

#### 4.4 TENDER FOR AVENDON ESTATE CYPRESS WINDROW REPLACEMENT PROGRAM STAGE 10 – CIVIL WORKS (2023149-KY)

Responsible Director: Jarrod Doake, Director City Services

##### **RECOMMENDATION\***

*That Council:*

- 1. Awards the tender from United Civil Construction Pty Ltd for Avendon Estate Cypress Windrow Replacement Program Stage 10 - Civil Works, Contract No. 2023149 for a fixed Lump Sum of \$565,180 with an extra \$55,000 for Contingencies, and \$25,580 for Project Management Fees;*
- 2. Authorises the Chief Executive Officer to execute the contract agreement;*
- 3. Notes that the contract is anticipated to commence on 10 April 2023 and the expected completion date is 30 June 2023;*
- 4. Notes that the anticipated project expenditure including the fixed Lump Sum, and Project Management/ Delivery Fees is \$591,030 with \$55,000 for Contingencies; and*
- 5. Approves additional funding of \$227,040 required for this project.*

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

##### **INTRODUCTION**

Council has conducted a tender for Avendon Estate Cypress Windrow Replacement Program Stage 10 - Civil Works

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 skilled labour shortages, material and project schedule restrictions for project completion, council officers agreed that a collaborative approach for these works would not achieve the best outcome for Council.

##### **BACKGROUND**

Council is seeking to appoint a Contractor to perform the civil infrastructure works for Stage 10 of the Avendon Estate Cypress Windrow Management Plan adopted in 2012; this is also the final stage of removal & replacement of the aged windrows throughout the Avendon

Estate. The removal of the cypress trees in this stage has been separately awarded with the removals expected to be completed by mid-April 2023.

The planned works contain functional landscape and civil works which provide for improved amenity and will encourage increased use of the park space.

The scope of works includes:

- New concrete footpath
- Earthworks
- Drainage works
- Landscaping
- Feature rock formations

The work is expected to be completed by 30 June 2023.

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 possibly access established contracts via other compliant Procurement agreements.

#### **NOTIFICATION**

A public notice was placed in The Age newspaper on 18 February 2023 and the tender closed on 8 March 2023.

#### **TENDERS RECEIVED**

Two tender submissions were received by the appointed closing time.

The tenders received are listed below:

<b>TENDERERS SUBMITTED</b>	
<b>1</b>	<b>Parkinson Group Pty Ltd</b>
<b>2</b>	<b>United Civil Constructions Pty Ltd</b>

#### **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**

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
<b>40% NON-PRICE CRITERIA</b>	<b>Capacity and Capability</b>	<b>20%</b>	<b>7%</b>	Experience
			<b>10%</b>	Resources
			<b>3%</b>	Risk Management & Legal Compliance
	<b>Project Timelines</b>	<b>10%</b>	<b>6%</b>	Start and Completion timeframe
			<b>4%</b>	Proposed Program
	<b>Sustainability (Mandatory)</b>	<b>20%</b>	<b>10%</b>	Environmental Sustainability
<b>10%</b>			Local & Social Sustainability	
<b>PRICE (50%)</b>	<b>Price*</b>	<b>50%</b>	<b>50%</b>	Price

\*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%.

**DISCUSSION**

The following information supports the evaluation panel's recommendations.

Post tender interviews were conducted with both Tenderers. Both Tenderers demonstrated relevant civil construction and landscaping experience having previously delivered works for Local Government. Both contractors also demonstrated a thorough understanding and presented appropriate controls to manage associated risks with this contract including construction methodology, pedestrian & traffic management, material supply management, quality and environmental management.

United Civil Construction (UCC) ranked highest in overall score. UCC have the capacity to deliver the project within the required timeline by 30 June 2023. UCC has recently completed a similar size project for the Department of Transport to quality, time and within budget.

Three reference checks were undertaken and all referees noted United Civil Construction's ability to deliver and work within budget and time.

The final evaluation ranking (including the price and non-price evaluation criteria) had United Civil Construction ranked highest and as such, the evaluation panel recommends United Civil Construction be awarded this contract as representing the best value outcome for Council.

**FINANCIAL IMPLICATIONS**

<b>Capital Budget Allocation</b>	<b>\$ GST Ex.</b>	<b>\$ GST Inc.</b>
Tree Removal Works Component (Separately Awarded)	\$45,100	\$49,610
Civil Works Component Budget Allocation (This Contract)	\$380,900	\$418,990
<b>Project C0945 - 2022-2023 Avendon Estate Cypress Windrow Replacement Program</b>	<b>\$426,000</b>	<b>\$468,600</b>

<b>Total Anticipated Project Expenditure Based Upon United Civil Construction Pty Ltd Submission</b>		
Lump Sum Price	\$513,800	\$565,180
Contingency	\$50,000	\$55,000
Project Management/Design & Delivery Fees	\$23,500	\$25,850
<b>ANTICIPATED TOTAL EXPENDITURE</b>	<b>\$587,300</b>	<b>\$646,030</b>

There is an overall budget shortfall of \$206,400 (GST Excl.) or \$227,040 (GST incl.). The increased cost of this project is reflective of construction industry wide escalation in costs being experienced across Australia.

There have been significant increases in raw material and fuel/energy costs, longer manufacturing lead times, and skilled labour supply shortages which have all impacted project costs.

The additional funding required for this project will be managed within delivery of the overall 2022/23 Capital Works Program.

**SUSTAINABILITY OUTCOMES**

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

1. **Environmental Sustainability:**  
Where possible the Contractor will reuse on site material or will dispose of excavated material in an environmentally sensitive manner rather than sending to landfill.
2. **Local Sustainability:**  
The Contractor will purchase goods, services, and materials within the City of Monash where possible.
3. **Social Sustainability:**  
UCC employ two local staff.

**CONCLUSION**

That Council approves the recommendations contained within this report.