHANAN

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Glenn Merry, Project Manager