

ITEM 5

E1000255 - ILLAWARRA PERFORMING ARTS CENTRE (IPAC) - BUILDING WORKS -
OUTCOME OF PROCUREMENT PROCESS

The Illawarra Performing Arts Centre (IPAC) is a regional performing arts facility owned by Council and operated by Merrigong Theatre Company. Major refurbishment works are planned to occur in the first few months of the 2023 calendar year when bookings are low.

A tenderer awarded a significant component of the works withdrew their offer due to the current material volatility experienced across all supply chains in the construction industry.

On 6 June 2022, Council resolved not to re-tender for the contract because of extenuating circumstances and delegated to the General Manager, authority to enter a contract with the contractor selected following a formal quotation process, in accordance with Council's procurement policies and procedures (Minute No. 682). This report details the outcomes of the procurement process to engage a contractor for the building refurbishment works.

RECOMMENDATION

Council receive the report on the procurement process followed and note the engagement of Project Coordination (Australia) Pty Ltd for IPAC refurbishment works, in the sum of \$3,843,400.00, including GST.

REPORT AUTHORISATIONS

Report of: Glenn Whittaker, Manager Project Delivery

Authorised by: Joanne Page, Director Infrastructure + Works - Connectivity Assets + Liveable City

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

The Illawarra Performing Arts Centre (IPAC) is a regional performing arts facility, owned by Council and operated by the Merrigong Theatre Company, comprising three (3) versatile spaces. The IPAC plays host to a variety of events, from internationally renowned theatre, music and comedy to a wide range of community events.

The roof sheeting, flashings and penetrations of the IPAC are original and are located in a corrosive environment with large sections showing significant corrosion. The roof area has reached end of life requiring replacement and forms a significant part of the refurbishment costs. Internal inspection of the IPAC facility has established a degree of general wear and tear of high use patron facilities, notably in the IMB and Bruce Gordon theatres. This internal refurbishment work is best carried out during a full shutdown of the facility. Council has now programmed to upgrade and internally refurbish the IPAC Building during the operational shutdown required for roof replacement for the benefit of facility patrons, show performers, users and tenants.

The scope of the refurbishment works includes.

- Removal and re-sheeting of the entire IPAC facility roof including installation of new box gutter system, flashings, penetrations, and lightning arrest system.
- Removal of redundant electrical (lighting fixtures), carpet and tiles.
- Refurbishment and/or replacement of existing features including doors, walls, ceilings, carpet, tile, lighting, and joinery.
- Installation and commissioning of a new hearing loop system to service the box office and IMB and Bruce Gordon theatres.
- Installation of new seating in IMB and Bruce Gordon theatres including replacement of existing wheelchair platform within the IMB theatre to ensure Disability Discrimination Act (DDA) compliance.
- Accessibility upgrade of existing female and male amenities servicing both theatres.

On 6 June 2022, Council resolved:

- “1. Pursuant to Section 55(3)(i) of the Local Government Act 1993, Council resolves not to re-tender for the contract (or contracts) because of extenuating circumstances due to the program time constraints for the replacement and / or renewal across several areas of the Illawarra Performing Arts Centre (IPAC) facility, including roof sheeting replacement, new theatre seating and carpets, foyer, bar area and toilet facility upgrades.*
- 2. Council delegate to the General Manager the authority to undertake and finalise a formal quotation process, in accordance with Council’s procurement policies and procedures with available contractors with demonstrated experience and ability to undertake the works with a view to enter a contract (or contracts) for these works.*
- 3. Council delegate to the General Manager authority to enter a contract (or contracts) with the contractor or contractors selected following the process outlined at 2 above.*
- 4. A report describing the outcome of the procurement process be submitted to the next available Council meeting following the successful engagement of contractor or contractors.”*

Following the Council resolution, responses were requested for this project by the selective quotation method with a close of quotations of 10:00 am on 26 July 2022.

Four (4) quotations were received by the close of quotations and all quotations were scrutinised and assessed by a Quotation Assessment Panel constituted in accordance with Council’s Procurement Policies and Procedures and comprising representatives of the Project Delivery, City Works and Governance and Customer Service Divisions.

The Quotation Assessment Panel assessed all quotations in accordance with the following assessment criteria and weightings as set out in the formal quotation documents:

Mandatory Criteria

- 1 Satisfactory references from referees for previous projects of similar size and scope.
- 2 Financial assessment acceptable to Council which demonstrates the tenderer’s financial capacity to undertake the works.
- 3 As a minimum, WHS Management Systems that comply with AS-NZS 4801:2001 or ISO 45001:2018 and is certified to either of these standards by a JAZ-ANZ accredited company OR WHS Management System accredited by an NSW Government Agency OR WHS Management System accredited by the Federal Safety Commission.

Assessable Criteria

- 1 Cost to Council – 35%
- 2 Appreciation of scope of works and design and construction methodology – 15%
- 3 Experience and satisfactory performance in undertaking projects of similar size, scope and risk profile including staff qualifications and experience – 20%
- 4 Proposed Sub-Contractors – 5%
- 5 Project Schedule, including shutdown – 10%
- 6 Demonstrated strengthening of local economic capacity – 10%
- 7 Workplace Health and Safety and Environmental Management systems – 5%

The mandatory assessment criteria have been met by the successful respondent.

The Quotation Evaluation Panel utilised a weighted scoring method for the evaluations of submissions which allocates a numerical score out of 5 in relation to the level of compliance offered by the quotations to each of the assessment criteria as specified in the quotation documentation. The method then takes into account pre-determined weightings for each of the assessment criteria which provides for a total

score out of 5 to be calculated for each submission. The response with the highest total score is considered to be the quotation that best meets the requirements of the procurement documentation in providing best value to Council. Table 1 below summarises the results of the quotation evaluation and the ranking of respondents.

TABLE 1 – QUOTATION EVALUATION SUMMARY TABLE

Name of Respondent	Ranking
Project Coordination (Australia) Pty Ltd	1
Grindley Interiors Pty Ltd	2
Innovatus Projects Pty Ltd	3
Momentum Built Pty Ltd	4

CONSULTATION AND COMMUNICATION

- 1 Members of the Quotation Assessment Panel
- 2 Nominated Referees

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2032 Goal 3 “Wollongong is a creative, vibrant City”. It specifically delivers on core business activities as detailed in the Infrastructure Delivery Program in 2022/23.

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the quotation process has fully complied with Council’s Procurement Policies and Procedures and the Local Government Act 1993.

The risk of the project works is considered medium based upon Council’s risk assessment matrix and appropriate risk management strategies will be implemented.

SUSTAINABILITY IMPLICATIONS

The following sustainability implications have been considered:

- Energy efficiency options are considered in the design.
- Sustainable procurement by providing quotations from companies who submitted a tender in the original open tender process to give local companies the opportunities to quote for the work.
- Weighting in quotation evaluation provided using local services, labour, and materials.
- Undertaking multiple projects within the one building during the shutdown period to minimise the impact to building occupiers and the general public.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Annual Plan –

2022/23 Capital Budget

CONCLUSION

Project Coordination (Australia) Pty Ltd was appointed on 22 August 2022 and will commence work on site on 19 December 2022. At the time of preparing this report procurement of long lead time supply items has commenced.

Council should endorse the recommendation to receive the report on the procurement process followed and note the outcomes achieved.