

4.7 TENDER FOR HUGHESDALE KINDERGARTEN REFURBISHMENT (2023150: HP)

Responsible Director: Jarrod Doake, Director City Services.

RECOMMENDATION*

That Council:

- 1. Awards the tender from Domain National Pty Ltd for Hughesdale Kindergarten Refurbishment, Contract No. 2023150 for a fixed Lump Sum of \$624,443.60 with an extra \$60,500 for Contingencies;*
- 2. Authorises the Chief Executive Officer to execute the contract agreement;*
- 3. Notes that the contract is anticipated to commence on 7 April 2023 and the expected completion date is 26 June 2023;*
- 4. Notes that the anticipated project expenditure including the fixed Lump Sum, Project Management/Delivery Fees and Provisional Items is \$654,060 with a further allocation of \$60,500 for Contingencies; and*
- 5. Approves additional funding of \$249,600 required for this project.*

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

INTRODUCTION

Council has conducted a tender for 2023150 Hughesdale Kindergarten Refurbishment.

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. Given the restrictive timeframe of the project, Council Officers invited tenderers from the Construction Supplier Register to participate in this project.

BACKGROUND

Hughesdale Kindergarten is one of the most popular kindergarten programs in Monash, with a long history of community support, from both within Monash and across Poath Road in the City of Glen Eira. The kindergarten is run by a Committee of Management, which is community based. The Kindergarten Committee of Management has asked Council to consider undertaking a refurbishment of the building as it is considered not fit for purpose when compared to current contemporary standards.

Hughesdale Kindergarten is 66 years old and in poor condition. The existing office is narrow and can only accommodate two people at a time. The refurbishment will include adding a new office and staff room as well as providing a family waiting area and meeting space. The refurbishment and alterations to the building layout will allow educators to meet with families by creating privacy that currently is difficult to cater for.

The refurbishment works within this contract will support the current and future needs of the early years' educational facility and Council's commitment to deliver flexible, sustainable, accessible and quality community facilities for the future.

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 11 February 2023 and the tender closed on 15 March 2023. Council's use of the CSR list is approved under Council's Procurement Policy.

TENDERS RECEIVED

Tender submissions were received by the appointed closing time.

The tenders received are listed below:

TENDERERS SUBMITTED	
1	Domain National Pty Ltd
2	Simbuilt 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 the 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

KEY SELECTION CRITERIA		CRITERIA WEIGHTINGS	SUB WEIGHTINGS	SUB CRITERIA/RETURNABLE SCHEDULES LINK
50% NON-PRICE CRITERIA	Capacity and Capability	15%	4%	Experience
			4%	Resources
			3%	Risk Management
			2%	Legal Compliance
			2%	Performance and Innovation
	Project Timelines	15%	7%	Start and Completion timeframe
			8%	Proposed Program
	Sustainability (Mandatory)	20%	8%	Environmental Sustainability
			6%	Local Sustainability
			6%	Social Sustainability
PRICE (50%)	Price*	50%	50%	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%.

DISCUSSION

The Tender Evaluation Panel assessed that both tenderers are capable of delivering this contract to the required quality as indicated in the qualitative assessment and score.

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

Domain National Pty Ltd has delivered refurbishment projects for Local Government, Educational Institutions and private industry.

A reference check has been undertaken for Domain National through Mirvac. The referee indicated that Domain National Pty Ltd has delivered numerous fit-out and refurbishment projects across a 15-20year period and that they continue to engage the company on projects now. Domain's communication throughout the project has been outstanding, citing concise and timely responses. There were no OHS incidents recorded throughout the project. Domain National Pty Ltd deliver projects on time and within budget. The referee also noted Domain National Pty Ltd's attention to the quality of finished materials and excellent workmanship on the projects they have delivered for them.

As such, the evaluation panel recommends these suppliers as representing the best value outcome for Council and should be awarded this contract.

FINANCIAL IMPLICATIONS

Capital Budget Allocation	\$ GST Excl.	\$ GST Incl.
Project C09247 – Hughesdale Kindergarten Refurbishment	\$400,000	\$440,000
TOTAL PROJECT BUDGET	\$400,000	\$440,000

Total Anticipated Project Expenditure Based Upon Domain National's Submission		
Lump Sum Price	\$567,676	\$624,443.60
Contingency	\$55,000	\$60,500.00
Project Management/Delivery Fees	\$26,924	\$29,616.40
ANTICIPATED TOTAL EXPENDITURE	\$649,600	\$714,560.00

The project budget comprises \$400,000 of Federal Government Grant Funding through the

“Local Roads and Community Infrastructure (LRCI)” Program.

There is an overall budget shortfall of \$249,600 (GST excl.). 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 project scope has also increased to include a new DDA compliant shower facility which is a mandatory requirement from the BCA stipulated by the Building Surveyor in order for the Kindergarten to be compliant to the current regulations and consistent with other Kindergartens. This was only understood as the detailed design of the refurbishment was progressed.

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:

Domain National Pty Ltd has an Environmental and Health & Safety Policy, which aims to maintain high standards and encourage continual improvement of their Environmental Management Systems.

2. Local Sustainability

They intend to source 30% of their goods/services and materials from within the City of Monash. These will include: tiles, paint, plaster and building materials.

3. Social Sustainability:

Domain National Pty Ltd will take in all considerations when employing or engaging local and disadvantaged people.

CONCLUSION

That Council approves the recommendations contained within this report.