

## 7.4.1 TENDER FOR CARLSON RESERVE PAVILION REDEVELOPMENT - 2023241

<b>Responsible Manager:</b>	Andrew Andonopoulos, Manager Capital Works
<b>Responsible Director:</b>	Jarrold Doake, Director City Services

### RECOMMENDATION

**That Council:**

- 1. Awards the tender from KL Modular Systems (Aust) Pty Ltd for Carlson Reserve Pavilion Redevelopment, Contract No. 2023241 for a fixed Lump Sum of \$2,176,053.87, Provisional Items of \$214,500 and \$440,000 for Contingencies;**
- 2. Authorises the Chief Executive Officer to execute the contract agreement;**
- 3. Notes that the contract is anticipated to commence in October 2023 and the expected completion date is August 2024; and**
- 4. Notes that the anticipated project expenditure including the fixed Lump Sum, Project Management/Delivery Fees and Provisional Items is \$2,635,127.87 with a further allocation of \$440,000 for Contingencies.**

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

### INTRODUCTION

Council has conducted a tender for Contract 2023241 - Carlson Reserve Pavilion Redevelopment.

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.

This site and project are unique to City of Monash and therefore the opportunity for collaboration for procurement of services is not applicable. The project entails design and construction of a modular sporting pavilion, therefore this project has specific design principles and delivery timeframe.

This is also the first design & construct contract that City of Monash are entering into of this type and so additional control by officers is essential to ensure a successful outcome.

## BACKGROUND

The existing Carlson Reserve Pavilion does not currently support the tenant clubs and does not comply with key recommended sports facility standards. The project will address key building constraints and meet current building facility guidelines and building regulations. The project is strategically supported by Council's Building Condition Audit data and the Active Monash Capital Works Prioritisation Framework that identifies the building as the number one priority pavilion for redevelopment. It is also strategically supported by the Carlson Reserve Integrated Site Plan that identifies its renewal.

The project involves the demolition of the existing pavilion and replacement with a new modular pavilion which will include four change rooms, umpire's room, social space including kitchen and storage areas.

## NOTIFICATION

A public notice was placed in The Age newspaper on 16 June 2023 and the tender closed on 9 August 2023.

## TENDERS RECEIVED

Two tender submissions were received by the appointed closing time.

The tenders received are listed below:

TENDERERS SUBMITTED	
1	KL Modular Systems (Aust) Pty Ltd
2	Ausco Modular 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 tenders were assessed in accordance with the evaluation criteria published in the tender documentation:

Pass/Fail Assessment Criteria	Score
Quality Systems	Pass/Fail
OHS	Pass/Fail
Mandatory Insurances	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
	Project Timelines	10%	4%	Start and Completion timeframe
			6%	Proposed Program
	Sustainability (Mandatory)	10%**	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 is required unless Council approves otherwise.

\*\* Where the Sustainability weighting is less than 20%, the minimum Price weighting must be 60% and the reasons detailed below:

Council have tendered for the design and construction of a modular building which will be constructed off site and transported to Carlson Reserve and installed as a series of prefabricated modular sections.

As a result, most construction materials are specified and include steel, concrete, crushed rock and synthetic surfaces which will be purchased locally to the supplier's factory in Kinglake. It should be noted that this method of construction significantly reduces the amount of waste material produced compared to a conventional on-site building methodology. Therefore, the Price weighting has been increased to 60% for this tender.

## DISCUSSION

Following the close of tenders, the Tender Evaluation Panel (TEP) met and assessed all submissions. The TEP agreed that both contractors who submitted a tender are capable of delivering this contract given their experience delivering projects of similar scope and scale. The final evaluation ranking (including the Price and Non-Price Evaluation Criteria) had KL Modular Systems (Aust) Pty Ltd ranked highest.

KL Modular Systems (Aust) Pty Ltd provided a highly competitive submission and are known to Council having successfully delivered modular building constructions for over 20 years for various metropolitan municipalities and the Victorian School Building Authority.

In 2022 KL Modular Systems (Aust) Pty Ltd delivered large scale modular sporting pavilions for City of Greater Geelong, City of Kingston and Knox City Council with similar value contracts to the Carlson Reserve tender.

KL Modular Systems (Aust) Pty Ltd clearly demonstrated their understanding of the project, identified some potential risks and opportunities and outlined their capacity to deliver the project to our expected timeline and in conjunction with their existing project commitments with Monash and other metropolitan councils.

Project officers have undertaken reference checks with City of Kingston and Knox City Council where KL Modular Systems (Aust) Pty Ltd have successfully completed similar projects. Referee feedback acknowledged KL Modular System's strong working relationship and proactive communication and ability to efficiently problem solve. Both Council's experience working with the contractor was described as very positive.

As the value of this contract is in excess of \$1M, an independent financial assessment was conducted by Equifax Australasia Credit Ratings on the preferred tenderer using the Corporate Scorecard. The report concluded that the tenderer was rated as Satisfactory for this contract.

The final evaluation ranking (including the Price and Non-Price Evaluation Criteria) had KL Modular Systems (Aust) Pty Ltd ranked highest and as such, the evaluation panel recommends KL Modular Systems (Aust) Pty Ltd as representing the best value outcome for Council and that they be awarded this tender.

## FINANCIAL IMPLICATIONS

This project is funded across two financial years as detailed below:

<b>PROJECT BUDGET ALLOCATION</b>	<b>\$ GST Ex.</b>	<b>\$ GST Inc.</b>
Project C09361 – Carlson Reserve Pavilion Redevelopment – Design	\$254,840	\$ 280,324
Project C09605 - Carlson Reserve Pavilion Redevelopment – Construction (2023/24)	\$1,737,000	\$1,910,700
Project C09605 - Carlson Reserve Pavilion Redevelopment – Construction (2024/25)	\$2,000,000	\$2,200,000
<b>TOTAL BUDGET ALLOCATION</b>	<b>\$3,991,840</b>	<b>\$4,391,024</b>

<b>Estimated Project Expenditure Based Upon KL Modular Systems (Aust) Pty Ltd's Submission</b>		
Lump Sum Price	\$1,978,230.79	\$2,176,053.87
Contingency*	\$400,000.00	\$440,000.00
Project Management/Delivery Fees	\$122,340.00	\$134,574.00
Provisional Items (As detailed in table below)	\$195,000.00	\$214,500.00
Building perimeter landscaping and handstand area renewal – (Delivered Separately)	\$100,000.00	\$110,000.00
<b>ESTIMATED PROJECT EXPENDITURE</b>	<b>\$2,795,570.79</b>	<b>\$3,075,127.87</b>

\*A higher contingency allowance has been nominated for this project as it is the first design & construct project delivery model that Council has embarked on for a project of this size, moving away from the traditional construction only tender whereby the completed design is provided by Council. As such the design phase of this tender is expected to require some reiteration and more exhaustive review to ensure that the final construction documentation meets Council's intended outcome for the pavilion project.

This project is forecast to be delivered with a surplus; any surplus will be returned to the Capital Works Budget at the completion of the project.

A summary of Provisional Items is outlined below:

<b>Provisional Items</b>	<b>\$GST Ex.</b>	<b>\$GST Inc.</b>
Building Demolition	\$100,000	\$110,000
Increased Capacity Solar Panel PV Array Incl Battery Storage System	\$75,000	\$55,000
Pavilion Furniture	\$20,000	\$22,000
<b>Total</b>	<b>\$195,000</b>	<b>\$214,500</b>

## **SUSTAINABILITY OUTCOMES**

This project responds to Council's commitment to sustainability as follows:

Using an off-site modular construction methodology for the construction of the pavilion significantly reduces the amount of waste material generated from the building and improves waste recycling as all building works are undertaken in a controlled environment with better facilities. The design is also tailored to using standard sized materials, reducing waste generation.

The modular pavilion will be prefabricated in a factory in Kinglake and transported to site which will enable the use of locally sourced materials during the installation of the completed modules on site.

## **CONCLUSION**

That Council approves the recommendations contained within this report.

## **ATTACHMENT LIST**

Nil