

7.4.3 2024099 - DORRINGTON CHILD & FAMILY HUB CONSTRUCTION

Responsible Manager:	Andrew Andonopoulos, Manager Capital Works
Responsible Director:	Amanda Sapolu, Acting Director City Services

RECOMMENDATION

That Council:

- 1. Awards the tender from 2Construct Pty Ltd for Dorrington Child and Family Hub Construction, Contract No. 2024099 for a fixed Lump Sum of \$6,273,850 with an extra \$605,000 for Contingencies;**
- 2. Authorises the Chief Executive Officer to execute the contract agreement;**
- 3. Notes that the contract is anticipated to commence on 20 December 2023 and the expected completion date is 20 December 2024;**
- 4. Approves additional funding of \$693,000 required for this project;**
- 5. Notes Council Officers will approach the Victorian School Building Authority to the seek an additional contribution towards this project; and**
- 6. Notes that the anticipated project expenditure including the fixed Lump Sum, Project Management/ Delivery Fees, Demolition costs and Architectural & Design Fees is \$7,018,000 with a further allocation of \$605,000 for Contingencies.**

(*Please note that all dollar figures are GST Inclusive unless stated otherwise).

INTRODUCTION

Council has conducted a tender for Dorrington Child and Family Hub Construction.

As part of its planning process for this tender, Council Officers considered its procurement options, including whether to go to market itself, participate in regional or sector collaboration or to access established contracts via other compliant Procurement agreements. The project has been specifically designed to the requirements and restrictions of the site and user groups as well as the VSBA grant funding guidelines and therefore the opportunity to share designs or installation with other Councils is not possible.

BACKGROUND

This project is part of the Building Blocks Partnership between the Victorian Government and the City of Monash. The State Government has committed financial support to Council by contributing up to \$13.3 million in grant funding for early childhood infrastructure over the course of the Three-Year-Old Kindergarten reform program through to 2029. This forward planning will help ensure that all children will have access to two years of funded Kindergarten from 2022 onwards.

Dorrington Child and Family hub is part of Council's commitment to improving the accessibility and quality of early childhood services and facilities in the City of Monash. Providing facilities to meet the future needs of the local community the hub will consist of services that will support the health and wellbeing of children and their families.

NOTIFICATION

Six (6) prequalified suppliers from the Department of Treasury and Finance Construction Supplier Register (CSR) were invited to participate in a selective Tender for this project on 1 November 2023 and the tender closed on 22 November 2023. Council's use of the CSR list is approved under Council's Procurement Policy.

TENDERS RECEIVED

Four (4) tender submissions were received by the appointed closing time.

The tenders received are listed below:

TENDERERS SUBMITTED	
1	2Construct Pty Ltd
2	Simbuilt Pty Ltd
3	Melbcon Pty Ltd
4	Circon Construction Pty Ltd

TENDER CONFORMANCE

All submissions were accessed for their compliance with the tender conditions including the contractual terms and conditions and the requirements of the response schedules.

All tender submissions were deemed conforming.

TENDER EVALUATION

All members of the evaluation panel signed Conflict of Interest and Confidentiality forms and no conflicts were raised.

The tenderers were assessed in accordance with the evaluation criteria published in the tender documentation:

Pass/Fail Assessment Criteria	Score
Quality Systems (if applicable)	Pass/Fail
OHS	Pass/Fail
Mandatory Insurances (if applicable)	Pass/Fail

KEY SELECTION CRITERIA	CRITERIA WEIGHTINGS	SUB WEIGHTINGS	SUB CRITERIA/RETURNABLE SCHEDULES LINK
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40% NON-PRICE CRITERIA	Capacity and Capability	20%	5%	Experience
			5%	Resources
			5%	Risk Management
			3%	Legal Compliance
			2%	Performance and Innovation
			4%	Start and Completion timeframe
	Project Timelines	10%	6%	Proposed Program
			7%	Environmental Sustainability
	Sustainability (Mandatory)	10%	2%	Local Sustainability
			1%	Social Sustainability
			60%	Comparison of Whole of Life Cost or Total Project Cost or Estimated Annual Cost
PRICE (60%)	Price*	60%	60%	

*Minimum 50% price weighting required unless Council approves otherwise.

** If it is agreed that the Sustainability weighting is less than 20%, the minimum Price weighting must then be 60%.

In this instance the Price weighting has been increased to 60% as the architect and the sub consultants have incorporated sustainability considerations into the design to future proof the building, to ensure that the design will meet Council’s ESD Policy requirements, be functional and that the material selection be environmentally sustainable with an extended life cycle and low maintenance.

DISCUSSION

The Tender Evaluation Panel (TEP) assessed the submissions against the evaluation criteria (including the price and non-price evaluation criteria).

Tender clarifications were sought and interviews were conducted with the three highest ranked tenderers. The companies shortlisted were Simbuilt, 2Construct and Melbcon. Circon Constructions ranked lowest of all submissions and in addition were unable to complete the project within Council’s required timelines ready for commencement of the 2025 school year.

All three tenderers performed very well through the interviews, demonstrating strong experience delivered similar projects for councils, with Simbuilt and 2Construct having previously successfully delivered projects for the City of Monash.

All tenderers come well credentialed and have experienced teams and a strong understanding of project risks and complexities, specifically related to this project, the site and the area within which it is located. The panel were confident that any of the three shortlisted tenderers would deliver a high-quality outcome for Council.

The final evaluation ranking (including the price and non-price evaluation criteria) had 2Construct Pty Ltd ranked highest and as such, the evaluation panel recommends 2Construct Pty Ltd as representing the best value outcome for Council.

FINANCIAL IMPLICATIONS

This project is funded jointly by Council and the State Government through the Department of Education, Building Blocks Grant Program. Funding is across the 2023/24/25 financial years.

Capital Budget Allocation	\$GST Ex.	\$GST Inc.
Project C09684 – Dorrington Child & Family Hub		
Council Funding	\$1,800,000	\$1,980,000
DET Building Blocks Grant	\$4,500,000	\$4,950,000
TOTAL PROJECT BUDGET	\$6,300,000	\$6,930,000
Total Anticipated Project Expenditure Based on 2Construct Pty Ltd Submission		
Lump Sum Price	\$5,703,500	\$6,273,850
Contingency	\$550,000	\$605,000
Project Management/Delivery Fees	\$116,500	\$128,150
Demolition Cost (Separate Contract)	\$260,000	\$286,000
Architectural & Design Fees (Separate Contract)	\$300,000	\$330,000
TOTAL ANTICIPATED PROJECT EXPENDITURE	\$6,930,000	\$7,623,000

There is an anticipated budget shortfall of \$693,000 (GST Incl.). The three lowest tendered prices received were very consistent (within 5% of each other) and so the cost of these works are considered reasonable and are reflective of material and labour costs and market demand for building services.

Council officers have investigated and incorporated a range of value management options into the final tender and will continue to seek cost savings throughout the project without adversely impacting functionality or long-term maintenance costs.

Council officers will also approach the Victorian School Building Authority (VSBA) to request an additional contribution towards the project.

SUSTAINABILITY OUTCOMES

As part of Council's commitment to sustainability this project involves the use of:

- 2Construct have an ISO 14001 accredited Environmental Management System to guide their operations;
- 2Construct are accredited members of the Master Builders' Association Greenstar program;
- 2Construct track their waste management to minimize waste generation, maximise recycling and minimize CO2 emissions and have an 80% waste material recycling benchmark; and focus on the use of recycled and eco-friendly materials throughout construction.
- 2Construct have committed to source subcontractors from local areas where possible and anticipate in excess of 10% of subcontractors will come from within the City of Monash.
- 2Construct regularly donate to a variety of charities including Oxfam, Multiple Sclerosis Society, Peter MacCallum Cancer Foundation and Movember.
- 2Construct have employed people from disadvantaged backgrounds.
- The project has been designed to be as energy efficient as sustainable as possible through the use of passive solar design principles where possible, sustainably sourced materials and finishes, energy and water efficient fixtures and fittings durable materials to reduce maintenance and low VOC paint.

CONCLUSION

That Council approves the recommendations contained within this report.

ATTACHMENT LIST

Nil