

7.4.4 202465 - WARD AVE KINDERGARTEN PROJECT

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

RECOMMENDATION

That Council:

1. Awards the tender from Intrec Management (Vic) Pty Ltd for Ward Avenue Kindergarten Project, Contract No. 2024065 for a fixed Lump Sum of \$4,341,669.20 with an extra \$429,000 for Contingencies, and \$132,000 for Provisional Items;
2. Authorises the Chief Executive Officer to execute the contract agreement;
3. Notes that the contract is anticipated to commence on 1 February 2024 and the expected completion date is 27 September 2024; and
4. Notes that the anticipated project expenditure including the fixed Lump Sum and Project Management/ Delivery Fees is \$4,660,669.20 with a further allocation of \$429,000 for Contingencies and \$132,000 for Provisional Items.

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

INTRODUCTION

Council has conducted a tender for 2024065 – Ward Avenue Kindergarten Project

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. As this project was a stand alone replacement of a facility, collaboration with other Councils was not available.

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.

The replacement of the Ward Avenue Kindergarten 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 kinder will provide services that will support the health and wellbeing of children and their families.

NOTIFICATION

Seven (7) 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 24 November 2023. Council’s use of the CSR list is approved under Council’s Procurement Policy.

TENDERS RECEIVED

Three tender submissions were received by the appointed closing time.

The tenders received are listed below:

TENDERERS SUBMITTED	
1	2Construct Pty Ltd
2	INTREC Management (Vic) Pty Ltd
3	JR & BL Kendall 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.

One submission was deemed non-conforming and this submission was not evaluated further.

TENDER EVALUATION

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

Pass/Fail Assessment Criteria	Score
Quality Systems (if applicable)	Pass/Fail
OHS	Pass/Fail
Mandatory Insurances (if applicable)	Pass/Fail
Mandatory Completion of Contract by 30 November 2024	Pass/Fail

KEY SELECTION CRITERIA	CRITERIA WEIGHTINGS	SUB WEIGHTINGS	SUB CRITERIA/RETURNABLE SCHEDULES LINK	
40% NON-PRICE CRITERIA	Capacity and Capability	20%	5%	Experience
			5%	Resources
			5%	Risk Management

			3%	Legal Compliance	
			2%	Performance and Innovation	
			6%	Start and Completion timeframe	
				Proposed Program	
			20%	6%	Environmental Sustainability
				2%	Local Sustainability
2%	Social Sustainability				
PRICE (60%)	Price*	60%	60%	Comparison of Whole of Life Cost or Total Project Cost or Estimated Annual Cost	

*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 architectural design has already taken sustainability into the design intent to reduce operating costs and environmental impacts through construction and operation and selected environmentally sustainable materials for use in construction that are sustainably sourced, are durable 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 from, and interviews were conducted with, both conforming tenderers following the initial tender assessment. Both companies performed very well in interviews demonstrating strong experience having previously delivered similar projects for councils.

Those two 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 either of these two shortlisted tenderers would deliver a high-quality outcome for Council.

Referee checks were undertaken for the recommended tenderer, INTREC Management which confirmed their experience managing similar projects including a number of early years projects. Their customer service and communications were very good as was their site management and attention to detail. They come highly recommended.

Council officers investigated a range of value management measures through the tender assessment process and have achieved a saving of \$84,700 (inc GST) through this work. These savings are included in the figures presented below.

The final evaluation ranking (including the price and non-price evaluation criteria) had Intrec Management Pty Ltd ranked highest and as such, the evaluation panel recommends Intrec Management 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.

PROJECT BUDGET ALLOCATION	GST exclusive	GST inclusive
Project C09681 – Ward Avenue Kindergarten		
Council Funding	\$3,363,636	\$3,699,999.60
DET Building Blocks Grant	\$1,436,364	\$1,580,000.40
TOTAL PROJECT BUDGET	\$4,800,000	\$5,280,000.00
Estimated Project Expenditure Based Upon Intrec Management (Vic) Pty Ltd Submission		
Lump Sum Price	\$3,946,972	\$4,341,669.20
Contingency	\$390,000	\$429,000.00
Project Delivery & Management Fees	\$90,000	\$99,000.00
Provisional Items (Upgrade of Power Supply)	\$120,000	\$132,000.00
Design and documentation (Separate Contract)	\$200,000	\$220,000.00
ANTICIPATED PROJECT EXPENDITURE	\$4,746,972	\$5,221,669.20

The project has a forecast surplus. Any surplus will be returned to budget at the completion of the project.

SUSTAINABILITY OUTCOMES

As part of Council’s commitment to sustainability this project incorporates the following:

- Intrec have an ISO 14001 accredited Environmental Management System to guide their operations;
- Intrec have a focus on using environmentally sustainable materials wherever possible;
- Intrec have a comprehensive recycling plan to minimize the amount of waste going to landfill and benchmark their sites to achieve 90% recycling of waste materials;
- Intrec are accredited members of the Master Builders' Association Greenstar program;
- Intrec have committed to use local trades and material suppliers where possible;
- The project has been designed to be as energy efficient and 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