

4.4 TENDER FOR BOGONG CAR PARK EXTENSION DEVELOPMENT (CF2022198: SM)

Responsible Director: Jarrod Doake, Director City Services

RECOMMENDATION*

That Council:

1. *Awards the tender from Building Engineering Pty Ltd for Bogong Car Park Extension Development Contract No. 2022198 for the fixed Lump Sum Price of \$39,204,515.90 with an extra \$3,916,000 for Contingencies;*
2. *Authorises the Chief Executive Officer to execute the contract agreement;*
3. *Notes that the contract is anticipated to commence on 31 May 2023 and the expected completion date is February 2025;*
4. *Notes that the anticipated project expenditure including the Contract Fixed Lump Sum, Utility & Permit fees, Project Management/Delivery Fees and Contingency (if required) is \$44,391,015.90; and*
5. *Directs the Chief Executive Officer to write to the Chief Executive Officer of the Suburban Rail Loop Authority (SRLA) advising that:*
 - a. *Council has awarded a Tender for the construction of an extension to the Bogong Car Park Glen Waverley to provide four additional levels which will result in over 1,000 car spaces;*
 - b. *The Bogong Car Park will close from the end of July 2023 and will not reopen until completion of the construction works;*
 - c. *The anticipated completion date for the contract is February 2025; and*
 - d. *Council requests written confirmation from the SRLA that Council's land at 31-39 Montclair Avenue & 41-47 Montclair Avenue, Glen Waverley which is used for public car parking (and which the SRLA intends to acquire) remains available for traders and visitors to the Glen Waverley Activity Centre for public car parking at least until the completion of the construction works and reopening of the Bogong Car Park to minimise disruption.*

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

INTRODUCTION

Council has conducted a tender for Bogong Car Park Extension Development.

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 nature of the construction works and timeline constraints for the completion and delivery of the works, Council Officers agreed to run a Council specific tender to achieve the best outcome for Council because a collaboration with other councils was not a viable option.

BACKGROUND

Council invited tenders for a fixed lump sum construction contract for the Bogong Car Park Extension Development.

The scope of works include:

- Four additional levels to the existing car park providing a total of 1037 cars or 522 additional spaces;
- New building façade to the new works featuring integrated art and specialist lighting;
- A gateway statement to the Kingsway precinct;
- Improved safe lift and core circulation areas;
- Ten Motorcycle spaces;
- Two Electric car charging bays (able to be expanded);
- Smart parking assistance and wayfinding signage;
- Enhanced landscaping treatments; and
- An 80Kw PV Solar system producing 109,000 kWh yearly, powering the buildings base power needs for lifts, lighting, EV charging and other services.

In addition to providing trader funded parking funded through the car park reserve, the car park extension development project will also replace lost parking spaces as a result of the Suburban Rail Loop Authority (SRLA) acquiring the Council land at 31-39 Montclair Avenue & 41-47 Montclair Avenue, Glen Waverley.

The Chief Executive Officer write to the Chief Executive Officer of the Suburban Rail Loop Authority (SRLA) advising of the awarding of this construction contract, anticipated project timelines, and seek written confirmation that the existing Montclair carpark remains available for traders and public until the full completion of the Bogong carpark extension development to minimize disruption in the Glen Waverley Activity Centre.

In accordance with the Procurement Policy for a project of this size, a Legal review of the tender documents was also conducted prior to publishing this tender.

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 13 February 2023 and the tender closed on 17 March 2023. Council's use of the CSR list is approved under Council's Procurement Policy.

TENDERS RECEIVED

Four tender submissions were received by the appointed closing time. The tenders received are listed below:

TENDERERS SUBMITTED	
1	APM Group (Aust) Pty Ltd
2	Building Engineering Pty Ltd
3	Devco Project and Construction Management Pty Ltd
4	Hutchinson Builders Pty Ltd

A Pre-Tender Contractor briefing was undertaken on site on Tuesday 21 February 2023 to provide Tenderers with an opportunity for clarification and to undertake a thorough site inspection. This was attended by all submitting tenderers.

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.

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
Registered pre- qualified member of Dept. of Treasury & Finance - Construction Supplier Register for projects over \$15 million.	Pass/Fail

KEY SELECTION CRITERIA		CRITERIA WEIGHTINGS	SUB WEIGHTINGS	SUB CRITERIA/RETURNABLE SCHEDULES LINK
40% NON-PRICE CRITERIA	Capacity and Capability	25%	10%	Experience
			8%	Resources
			3%	Risk Management
			2%	Legal Compliance
			2%	Performance and Innovation
	Project Timelines	5%	2%	Start and Completion timeframe
			3%	Proposed Program
	Sustainability (Mandatory)	10%	4%	Environmental Sustainability
			3%	Local Sustainability
			3%	Social Sustainability
PRICE (60%)	Price	60%	60%	Comparison of Whole of Life Cost or Total Project Cost or Estimated Annual Cost

Stage 1

The four tender submissions were assessed against the tender evaluation criteria (including the price and non-price evaluation criteria).

The TEP assessed the tender submissions against the agreed evaluation criteria including relevant capacity and capabilities, project timeframes, sustainability, and price.

All submissions provided quality evidence of completing similar sized construction projects for Local Government Councils and all tenderers provided adequate programs to meet the required timeframes.

Stage 2

At the conclusion of the Stage 1 tender assessment, clarifications were sought from all tenderers to further inform the evaluation process. These post tender clarifications included but was not limited to a request to extend their price validity period (to ensure that the fixed lump sum price was firm at least until the end of May, for the anticipated Council meeting), missing items within the price schedule, confirmation of pricing for specified products and identifying any further contract clarifications.

The TEP assessed the responses and agreed to shortlist the two highest ranked tenderers (being APM Group Pty Ltd and Building Engineering Pty Ltd) as there was a significant difference in the overall score between these two tenderers compared to the third and fourth ranked tenderers.

Stage 3

Upon receiving the more detailed information from APM Group and Building Engineering Pty Ltd regarding their proposed tender clarifications, legal advice was sought to clarify and understand the potential contractual risks.

The clarifications resulted in price adjustments from both short-listed tenderers through numerous correspondence with the support of Legal and Probity.

A tender interview was conducted with both APM Group and Building Engineering Pty Ltd to reaffirm the TEP's understanding of their proposals.

The interview provided the TEP confidence that both had the experience, resources, and capabilities to deliver this project within the required timeframes and to quality.

The final evaluation ranking (including the price and non-price evaluation criteria) had Building Engineering Pty Ltd ranked highest.

The timeline program submitted by Building Engineering Pty Ltd indicates closure of the car park to the public from late July 2023 with the project reaching Practical Completion in February 2025. This is acceptable to Council given that Suburban Rail Loop Authority anticipate to close and occupy the Montclair car park in early 2026.

Detailed referee checks were undertaken on Building Engineering Pty Ltd and they were deemed satisfactory and capable to deliver this contract. They have also recently delivered projects with similar scope and budgets successfully for other councils. They were also the lowest priced submission.

An independent financial check was also conducted on Building Engineering Pty Ltd and the assessment indicated a strong financial score and capacity to undertake the contract.

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

The Probity Advisor also provided a report and confirmed that the evaluation process was in accordance with Council's Procurement and Probity Plan.

FINANCIAL IMPLICATIONS

Capital Budget Allocation	\$ GST Ex.	\$ GST Inc.
Project C01670 – Extension of Bogong Multi Level Car Park	\$43,000,000	\$47,300,000
TOTAL PROJECT BUDGET	\$43,000,000	\$47,300,000

Total Anticipated Project Expenditure (based upon Building Engineering Pty Ltd submission)		
Fixed Lump Sum contract for Contract No. 2022198 Bogong Car Park Extension Development,	\$35,640,469	\$39,204,515.90
Contingency	\$3,560,000	\$3,916,000.00
Service utilities upgrades and permit levy	\$550,000	\$605,000.00
Project Management/Delivery Fees	\$605,000	\$665,500.00
ANTICIPATED TOTAL EXPENDITURE	\$40,355,469	\$44,391,015.90

There is a \$43,000,000 (GST Excl.) budget allowance in the Long-Term Financial Plan for the construction development of the Bogong car park extension over the next two financial years and therefore it is expected that there will be a surplus at the completion of the project.

SUSTAINABILITY OUTCOMES

As part of Council's commitment to sustainability, following are some benefits provided through Building Engineering Pty Ltd.

1. Environmental Sustainability:

Building Engineering Pty Ltd have an independent accredited Environmental Management System Policy and is a member of the Green Building Council of Australia.

As part of this construction project, Building Engineering Pty Ltd have committed to:

- Follow all ESD guidelines set out in the tender design documents
- Recycling of demolition materials and waste reduction
- Use concrete with recycled content
- Use steel with recycled content
- Use asphalt with recycled content
- Various worksite activities and procedures to minimise environmental impacts.

2. Local Sustainability:

Building Engineering Pty Ltd have several staff residing in the City of Monash. They have committed to source local suppliers and subcontractors within the City of Monash where possible and to support local businesses. They also expect to procure up to 35% of good, services and materials from within the City of Monash.

3. Social Sustainability:

Building Engineering Pty Ltd partner with social enterprises, Victorian Aboriginal Business and Australian Disability Enterprises and will endeavor to focus on the addressing and providing opportunity for disadvantaged people of all abilities for this project.

CONCLUSION

That Council approves the recommendations contained within this report.