

## Management report to Council

Agenda item 6.7

### Procurement of Principal Consultant for Lady Huntingfield Integrated Childcare and Family Services Redevelopment (Contract 8605A)

Council

Presenter: Prof. Rob Adams, Director City Design and Projects

31 July 2018

#### Purpose and background

1. The purpose of this report is to seek Council approval to award Contract 8605A for the redevelopment of Lady Huntingfield Integrated Childcare and Family Services.
2. The redevelopment of the Lady Huntingfield Integrated Services and Hotham Hub Childcare Services was endorsed by Council on 22 March 2016.

#### Key issues

3. The Tender Evaluation Panel (TEP) comprised representatives from management and an independent consultant (refer Attachment 1).
4. The pre-tender estimate completed by the cost planning consultant Turner and Townsend was forecasted at \$8.7 million plus GST.
5. The Capital Works Programme has a total budget of \$11.7 million, inclusive of \$1.6 million in external funding from the Department of Education for the redevelopment.
6. Six consultants were invited from the Victorian Government's Construction Suppliers Register as part of a select tender process which closed on 30 May 2018. Five tender responses were received.
7. Price variations amongst the top four tenderers were closely spaced providing a good indication of the current market rate.
8. Having reviewed the tenders the TEP concluded that the lowest tenderer was non-compliant.
9. The TEP conducted interviews with three shortlisted tenderers and site visits were made to at least one completed building and one construction site per tenderer interviewed.
10. Building Engineering Pty Ltd has extensive experience in a wide range of building projects of this size, the staff and resources available to meet critical project timelines and the quality requirements commensurate with a project of this scale.
11. Following the cost analysis it is considered Building Engineering Pty Ltd submitted the best offer and be awarded Contract 8605A.

#### Recommendation from management

12. That Council awards Contract 8605A for Lady Huntingfield Integrated Childcare and Family Services Redevelopment to Building Engineering Pty Ltd commencing in August 2018 for a contract sum of \$9,032,000 plus GST and otherwise in accordance with the negotiated terms and conditions of contract.

#### Attachment:

1. Supporting Attachment (page 2 of 3)

**Supporting Attachment**

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**Legal**

1. Pursuant to section 186 of the *Local Government Act 1989* (Act), before a Council enters into a contract for the provision of works to the value of \$200,000 or more (levels increased by Order in Council dated 7 August 2008), the Council must give public notice of the purpose of the contract and invite tenders from persons wishing to undertake the contract.
2. In this case the procurement has been conducted via a select tender from the State Government of Victoria Construction Supply Register on the basis of an exemption from the Minister for Local Government from the requirement to call a public tender under the Act.

**Finance**

3. These works are to be funded through budget 16B4504N in the current Capital Works Programme with a total budget of \$11.7 million, inclusive of \$1.6 million in external funding from the Department of Education.

**Procurement**

4. The tender accords with the Centre Led Procurement Policy and Procedures and any other relevant procurement comment.

**Tender evaluation summary**

5. The membership of the tender evaluation panel was as follows.

Title and/or company	Generalist or Nominated Speciality	Full / Advisory Member
Senior Project Manager	Generalist (Chair)	Full
Principal Architect	Generalist	Full
Senior Project Architect	Generalist	Full
External Project Manager representing Community Services	Generalist	Full
Procurement Governance Coordinator	Generalist	Advisory
Turner and Townsend, external representative	Speciality	Advisory

6. The summary of the final scoring is shown below:

<b>Summary of final scoring</b>				
<b>Company</b>	<b>Price</b>	<b>Financial score</b>	<b>Non-financial score</b>	<b>Total score</b>
<b>Building Engineering</b>	<b>\$9,032,000</b>	<b>52.36</b>	<b>30.00</b>	<b>82.36</b>
Tenderer A	\$9,165,130	51.60	30.00	81.60
Tenderer B	\$9,306,970	50.82	28.00	78.82
Tenderer C	\$9,445,721	50.07	26.00	76.07
Tenderer D	\$7,882,420	60.00	16.00	76.00

**Conflict of interest**

7. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

**Stakeholder consultation**

8. Due to the confidential nature of the procurement, no external consultation was conducted.

**Relation to Council policy**

9. The Lady Huntingfield Integrated Childcare and Family Services Redevelopment is consistent with the 2017-2018 Annual Plan Initiative 2.1.

**Environmental sustainability**

10. This project is aligned with the Council's commitment to support the Victorian State Government's proposal for a new climate change legislation which will set a target of net zero emissions by 2050 for Victoria.

11. Key environmental design strategies were adopted in the design of Lady Huntingfield Redevelopment. It has been designed to harness renewable energy sources through use of ground heat exchanger, sub floor rock pile thermal energy storage and solar photovoltaics. It includes a light weight, highly insulated building envelope combined with natural ventilation enabling measures such as motorised double glazed louvres, thermal chimneys and large ceiling mounted fans.