

7.4.7 TENDER FOR 2023-2024 DRAINAGE WORKS TO VARIOUS SITES PACKAGE NO.2 CT2024036

Responsible Manager:	Andrew Andonopoulos, Manager Capital Works
Responsible Director:	Jarrold Doake, Director City Services

RECOMMENDATION

That Council:

- Awards the tender from Markon Infrastructure Pty Ltd for 2023-2024 Drainage Works to Various Sites Package No. 2, Contract No. 2024036 for the following project:**
Project A: 8 Gilda Court, Mulgrave for a fixed Lump Sum of \$48,411 with an extra \$5,489 for Contingencies, and \$3,300 for Project Management/Delivery Fees;
- Awards the tender from Accomplished Plumbing Services Pty Ltd for 2023-2024 Drainage Works to Various Sites Package No. 2, Contract No. 2024036 for the following projects:**
Project B: 161 Police Road, Mulgrave for a fixed Lump Sum of \$302,907 with an extra \$55,000 for Contingencies, \$27,500 for Service Authority Alterations & Fees and \$8,250 for Project Management/Delivery Fees;
Project C: 16 Kelly Street, Chadstone for a fixed Lump Sum of \$58,124 with an extra \$6,600 for Contingencies and \$ 3,300 for Project Management/Delivery Fees.
- Awards the tender from Comar Constructions Pty Ltd for 2023-2024 Drainage Works to Various Sites Package No. 2, Contract No. 2024036 for the following project:**
Project D: Ashbrook Court, Oakleigh South for a fixed Lump Sum of \$1,956,508.40 with an extra \$192,500 for Contingencies, \$96,800 for Service Authority Alterations & Fees and \$19,800 for Project Management/Delivery Fees.
- Authorises the Chief Executive Officer to execute the contract agreements.**
- Notes that the contracts are anticipated to commence in November 2023 and the expected completion by May 2024;**
- Approves additional funding of \$499,558.40 and \$71,661.70 for Project D - Ashbrook Court Drainage and Project B -Police Road Drainage respectively; and**
- Notes that the anticipated project expenditure for all projects, including the fixed Lump Sum, Project Management/Delivery Fees and Service Authority Alterations & Fees is \$2,524,900.40 with a further allocation of \$259,589 for Contingencies.**

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

INTRODUCTION

Council has conducted a tender for Contract No. 2024032: 2023-2024 Drainage Works to Various Sites Package No. 2.

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 constraints and complex nature of each individual project there was limited opportunity for regional or sector collaboration.

There was an opportunity to combine all drainage projects into one procurement package to attract a wider range of suppliers, incentivise potential efficiencies including pricing, programming, site establishment and material procurement.

The tender included four drainage projects which allowed Council the flexibility of appointing a combination of one or more projects to single or multiple contactors.

BACKGROUND

Council is seeking to appoint suppliers to renew, upgrade existing or construct new drainage at four locations across the municipality ensuring that Council's stormwater system is managed to operate to meet community expectations in alignment with the Stormwater Asset Management Plan.

A summary of the scope of works for each project is as follows:

Project A: 8 Gilda Court, Mulgrave

Construction of an earth mound approximately 50m long and 0.45m high & grassed swale to protect downstream properties by ensuring water is captured and directed into the underground drainage system. Installation of instant turf over the earth bund & swale and maintain turf until fully established.

Project B: 161 Police Road, Mulgrave

Installation of 600 mm diameter reinforced concrete pipe with new pits and associated reinstatement works. These works are along a Department of Transport & Planning (DoTP) Main Road.

Project C: 16 Kelly Street, Chadstone

Installation of 225mm Diameter drainage pipes within the property easement including drainage pits, concrete footpath construction and associated reinstatement works.

Project D: Ashbrook Court, Oakleigh South

Construction of new underground drainage (300mm to 900 mm diameter) & pits within private property easements and along Council's roads underpinning works to existing buildings, kerb & channel, road pavement, footpath, pram crossings and vehicle crossing replacement and associated reinstatement. This project connects outfall drainage from the new 2-hectare private subdivision at 10 Alvina Street, Oakleigh South into the existing drainage system at Ashbrook Court, South Oakleigh.

The above projects have been identified from the following programs:

Developer Contribution Program (DCP) – Projects D

Private developments requiring planning approval are required to provide a stormwater retention system to ensure stormwater runoff is capped at 35% coverage or pay a contribution to Council in lieu of this requirement. Contributions are used to upgrade drainage within these individual catchment areas. An additional similar sum of Council funds to the DCP are allocated annually to be used to upgrade drainage at identified priority sites across the municipality.

Rehabilitation Drainage Program – Project B & C

This program funds delivery of drainage projects to replace existing drains that have been identified through asset condition inspections as having significant damage or failures and are at end of life.

Minor Miscellaneous Drainage Improvement – Project A

Every year Council identifies minor drainage upgrade works which are required to be carried out in order to address localised drainage issues. These minor upgrade works will assist residents experiencing overland flow into their properties. This also ensures the rainfall runoff is adequately captured into Council's existing drainage system, improving community safety and thereby; mitigating drainage issues for the community at large.

NOTIFICATION

A public notice was placed in The Age newspaper on 16 August 2023 and the tender closed on 15 September 2023.

TENDERS RECEIVED

Eight tender submissions were received by the appointed closing time.

The tenders received are listed below:

TENDERERS SUBMITTED	
1	Blue Peak Constructions Pty Ltd
2	Parkinson Group (Vic) Pty Ltd
3	Markon Infrastructure Pty Ltd
4	Allgood Contracting Pty Ltd
5	CDN Constructors Pty Ltd
6	Jaydo Construction Pty Ltd

7	Comar Constructions Pty Ltd
8	Accomplished Plumbing Services 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.

The evaluation panel consisted of:

1	Raju Thota - Project Manager Civil Projects
2	Shen Chang - Coordinator Civil Infrastructure projects
3	Costas Constantinou - Senior Strategic Development Engineer
4	Ari Triskelidis - Coordinator Design Engineering
5	Andrew Andonopoulos – Manager Capital Works
6	Steven Malotsis - Project Manager Civil Projects
7	Emily Hore - Procurement Officer
8	Maybel McCann – Contractor Safety Advisor

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
40% NON-PRICE CRITERIA	Capacity and Capability	20%	6%	Experience
			4%	Resources
			7%	Risk Management
			3%	Legal Compliance
			2%	Performance and Innovation
	Project Timelines	10%	2%	Start and Completion timeframe
			8%	Proposed Program
	Sustainability (Mandatory)	10%	4%	Environmental Sustainability
			3%	Local Sustainability
			3%	Social Sustainability
PRICE (50%)	Price*	60%	60%	Comparison of Whole of Life Cost or Total Project Cost or Estimated Annual Cost

DISCUSSION

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

The Tender Evaluation Panel (TEP) compared the relevant experience of the tenderers and all demonstrated a capability to deliver the drainage projects included in this tender. The TEP concluded that the four highest ranked tenderers be shortlisted and that they proceed to tender interview stage.

The evaluation panel conducted interviews with the shortlisted tenderers to further confirm their:

- Experience.
- Resourcing, capability and capacity to deliver one or more projects.
- Understanding of the scope of works and any complexities including construction methodology.
- Risk management and site-specific risks.
- Supplier obligation and responsibilities; and
- Innovation.

Markon Infrastructure Pty Ltd (Project A)

Markon Infrastructure Pty Ltd (Markon) specialises in civil infrastructure works, such as earthworks, concrete footpath, drainage and landscaping works. They have previously delivered earthwork and landscaping works as a subcontractor but have not worked directly with councils. Markon Infrastructure did however highlight a number of key construction risks and demonstrated a good understanding of the project works. The TEP was satisfied with Markon's submission for this project which aligns with their area of demonstrated expertise. Markon proposes to commence construction in mid-November and complete the contract by mid-December 2023.

Accomplished Plumbing Services Pty Ltd (Projects B & C)

Accomplished Plumbing Services Pty Ltd (APS) successfully completed drainage projects for City of Monash in 2022/23, as well as for other councils including: Manningham, Maroondah, Casey & Frankston City Councils and for Cardinia Shire Council.

Through the interview, APS highlighted several key risks associated with working within easements, as well as demonstrating their ability to work collaboratively with affected residents. APS also demonstrated a good understanding of the requirements and restricted working hours within the Department of Transportation & Planning controlled Police Road which will be impacted through the construction of the project. APS proposes to commence construction in early January 2024 and complete the contract by May 2024.

Comar Constructions Pty Ltd (Project D)

Comar Constructions Pty Ltd (Comar) has previously successfully delivered numerous drainage projects for the City of Monash. Comar have significant experience delivering complex drainage works, including works within easements through residential properties. During the tender interview they demonstrated a very good appreciation of site constraints and issues which highlighted their extensive experience in works of a similar nature.

Comar proposes to commence construction in March 2024 and will complete the contract by May 2024.

Through the interviews all tenderers highlighted the market supply challenges associated with extended lead time for the supply of reinforced concrete pipes and Box Culverts however, all confirmed their construction programs based upon these lead times. The TEP completed their evaluation based upon the submissions and further information determined through the tender interviews.

Reference checks have been conducted for all the shortlisted tenderers and positive responses have been received regarding their previous performance in terms of project management and construction management.

As the overall estimated value of the contract recommended for awarding to Comar (Project D) exceeds \$1M, an independent financial assessment was undertaken by Corporate Scorecard and was deemed satisfactory.

Based on the final evaluation ranking (including the price and non-price evaluation criteria) the evaluation panel recommends the highest ranked tenderers for each of the projects listed below as representing the best value outcome for Council:

Project A: 8 Gilda Court, Mulgrave	Markon Infrastructure Pty Ltd
Project B: 161 Police Road, Mulgrave	Accomplished Plumbing Services Pty Ltd
Project C: 16 Kelly Street, Chadstone	Accomplished Plumbing Services Pty Ltd
Project D: Ashbrook Court, Oakleigh South	Comar Constructions Pty Ltd

FINANCIAL IMPLICATIONS

An overview of the budget and estimated project expenditure is outlined below.

PROJECT BUDGET ALLOCATION	GST Excl.	GST Incl.
Project A & C- C09541 – Minor Miscellaneous Drainage Improvements (8 Gilda Court, Mulgrave & 16 Kelly Street, Chadstone)	\$150,000	\$165,000.00
Project B – C09086 - 161 Police Road, Mulgrave	\$292,723	\$321,995.30
Project D – C09488 - Ashbrook Court, Oakleigh South	\$1,605,500	\$1,766,050.00
Total Project Budget	\$2,048,223	\$2,253,045.30

Estimated Project Expenditure Based Upon Markon Infrastructure Pty Ltd Submission		
<i>Project A: C09541 - 8 Gilda Court, Mulgrave</i>		
Tender Price	\$44,010	\$48,411
Contingency	\$4,990	\$5,489
Project Management/Delivery Fees	\$3,000	\$3,300
Anticipated Project Expenditure – Project A	\$52,000	\$57,200
Budget Allocation for Project A (& C)	\$150,000	\$165,000

Estimated Project Expenditure Based Upon Accomplished Plumbing Services Pty Ltd Submission		
<i>Project B: C09086 - 161 Police Road, Mulgrave</i>		
Tender Price	\$275,370	\$302,907.00
Contingency	\$50,000	\$55,000.00
Project Management/Delivery Fees	\$7,500	\$8,250.00
Service Authority Alterations & Fees	\$25,000	\$27,500.00
Anticipated Project Expenditure – Project B	\$357,870	\$393,657.00
Budget Allocation for Project B	\$292,723	\$321,995.30
Budget Shortfall	\$65,147	\$71,661.70

Estimated Project Expenditure Based Upon Accomplished Plumbing Services Pty Ltd Submission		
<i>Project C: C09541 - 16 Kelly Street, Chadstone</i>		
Tender Price	\$52,840	\$58,124
Contingency	\$6,000	\$6,600
Project Management/Delivery Fees	\$3,000	\$3,300
Anticipated Project Expenditure – Project C	\$61,840	\$68,024
Budget Allocation for Project C (& A)	\$150,000	\$165,000

Estimated Project Expenditure Based Upon Comar Constructions Pty Ltd Submission		
<i>Project D: C09488 - Ashbrook Court, Oakleigh South</i>		
Tender Price	\$1,778,644	\$1,956,508.40
Contingency	\$175,000	\$192,500.00
Project Management/Delivery Fees	\$18,000	\$19,800.00
Service Authority Alterations & Fees	\$88,000	\$96,800.00
Anticipated Project Expenditure – Project D	\$2,059,644	\$2,265,608.40
Budget Allocation for Project D	\$1,605,500	\$1,766,050.00
Budget Shortfall	\$454,144	\$499,558.40

adequate contingencies allowed for these projects based on previous experience and complexity.

Police Road (Project B)

There is a budget shortfall of \$65,147 GST Excl. (\$71,661.70 GST Incl.) for this project.

The additional cost associated with this project are primarily due to the higher contingency required for the project and costs associated with works along a main road under the control of the DoTP. The drainage works are in a valley that link into permanent storage dams within the Necropolis site (Springvale) which may be impacted by storm events requiring dewatering and significant diversion of storm flows during construction. At the completion of construction any surplus funds approved for this project will be returned to the budget.

The additional funding required for this project will be managed within delivery of the overall 2023/24 Capital Works Program.

Ashbrook Court (Project D)

There is a budget shortfall of \$454,144 GST Excl. (\$499,558.40 GST Incl.) for this project.

The final design for this project responds to a number of complex challenges to achieve the necessary capacity to drain the catchment satisfactorily. This has resulted in the preferred and most cost-effective route and alignment for the new drainage, running through private property easements, requiring underpinning of buildings and construction of some very deep sections of drain (up to 3.5m deep). These complexities & additional costs were not originally understood when the budget was struck. The tender prices received for this project are considered reasonable & reflect the risks associated with constructing this major drainage project.

The additional funding required for this project will be funded from the DCP Reserve: Police Road Main Drain Catchment Account 0243 & Clayton Main Drain Catchment Account 0249.

SUSTAINABILITY OUTCOMES

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

Where possible the Contractors will reuse site won material or will dispose of demolition material in an environmentally sensitive manner rather than sending to landfill.

Further, the materials specified for the construction have included use of recycled materials where feasible; this includes recycled crushed rock for trench backfill in lieu of quarry sourced rock and reuse of topsoil.

Construction of these projects will address flooding issues associated with larger storm events which will have a positive impact on reducing the likelihood & extent of overland flows & floodwaters eroding open spaces creating sediment runoff and destruction of vegetation in public & private properties.

All Contractors have committed to purchase goods, services, and materials within the City of Monash where possible.



CONCLUSION

That Council approves the recommendations contained within this report.

ATTACHMENT LIST

Nil