

4.3 TENDER FOR JOSEPHINE AVENUE, MOUNT WAVERLEY – ROAD REHABILITATION (2023201: MF)

Responsible Director: Jarrod Doake – Director City Services

RECOMMENDATION*

That Council:

- 1. Awards the tender from CDN Constructors Pty Ltd for Josephine Avenue, Mount Waverley – Road Rehabilitation Contract No. 2023201 for the fixed Lump Sum Price of \$1,732,238.94 with an extra \$264,000 for Contingencies;*
- 2. Authorises the Chief Executive Officer to execute the contract agreement;*
- 3. Notes that the contract is anticipated to commence on 14 August 2023 and the expected completion date is 14 June 2024; and*
- 4. Notes that the anticipated project expenditure including the fixed Lump Sum, Project Management/Delivery Fees and Utility Service Alteration Works is \$1,826,838.94 with a further \$264,000 for Contingencies.*

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

INTRODUCTION

Council has conducted a tender process for 2023201 - Josephine Avenue, Mount Waverley – Road Rehabilitation.

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. Due to the site-specific complexities of this project which are unique to the city of Monash, it was decided to procure this project independently.

BACKGROUND

Josephine Avenue, Mount Waverley between High Street Road and Lawrence Road is in poor condition according to road assessment parameters and is scheduled for renewal / reconstruction.

The road has been identified as a priority for renewal as the road can no longer be maintained to a reasonable standard with routine maintenance. In addition, drainage and footpath assets are to be renewed & upgraded to meet current service requirements & standards.

The Scope of Works includes:

- The installation of stormwater drainage pipes and pits to improve drainage in the street;
- Relining of existing drainage pipes;
- Reconstruction of concrete kerb and channel;
- Reconstruction of all existing standard vehicle crossings to eliminate scraping of the undercarriage of vehicles when exiting or entering properties;
- Asphalt resurfacing and pavement patching; and
- Minor footpath and associated works.

NOTIFICATION

A public notice was placed in The Age newspaper on 13 May 2023 and the tender closed on 14 June 2023.

TENDERS RECEIVED

Seven tender submissions were received by the appointed closing time.

The tenders received are listed below:

TENDERERS SUBMITTED	
1	Parkinson Group (Vic) Pty Ltd
2	Blue Peak Constructions Pty Ltd
3	CDN Constructors Pty Ltd
4	Ace Infrastructure Pty Ltd
5	Fulton Hogan Industries Pty Ltd
6	Prestige Paving Pty Ltd
7	Delfino Paving Co Pty Ltd

Tender Conformance:

All submissions were assessed 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

In accordance with the Procurement Policy, the evaluation panel and evaluation criteria weightings were nominated prior to opening the Tender.

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

The shortlisted tenders were assessed in accordance with the following criteria as per 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
50% NON-PRICE CRITERIA	Capacity and Capability	24%	8%	Experience
			4%	Resources
			8%	Risk Management
			4%	Legal Compliance
	Project Timelines	6%	3%	Start and Completion timeframe
			3%	Proposed Program
	Sustainability (Mandatory)	20%	10%	Environmental Sustainability
			6%	Local Sustainability
			4%	Social Sustainability
	PRICE (50%)	Price*	50%	50%

DISCUSSION

The TEP shortlisted the two highest ranked tenderers; CDN Constructors Pty Ltd (CDN) and Parkinson Group Pty Ltd (Parkinson) for interview, based on their relevant experience and detailed approach to the proposed works. Council discussed the following items with the two tenderers at the interview:

- Resources and Experience
- Risk Management, Traffic Management and Stakeholders Management
- Proposed sub-contractors / trades to be used
- Pipe supply and alternatives
- Commencement and construction timeframe

Parkinson Group (Vic) Pty Ltd have over 40 years of experience in municipal civil works, including drainage works and road reconstruction. They have long term relationships with many major suppliers, and they have multiple construction crews available and capable

of delivering this contract. They have recently completed several projects of similar size and nature with neighbouring Councils and drainage works for the City of Monash.

Parkinson Group (Vic) Pty Ltd were able to demonstrate a good understanding of the site conditions and key issues associated with the construction. Their proposed construction program is nominated as 26 weeks. Parkinson Group (Vic) Pty Ltd have nominated a 30-week lead time for supply of drainage pipes which is reflected in a later starting date and an estimated completion date of September 2024.

CDN Constructors Pty Ltd have over 30 years of experience and are a well-established civil contractor in a wide range of civil construction services, focusing primarily on roadworks, drainage and associated services. They are currently undertaking similar road reconstruction works in Jingella Avenue, Ashwood for the City of Monash and are on target to be complete this as scheduled.

In the tender interview CDN Constructors Pty Ltd were able to demonstrate their extensive experience in road reconstruction. They demonstrated good appreciation of the project risks and have proposed a 30-week construction program. If awarded this contract CDN Constructors Pty Ltd confirmed a starting date of August 2023.

Referee checks were conducted for CDN Constructors Pty Ltd which aligned with Council Officers' experience confirming that CDN Constructors Pty Ltd has the expertise, resources, and proven record to successfully deliver the proposed works.

The final evaluation ranking (including the price and non-price evaluation criteria) had CDN Constructors Pty Ltd ranked highest and as such the evaluation panel recommends CDN Contractors Pty Ltd be awarded this contract as they represent the best value outcome for Council.

An independent financial assessment has been undertaken for CDN Constructors Pty Ltd and they are considered a low risk to Council for this contract.

FINANCIAL IMPLICATIONS

The 2023/24 Capital Works Budget makes provision for this project as follows:

Josephine Avenue – Road Reconstruction Budget Allocation	\$ EXC GST	\$ INC GST
C09476 Josephine Avenue – Road Reconstruction (Adopted Budget)	\$2,500,000.00	\$2,750,000.00
Roads To Recovery – Grant Funding Adjustment	-\$308,039.00	-\$338,842.90
TOTAL PROJECT BUDGET	\$2,191,961.00	\$2,411,157.10

Estimated Project Expenditure Based Upon CDN Contractors Pty Ltd Submission		
Lump Sum Price	\$1,574,762.68	\$1,732,238.94

Contingency	\$240,000.00	\$264,000.00
Project Management/Delivery Fees	\$65,000.00	\$71,500.00
Utility Service Alterations	\$21,000.00	23,100.00
ANTICIPATED PROJECT EXPENDITURE	\$1,900,762.68	\$2,090,838.94

*Since adoption of the 2023/24 Annual Budget, Council has been informed that the allocation of Roads to Recovery (R2R) Grant funding for this FY has been adjusted down from \$806,518 to \$498,479; a reduction of \$308,039 (GST Excl.). This is to take into consideration R2R grant funding brought forward to deliver a Council project in the 2019 - 20 FY. The adopted budget of \$2.5M factored in the expected full allocation of R2R funding (\$806,518).

The anticipated project expenditure is below the allocated budget. Any surplus funds at the completion of construction will be returned to the 2023/2024 Capital Works budget.

SUSTAINABILITY OUTCOMES

As part of Council's commitment to sustainability:

CDN Contractors have committed to deliver the following wherever possible:

- Implement Construction practices to reduce emissions and waste;
- Plan logistic processes to optimise deliveries to reduce mileage, emissions and their carbon footprint;
- Operate Plant and Equipment in an energy efficient manner that is safe for the environment;
- Recycle materials on site where possible and at the approval of the client;
- Use Non-Toxic or less Toxic substances where possible;
- Sourcing materials ethically and ensuring labour standards and fair humanitarian practices are in place throughout the Supply Chain; and
- employ two local staff and will purchase materials within the City of Monash.

CONCLUSION

That Council approves the recommendations contained within this report.