CM13.4. Heating Ventilation Air Conditioning (HVAC) Refurbishment Albury Entertainment Centre Contract No. 18/02189

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Purpose of Report

To recommend a preferred contractor for the construction of Heating, Ventilation and Air Conditioning (HVAC) Refurbishments to the Albury Entertainment Centre Theatre Wing.

Background

The Albury Entertainment Centre was opened in May 1964 as the Civic Theatre. Eight years later the Convention Centre was opened and named the Civic Hall. Albury City Council built the facility with a view to providing the local community with a cultural and entertainment hub in the heart of Albury's central business district. In the late 1980s the complex underwent a major refurbishment.

A further major capital upgrade of the venue was undertaken in 2010 to ensure the venue continued to adapt to the changing needs of both the local community and the convention and performing arts industries.

The Theatre Wing comprises:

- a professional performing arts theatre with tiered seating for 818; and
- a cocktail lounge (Chandelier Room).

The venue provides for a variety of events, including:

- concerts and live theatre;
- conventions and meetings;
- gala dinners;
- charity events; and
- exhibitions.

In 2013 – 2014 a specialist consultancy firm reviewed the air conditioning services and reported on the main issues and possible solutions. The present system is ageing technology and relatively inefficient compared to modern HVAC equipment and configurations. The system presently servicing the main auditorium is costly to run and has struggled to provide an appropriate level of comfort for patrons and performers during temperature extremes. This situation negatively affects the reputation of the facility, decreasing its ability to host high profile performers and events.

Albury City Council, as part of the works outlined in the review, have been progressively upgrading individual elements at this facility and the adjoining Convention Centre.

In 2017, Council commissioned Engineered Solutions for Building Sustainability Pty Ltd (ESBS) to carry out a comprehensive design solution to improve the efficiency and sustainability of the HVAC systems in the Theatre Wing of the AEC. ESBS prepared a design and specification for the site which involved upgrading the building HVAC capabilities by installing suitable chilled and hot water systems able to service the entire Theatre Wing.

The contract scope requires the refurbishment of the Theatre Wing's heating, ventilation and air conditioning system including upgrades to:

- the air handling systems;
- chilled water system;
- heating hot water systems;
- all associated electrical works including building management systems; and
- preparation and submission of shop drawings, as built drawings and maintenance manuals, air balancing and commissioning of plant.

To facilitate the delivery of this contract, the availability of the facility was identified as a risk and only limited venue bookings were permitted. The period in which the project is to be completed is 1 January 2019 to 30 April 2019.

Tenders were invited for Contract No. 18/02189 Construction of HVAC Refurbishments to the Albury Entertainment Centre (AEC) Theatre Wing in a lump sum format and were advertised in the Border Mail, Sydney Morning Herald and on Tenderlink, commencing on 2 October 2018. Tenders closed at 12 noon on Friday 26 October 2018.

Based on the scope of the contract, the designs, and investigation into similar upgrades and like facilities, a budget allocation of $660K (including GST) for the HVAC refurbishment has been included in the 2018/19 building capital budget.

Tender Assessment

The documents for the tender were downloaded by 22 companies. It was compulsory for vendors to attend a facility inspection. A total of four companies inspected the facility. Of the attending companies, all were mechanical services contractors.

At the close of tenders, submissions were received from the following companies:

- Red Airconditioning (Albury NSW);
- Takle Electrical (North Albury NSW);
- Hydrospec Pty Ltd (Wodonga Vic); and
- Schneider Electric Buildings Pty Ltd (Canberra ACT).

The submissions were evaluated in accordance with Council's Procurement Policy and Guidelines. The evaluation was undertaken in a three stage process beginning with a general conformity assessment followed by quantitative and qualitative assessments.

The general evaluation of the tenders was conducted by the contract assessment panel consisting of the AEC Venue Manager (Brendan Maher), Procurement and Contract Management Team Leader (Peter Hanes) and the Team Leader Landscape and Building (Stephen Chalmers).

The contract assessment panel was advised on the technical merits of the submissions by mechanical electrical engineering firm ESBS Pty Ltd, who prepared the design and specifications for the project.

Conformity Check

A conformity assessment was undertaken to ensure all submissions received were in accordance with the contract documentation and specification.

Company	Pricing Details	Supporting Information	WHS Documentation
Red Airconditioning	✓	✓	✓
Takle Electrical	✓	✓	✓
Hydrospec Pty Ltd	✓	✓	✓
Schneider Electric Buildings Pty Ltd	x	x	x

The submission from Schneider Electric Buildings Pty Ltd comprised a building management system and controls only with no HVAC component and therefore was not further considered for this contract.

All remaining tenderers provided the mandatory information that forms part of this contract and therefore all progressed to a quantitative and qualitative assessment.

Qualitative Assessment

A qualitative assessment considered a range of issues including:

- past performance – including referee checks and comments regarding similar projects;
- methodology/program – addresses all operational requirements of the contract including scheduling;
- capacity – appropriate resources to meet contract requirements;
- capability – experience of similar contracts, experienced staff, able to meet timeframes; and
- local benefit – community and social benefit included in the offer.

Company	Past Performance (25%)	Methodology/ Program (25%)	Capability (20%)	Capacity (20%)	Local Benefit (10%)	Total (100%)
Hydrospec Pty Ltd	20	18	14	16	7	75
Red Airconditioning	20	18	14	14	7	73
Takle Electrical	20	10	10	10	6	56

Hydrospec Pty Ltd is based in Wodonga and work in all aspects of the mechanical services field covering commercial heating, cooling and ventilation. Their staff include refrigeration technicians, gas fitters, mechanical plumbers and a design draftsman. Hydrospec Pty Ltd has undertaken similar projects for the Commercial Club Albury, the new Country Fire Authority building in Wodonga (Southern Cross Developers), Culcairn Hospital redevelopment (Zauner Construction) and Woolworths Wodonga and Speciality Shops. Hydrospec Pty Ltd rated highly in such areas as project methodology and capability, detailing experienced staff and sub-contractors. Referees rated them highly in areas such as organisation, scheduling, communication and WHS. Hydrospec Pty Ltd will source products and services locally and sponsor local sporting groups and organisations.

Red Airconditioning is based in Albury. They perform HVAC works including cooling, heating, mechanical services and refrigeration. They have carried out similar projects at Murray Art Museum Albury (Zauner Constructions), Manns Central Shopping Centre Wodonga (Joss Constructions), Albury Base Hospital (Albury Wodonga Health) and Albury Catheter Laboratory (Southern Cross Constructions). Red Airconditioning rated highly in areas such as methodology, capacity and capability. Referees rated them highly in such areas as project scheduling, WHS and communication. Red Airconditioning will source product and services locally where financially prudent and stated that they support local community groups through the provision of financial and in-kind support.

Takle Electrical is based in North Albury and provide electrical services including telecommunications installations, Level 2 electrical works, metering, commercial and industrial installations, high voltage installations, solar installations and thermal imaging. They have nominated Superior Systems Pty Ltd of Ballarat as their HVAC mechanical services partner. Takle Electrical is presently a contractor for AlburyCity but they are primarily utilised for electrical works. Takle Electrical rated highly in areas such as recent experience and familiarity with the site, but comparatively lower than other submissions in areas such as methodology (none provided) and capacity, being heavily reliant on external HVAC subcontractors. Local benefit was marginally lower as ducting and pipe work will be carried out in Ballarat. Takle Electrical employ locally and sponsor junior basketball, Riding for the Disabled and other sporting clubs. Referees rated them highly in such areas as scheduling, communication and WHS.

Quantitative Assessment

The total prices submitted by the vendors is tabulated below:

Vendor	Price (including GST)	Score (100)
Red Airconditioning	$880,550.00	100
Hydrospec Pty Ltd	$917,125.00	96
Takle Electrical	$1,061,995.00	83

From the table above, Red Airconditioning provided the lowest submission, being approximately $37K or 4% more favourable than Hydrospec Pty Ltd and $181K or 21% more favourable than Takle Electrical.

As can be seen from the table above, all submissions were above the budgeted figure of $660K (including GST). An assessment of the 2018/19 projects at the Albury Entertainment Centre has identified the ability to defer a less business critical project, being the Upgrade of the Theatre Profile

Lighting ($165K including GST) to facilitate the installation of the HVAC project. The remaining minor shortfall ($56K) can then be funded through savings from other projects within the budget.

Risk

- Business Risk – carrying out this project will lead to the Theatre Wing becoming more attractive to performers, staff and patrons, increasing its use and therefore its income.
- Corporate Risk – refurbishing the facility's HVAC systems will be advantageous to Council's reputation through positive reaction from performers, hirers, staff and visitors.
- WHS and Public Risk - refurbishing the facility's HVAC systems will enable the use of the Theatre Wing in times when the ambient temperature is outside of comfortable conditions and prevent harm to equipment, performers, patrons and staff. WHS risks due to the construction works will be controlled in accordance with AlburyCity procedures ie the contractor will be WHS registered by AlburyCity and will be required to implement relevant Safe Work Method Statements and safety inspections.
- Delivery Program Risk – delivering the project on time will prevent extra expense being incurred as any requirement to hire portable HVAC equipment to service the confirmed bookings in 2019 will be reduced.

Community Engagement

This project links in with Albury community expectations as its aims reflect responses to the 2018 Albury Community Satisfaction Survey where concerns such as long term planning for Albury, minimising energy use, promoting pride in the community, attracting sport, business and recreation events, increasing cultural opportunities and promoting AlburyCity events were listed as being of high importance to the City's residents. The project is designed to deliver an efficient heating and cooling system to the facility which will enable it to continue to attract world class entertainment for the region.

Summary

Company	Qualitative	Quantitative
Red Airconditioning	73	100
Hydrospec Pty Ltd	75	96
Takle Electrical	56	83

In the qualitative assessment, Hydrospec Pty Ltd rated the highest followed by Red Airconditioning and Takle Electrical. Both Red Airconditioning and Hydrospec Pty Ltd rated highly in such areas as relevant experience, methodology, capacity, capability and referees rated them highly in such areas as project scheduling, WHS and communication. Takle Electrical rated marginally lower in such areas as capacity and methodology.

In the quantitative assessment Red Airconditioning was the most favourable submission, being $37K or 4% more favourable than Hydrospec Pty Ltd and $181K or 21% more favourable than Takle Electrical.

Overall, these three companies were all assessed as having the capability, experience and resources to meet the specifications of the contract for the provision of HVAC refurbishment for the Theatre

Wing of the AEC. The submission from Red Airconditioning was assessed as providing the best overall value to AlburyCity as they have the proven experience, resources and capability to meet the requirements of the contract.

Conclusion

The contract scope requires the refurbishment of the Theatre Wing's heating, ventilation and air conditioning system including upgrades to the air handling systems, chilled water systems, hot water systems, all associated electrical works including building management systems, preparation and submission of shop drawings, as built drawings and maintenance manuals, air balancing and commissioning of plant.

Tenders were invited for Contract No. 18/02189 Construction of Heating, Ventilation and Air Conditioning Refurbishments to the Albury Entertainment Centre Theatre Wing in a lump sum format. Three complying submissions were received.

As a result of the tender evaluation process, it can be concluded that the tender from Red Airconditioning has sufficiently met all requirements stipulated in the specification. They have the required expertise, resources and experience, can complete the project to the required specification, and provided a cost effective submission to carry out the project. Any budget shortfall will be provided by deferring a non-critical project and minor budget adjustments as part of the December review.

Recommendation

That Council:

a. Accepts the tender provided by Red Airconditioning for Contract No. 18/02189 for the Construction of Heating, Ventilation and Air Conditioning Refurbishments to the Albury Entertainment Centre Theatre Wing for the lump sum of $880,550.00 (including GST).
b. Endorses the reallocation of $150K of funding from the Albury Entertainment Centre Theatre Profile Lights project to Replacement of Theatre HVAC at the Centre.