



14.3 AWARD OF PANEL OF CONTRACTORS TO PROVIDE PLUMBING AND GASFITTING SERVICES

EXECUTIVE MEMBER: CHRIS CARROLL, GENERAL MANAGER, CUSTOMER, OPERATIONS AND INFRASTRUCTURE

PREPARED BY: LACHLAN JOHNSON, EXECUTIVE MANAGER CONSTRUCTION, CONTRACTS AND OPERATIONS

DONNA D'ALESSANDRO, MANAGER MAINTENANCE & OPERATIONS

JIM MACLEAN, COORDINATOR BUILDING MAINTENANCE

1. PURPOSE

1.1 To seek Council's approval to enter into Contract 000029 – Plumbing and Gasfitting Services Panel with DJ Murphy Plumbing Services and Peck Plumbing Pty Ltd.

2. EXECUTIVE SUMMARY

2.1 The previous contract for Plumbing and Gasfitting Services Panel expired 12 January 2021, however, an extension was approved to extend the existing contract to allow the current tender evaluation process to be completed. The new contract is proposed to run for a three-year term with no extension options until 9 May 2024.

2.2 This contract will provide scheduled and reactive plumbing and gasfitting services across Council's assets. Scheduled plumbing and gasfitting maintenance ensures statutory regulations and standards are met, while providing a safe and welcoming environment for our community.

2.3 The estimated contract value is \$3,000,000 exclusive of GST for the full three year term. The contract sum is calculated on a schedule of labour rates and projected plant and materials costs based on historical spend on the service.

3. RECOMMENDATION

That Council:

3.1 Enters into Contract 000029 Plumbing and Gasfitting Services Panel with DJ Murphy Plumbing Services and Peck Plumbing Pty Ltd for a three-year period commencing 10 May 2021.

3.2 Affixes the common Seal of The Port Phillip City Council to Contract 000029 between Council and DJ Murphy Plumbing Services and Peck Plumbing Pty Ltd

4. KEY POINTS/ISSUES

4.1 In accordance with the provisions of the Local Government Act 2020, a public procurement process has been conducted for the proposed service. The tender was advertised in the Age 17 October 2020 and closed on 6 November 2020

4.2 The proposed panel contract is for a three-year term with no extension options commencing on 10 May 2021.

4.3 The composition of the Tender Evaluation (TEP) is set out in Table 1.



TABLE 1: COMPOSITION OF TEP	
Name	Title
Jim Maclean (Chair)	Coordinator Building Maintenance
Nick Dunstan	Coordinator Service Transformation
Jeanene Simmons	Contracts & Procurement Advisor
Titus Bodikala	Senior Building Maintenance Officer
Kimberley Harrison	Property and Assets Portfolio Manager
COMPOSITION OF TECHNICAL REFERENCE GROUP	
Name	Title
Anne Dalton	External Probity Advisor

- 4.4 All TEP members signed the standard form indicating they had no conflict of interest to declare and would keep the tender information confidential.
- 4.5 The evaluation criteria and weightings are detailed in Table 2:

TABLE 2: TENDER EVALUATION CRITERIA	
Filter Criteria	Pass/fail
OHS Management system to AS/NZS ISO 45001 or equivalent	
Criteria	% Weighting
Price	40
Capacity to meet the requirements of the specification	20
Relevant experience and track record	20
Environmental Management	10
Corporate Social Responsibility <ul style="list-style-type: none"> • Environmental Sustainability • Social Responsibility 	10

- 4.6 Council received a total of 13 submissions in response to the tender. Financial details are shown in Table 3:
- 4.7 All tender submissions were confirming and were forwarded for consideration.



TABLE 3: (PRE-BAFO PRICES)		
NO.	Tenderer's Name	
1	Tenderer A	\$2,213,789,40
2	Tender B	\$1,596,900.00
3	DJ Murphy Plumbing Services	\$881,892.00
4	Tenderer D	\$1,230,158.68
5	Tenderer E	\$1,193,524.20
6	Tenderer F	\$1,528,692.00
7	Tenderer G	\$1,098,556.80
8	Tenderer H	\$1,991,100.00
9	Peck Plumbing Pty Ltd	\$734,910.00
10	Tenderer J	\$953,266.60
11	Tenderer K	\$1,452,528.00
12	Tenderer L	\$1,308,186.00
13	Tenderer M	\$1,348,644.00

4.8 The TEP assessed the tender submissions against the evaluation criteria. A summary of the results are presented in Table 4:

TABLE 4: WEIGHTED SCORE		
NO.	Tenderer's Name	
1	Tenderer A	482.79
2	Tenderer B	614.08
3	DJ Murphy Plumbing Services	793.33
4	Tenderer D	598.96
5	Tenderer E	666.30
6	Tenderer F	662.30
7	Tenderer G	687.59
8	Tenderer H	367.64



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9	Peck Plumbing Pty Ltd	860.00
10	Tenderer J	638.38
11	Tenderer K	542.38
12	Tenderer L	594.71
13	Tenderer M	587.97

- 4.9 Following the initial evaluation, the TEP shortlisted the top three scoring tenderers to proceed to interview. Virtual interviews were held with tenderers DJ Murphy Plumbing Services, Peck Plumbing Pty Ltd and Tenderer G on 21 January 2021.

Following the interviews, the TEP invited the shortlisted tenderers to submit a Best and Final Offer (BAFO) on 21 January 2021. Tenderer G made minor changes to their hourly rate with a price decrease of approximately \$5k. DJ Murphy Plumbing Services had no change to their submission. Peck Plumbing Services Pty Ltd also advised that there would be no change to their submitted pricing.

- 4.10 Adjusted final weighted scores after the Best and Final Offers (BAFO) are shown in Table 5:

TABLE 5 : FINAL WEIGHTED SCORE		
NO.	Tenderer's Name	
1	Tenderer A	482.79
2	Tenderer B	614.08
3	DJ Murphy Plumbing Services	793.33
4	Tenderer D	598.96
5	Tenderer E	666.30
6	Tenderer F	662.30
7	Tenderer G	688.81
8	Tenderer H	367.64
9	Peck Plumbing Pty Ltd	860.00
10	Tenderer J	638.38
11	Tenderer K	542.38
12	Tenderer L	594.71
13	Tenderer M	587.97



- 4.11 The TEP then discussed the pre and post interview scores for Tenderer G, DJ Murphy Plumbing Services and Peck Plumbing Pty Ltd. The TEP agreed that all tenderers had confirmed their experience and capability at interview and any adjustment to the scores was not required.
- 4.12 In terms of social impact, both tenderers outlined a commitment to social employment with CSR strategies aimed at providing local job opportunities, given both companies are based locally, and will be able to purchase their equipment from local suppliers. In addition, one company has two apprentices on their team, with one 1st year and one 3rd year apprentices, both live locally. The company has committed that when any replacement of apprenticeship employment, will be sourced locally, through local newspaper etc. The other company has also outlined a commitment to social employment and engaging with Indigenous employment groups. Both commitments from these tenderers will be monitored and reported during quarterly meetings with the Contract Manager.
- 4.13 Given the above points and the natural break between the top two tenderers and the rest of the field, it was agreed by the TEP that DJ Murphy Plumbing Services and Peck Plumbing Pty Ltd should be recommended for appointment to the Plumbing and Gasfitting Panel.
- 4.14 A financial evaluation was conducted on the two recommended tenderers through the Illion Tenderlink Commercial Portal. A standard Risk of Failure Report confirmed that both contractors have a low possibility of failure of the next 12 months.
- 4.15 Reference checks were also conducted on 3 February 2021 by a member of the TEP. Referee replies for both companies confirmed their credentials and experience to carry out the works required for this service.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Plumbing and Gasfitting Services in Council buildings ensures we meet our safety and compliance requirements and the building is fit for purpose for community and staff use.
- 5.2 Consultation was undertaken to ensure this service would help prolong the useful life of the asset and meet our general community group expectations.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 The provision of Plumbing and Gasfitting services is a key function of Council's commitment to maintaining its assets for the use of the community.
- 6.2 The tendering process for the Plumbing and Gasfitting Panel Contract is being overseen by an independent probity advisor.
- 6.3 The appointed contractors are required to hold insurance policies of \$20,000,000 public liability cover and \$5,000,000 professional indemnity insurance.
- 6.4 The appointed contractors will be required to adhere with ISO Certification standards for Occupational Health and Safety, Risk and Quality Assurance.

7. FINANCIAL IMPACT

- 7.1 The approved budget (excluding GST) for the Plumbing and Gasfitting Services Panel contract incorporates both allocated labour rates, projected plant and material cost based on historical data spend. The total projected contract spend over the three year term is \$3,000,000.00



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- 7.2 The execution of this panel contract will capitalise on Council's recent investment in the Customer Experience Program. This will enable scheduled and reactive works to be accurately tied to council assets. This will help to ensure appropriate investment spend across the vast asset portfolio.

8. ENVIRONMENTAL IMPACT

- 8.1 The service specifications for this contract have been structured to place requirements of contractors to limit impacts from their operations on the environment.
- 8.2 The evaluation process included an assessment of the submitter's response to the environmental questions in schedule seven of the tender both contractors have started third party accreditation processes while DJ Murphy Plumbing Services is a certified green plumber.
- 8.3 Both companies provided information on their corporate social responsibility with their commitment to local community and employment opportunities.

9. COMMUNITY IMPACT

- 9.1 Maintaining Council buildings and assets ensures a positive user experience.
- 9.2 Scheduled and reactive maintenance services help to incrementally uplift Council's building portfolio to ensure they remain fit for purpose.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 Service specifications for the contract and associated tender process have been developed to align within the following strategic direction as outlined in the Council Plan 2017-2027
- 10.2 Direction 3 – We have smart solutions for a sustainable future.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 It is recommended that Council awards the proposed Plumbing and Gasfitting Panel Contract to DJ Murphy Plumbing Services and Peck Plumbing Pty Ltd.

11.2 COMMUNICATION

- 11.2.1 Contract documentation will be prepared and forwarded to DJ Murphy Plumbing Services and Peck Plumbing for execution within 5 working days.

12. OFFICER DIRECT OR INDIRECT INTEREST

- 12.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

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ATTACHMENTS Nil