

## COLEMAN PARADE ROAD RECONSTRUCTION ADDITIONAL FUNDING REQUEST

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

### RECOMMENDATION

That Council:

1. Approves additional contingency funds of \$700,000 to Contract 2025090 Coleman Pde Road Rehabilitation Blackburn Rd to Myrtle St, Glen Waverley with TDM Earthworks Pty Ltd.
2. Notes that this request for additional contingency funds is compliant with Council's Contract Variation Delegation Rules as approved by Council on 31 October 2023.
3. Notes that the increased contract value resulting from this pending approval exceeds the approved Project Budget.

**Please Note: All values in this report are GST exclusive unless stated otherwise.**

### INTRODUCTION

In accordance with Council's Contract Variation delegation rules, this report explains the reason for a Contract Variation for Council approval.

### COUNCIL PLAN STRATEGIC OBJECTIVES

#### **A well-planned and future ready city**

An attractive and well-designed city with connected neighbourhoods, active transport, open spaces, facilities and infrastructure that meets the current and future needs of our community.

### BACKGROUND

On 27 May 2025, Council awarded Tender No. 2025090 - Coleman Parade Road Rehabilitation Blackburn Road to Myrtle Street, Glen Waverley to TDM Earthworks Pty Ltd for a lump sum price of \$2,767,224.57 with an approved contingency allowance of \$650,000 resulting in a total available contract sum of \$3,417,224.57. A copy of the original Council Report is attached as supporting background information.

The contract commenced following Council approval and is scheduled for completion in April 2026. As of the date of this report, the project is approximately 65% complete. The scope of works includes full road reconstruction of Coleman Parade and the construction of an upgraded shared user path to improve pedestrian and cyclist accessibility and safety.

## DISCUSSION

As part of the design process for the road reconstruction project, geotechnical investigations and pavement design was undertaken. Although the extent of testing provided a reasonable basis to inform the design of the new road pavement poor subgrade conditions were encountered during the first stage of construction requiring significant treatment to provide a sound base for constructing the new road pavement.

To address this, the geotechnical consultant was engaged to undertake further testing and prepare an updated pavement design to address the poor ground conditions. Additional works were recommended including deeper and extended excavation to remove and replace unsuitable materials. These measures are required to ensure the reconstructed road complies with Council standards for safety, sustainability, durability and long-term asset performance, provides adequate structural capacity to carry heavy vehicle loading associated with future use of the road including it's use as a major haul road for removal of spoil during the Suburban Rail Lopp Authority (SRLA) tunnelling works scheduled to commence later in 2026.

A key consideration when updating the pavement design was to maintain the recycled content originally committed to be included in delivery of this project which has been achieved.

The subgrade strengthening has been completed for Stages 1 & 2 of the project (Blackburn Road to Avendon Boulevard). As such, the originally approved contingency allowance of \$650,000 has been fully expended. To enable completion of the remaining works and to provide a reasonable additional buffer for any further unforeseen latent conditions, additional contingency funding of \$700,000 is required. The additional funding requirement comprises the following:

- \$14,664.84 representing expenditure already incurred exceeding the original approved contingency allowance (approved under Officer Delegation in accordance with Council's Delegations).
- Quoted variations for the following works:
  - Additional road pavement strengthening works Stages 3 & 4 (Avendon Boulevard to Myrtle Street) - \$575,000
  - Additional fencing, gates and entry requirements requested by MTM as part of the approval process - \$45,000
- Contingency allowance for any further unknown latent conditions - \$65,335.16

## FINANCIAL IMPLICATIONS

In accordance with Council's Contract Variation Delegation Rules, Council approval is required where contract variations do not meet the definition of Exceptional Circumstances and where the variation exceeds 10% of the awarded contract sum (including approved contingency) or \$100,000.

A summary of contract expenditure is provided in the table below.

<b>Spend Information</b>	<b>Value (GST Excl.)</b>
Fixed Lump Sum Contract 2025090 Coleman Pde Road Rehabilitation Blackburn Rd to Myrtle St, Glen Waverley	\$2,767,224.57
Approved Contingency	\$650,000.00
Total Available Contract Funds	\$3,417,224.57
Approved Contract Variations to date	\$664,664.84
Contingency Overspent (d less b)	\$14,664.84
Additional Contract variations required to complete the works	\$685,335.16
Additional Contingency required (f plus e)*	\$700,000.00
<b>Total revised Contract 2025090 Coleman Pde Road Rehabilitation Blackburn Rd to Myrtle St, Glen Waverley value, including contingency (c plus g)</b>	<b>\$4,117,224.57</b>

\*As this project is equally funded by SRLA & Council, the net impact to Council is half the requested contingency increase ie \$350,000.

The 2025/26 adopted Project Budget for Coleman Parade Road Rehabilitation was \$5,970,000. Following awarding of this tender, the anticipated surplus was returned as part of the Q1 Financial Report presented to Council in October 2025 resulting in a reduced Management Budget of \$3,708,475. The additional \$700,000 (\$350,000 Council funding /\$350,000 SRLA contribution) required for this project will be managed in delivery of the overall 2025/26 Capital Works program. Council Officers will also seek the additional \$350,000 contribution from SRLA in accordance with the agreement.

The additional contingency of \$700,000 requested through this report is required to address unknown and unforeseen road base conditions encountered during construction and results in expenditure exceeding the currently adopted Project Budget. Subject to Council approval, the additional funds will be incorporated into the project budget within the 2025/26 financial year.

## **POLICY IMPLICATIONS**

There are no policy implications to this report.

## **CONSULTATION**

Community consultation was not required.

## **SOCIAL IMPLICATIONS**

There are no social implications to this report.

## **HUMAN RIGHTS CONSIDERATIONS**

There are no human rights implications to this report.

## **GENDER IMPACT ASSESSMENT**

A GIA was not completed because this agenda item is not a 'policy', program' or 'service'.

## **CONCLUSION**

That Council approves the recommendations contained within this report.

## **ATTACHMENT LIST**

1. 2025090\_Council Recommendation Report - Public [7.4.2.1 - 6 pages]

### 7.4.3 2025090- COLEMAN PDE ROAD REHABILITATION BETWEEN BLACKBURN RD & MYRTLE ST, GLEN WAVERLEY

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

#### RECOMMENDATION

##### That Council

- Awards the tender from TDM Earthworks Pty Ltd for Coleman Pde Road Rehabilitation between Blackburn Rd & Myrtle St, Glen Waverley, Contract No. 2025090 for a fixed Lump Sum of \$3,043,947.03 with an extra \$715,000 for Contingencies, \$77,000 for Service Authority Fees and Services and \$12,375 for Provisional Items.**
- Authorises the Chief Executive Officer to execute the contract agreement.**
- Notes that the contract is anticipated to commence on 1 July 2025 and the expected completion date is 23 February 2026 and**
- Notes that the anticipated project expenditure including the fixed Lump Sum, Project Management/Delivery Fees, Design Costs, Service Authority Fees and Charges, and Provisional Items is \$3,364,322.03 with an additional sum of \$715,000 for Contingencies**

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

#### INTRODUCTION

Council has conducted a tender for 2025090 - Coleman Pde Road Rehabilitation between Blackburn Road & Myrtle Street, Glen Waverley.

As part of its planning process for this tender, Council Officers considered its procurement options, including whether to go to the market itself, participate in regional or sector collaboration or to access established contracts via other compliant Procurement agreements.

Council could not collaborate on the project due to site location and delivery timeline constraints. The delivery timeframe for this project is restricted due to SRLA strict timelines as well as approvals from Metro Trains Melbourne.

#### BACKGROUND

Coleman Parade has been assessed as requiring significant works based on its overall condition assessment with the road pavement being in poor condition and already showing signs of failure.

The road reconstruction project will also include the upgrade and completion of a shared path along the Waverley Rail Trail, on the north side of Coleman Parade, between Syndal and Glen Waverley railway stations. Inclusion of the shared pathway upgrade provided Council with an opportunity to deliver this together with the road reconstruction and minimise resident and activity centre disruption, implement at a competitive price, avoid duplication of preliminary costs

such as site establishment, site mobilisation, traffic management planning and approvals which will provide cost savings compared to the separate delivery of each project.

The Victorian Government through the SRLA has offered to co-contribute financially 50% of the project cost to an upper limit of \$3M (GST incl.) to deliver the Coleman Parade Road reconstruction project to assist with the maintenance and integrity of the road haulage activities relating to the new SRLA East Station at Glen Waverley.

The project includes:

- Road pavement reconstruction between Blackburn Road and Myrtle Street;
- Installation of 3.0m bi-directional shared pathway on the north side of Coleman Parade;
- Installation of Pedestrian Operated Signals;
- Installation of stormwater drainage pipes and pits to improve drainage in the street;
- Reconstruction of concrete kerb and channel;
- Reconstruction of all existing standard vehicle crossings to eliminate scraping of the undercarriage of vehicles when existing or entering properties;
- Reconstruction of existing bus stops;
- Associated line marking and signage.

#### **NOTIFICATION**

A public notice was placed in The Age newspaper on 19 & 22 March 2025 and the tender closed on 16 April 2025.

#### **TENDERS RECEIVED**

Seven (7) tender submissions were received by the appointed closing time.

The tenders received are listed below:

- Ace Infrastructure Pty Ltd
- CDN Constructors Pty Ltd
- Delfino Paving Co Pty Ltd
- Etheredge Mintern Pty Ltd
- Parkinson Group (Vic) Pty Ltd
- Prestige Paving Pty Ltd
- TDM Earthworks 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

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
Risk Level 1-3: OHS & Quality Mandatory Rapid Global	<i>Pass/Fail</i>
Mandatory Insurances	<i>Pass/Fail</i>
Completion Timeline 31 May 2026	<i>Pass/Fail</i>
Specific Qualifications from MTM/Metro	<i>Pass/Fail</i>

Table 2	Key Selection Criteria	Criteria Weightings
Qualitative Criteria	Capacity and Capability	25%
	Project Timelines	5%
	Sustainability (Mandatory)	10%
Quantitative Criteria	Price (Mandatory)	60%

## DISCUSSION

The following information supports the evaluation panel's recommendations.

The tender evaluation panel (TEP) evaluated all tenderers against the key selection criteria and weightings. After the initial assessment of the qualitative / non price assessment criteria, it was found that one tenderer received a total qualitative score of less than 20%. As per the published tender conditions, Council reserves the right to disqualify a tenderer if their total qualitative score is less than half of the nominated total qualitative score. Therefore, this tenderer was disqualified and was not evaluated further.

The TEP compared the relevant experience of the tenderers and capability to deliver the project included in this tender and shortlisted the two highest ranked tenderers: TDM Earthworks Pty Ltd (TDM) and Etheredge Minter Pty Ltd (Etheredge) for interview. The TEP requested further clarifications to ensure their tender submissions follow all project scope requirements and constraints, including the provision for out-of-hours as required. Both tenderers confirmed their pricing.

Council discussed the following items with the two tenderers at the interview:

- Resources and Experience
- Risk Management, Traffic Management and Stakeholders Management
- Proposed sub-contractors to be used
- Construction Methodology
- Commencement and construction timeframe

#### **TDM Earthworks Pty Ltd (TDM)**

TDM have over 15 years of experience in municipal civil works, including road reconstruction, concrete and drainage works. They have long-term relationships with major suppliers, and they have multiple crews available to deliver this contract.

TDM has a strong history of successfully completing similar projects for Yarra Ranges Shire, Whitehorse Council and Murrindindi Shire. They also completed civil works on multiple level crossing removal projects in the southeast of Melbourne and all their workforce are very familiar with working within MTM managed worksites and hold valid MTM permits.

They were able to demonstrate a good understanding of the site conditions and key issues associated with the construction. They are committed to commence 1 July 2025 and complete the contract works by 24 February 2026. Their proposed construction program also includes allowance for inclement weather. Their proposed timelines are favorable in view of the SRLA's tunnelling works which are programmed to commence in June 2026.

TDM's staging plan outlines a four staged approach to construction, ensuring that all the stages are completed with minimal disruptions to the local area which will enable the project to be completed within a shortened timeframe and prior to the extensive and disruptive SRLA tunnelling works.

The interview provided the TEP with confidence that TDM possesses the capability to deliver the project within the required timeframes and to the expected quality standard. Referee checks were conducted following the evaluation of the tender for TDM Earthworks Pty Ltd, and it has been confirmed that they have the expertise, resources and proven record to successfully deliver this project.

An independent financial assessment was conducted on TDM by Corporate Scorecard with a score of 5.88 out of 10 and they are considered a low risk to Council for this contract.

#### **Etheredge Mintern Pty Ltd (Etheredge)**

Etheredge provided required documentation as part of their submission. During the interview they demonstrated some understanding of the likely project risks and described their intended construction methodology to deliver this project. Etheredge do not currently hold valid MTM permits that would allow them to work within the rail corridor. They also indicated that they could commence works in September 2025 and nominated an expected completion date at the end of March 2026.

### Conclusion

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

### FINANCIAL IMPLICATIONS

Capital Budget Allocation	\$ GST Ex.	\$ GST Inc.
<b>Project C09500 – Coleman Pde Road Rehabilitation between Blackburn Rd &amp; Myrtle St, Glen Waverley*</b>	\$3,000,000.00	\$3,300,000.00
<b>SRLA Contribution (50% overall Project Cost)</b>	\$1,804,237.29	\$1,984,661.02
<b>TOTAL PROJECT BUDGET</b>	<b>\$4,804,237.29</b>	<b>\$5,284,661.02</b>

Total Anticipated Project Expenditure Based Upon TDM Earthworks Pty Ltd's Submission		
Lump Sum Price	\$2,767,224.57	\$3,043,947.03
Provisional Items	\$11,250.00	\$12,375.00
Contingency*	\$650,000.00	\$715,000.00
Service Authority Fees and Charges	\$70,000.00	\$77,000.00
Design Costs**	\$100,000.00	\$110,000.00
Project Management/Delivery Fees	\$110,000.00	\$121,000.00
<b>TOTAL ANTICIPATED PROJECT EXPENDITURE</b>	<b>\$3,708,474.57</b>	<b>\$4,079,322.03</b>

\*Contingency allows for latent conditions if eventuated, including additional works due to

- potential unsuitable/soft material found within the existing road pavement subbase.
- potential construction work interruptions to accommodate unexpected but urgent SRLA requirements.
- potential extra traffic/site management related to SRLA works coordination or MTM requirements.

\*\*Additional design costs incurred by Council to review and amend the original design plans and documentation for the Coleman Parade Road Reconstruction project. This was one of the requirements to satisfy SRLA of the capacity of the reconstructed road to cater for their road haulage activities relating to the new SRLA East Station at Glen Waverley, prior to executing the funding Memorandum Of Understanding (MOU) between Council and SRLA.



### **SUSTAINABILITY OUTCOMES**

As part of the Council's commitment to sustainability this project incorporates the use of significant volumes of recycled materials in its construction including:

- Reclaimed asphalt pavement (RAP) within new asphalt type H - 20% (977 tonnes)
- Reclaimed asphalt pavement (RAP) within new asphalt type SI - 30% (1221 tonnes)
- Reclaimed Crushed glass as crushed rock replacement class 2 & 3 – 10% and 15% (1290 tonnes)
- Pavement reconstruction applying foam bitumen stabilization methodology that recycles and uses the existing pavement materials with the addition of bitumen, lime, water and cement to construct the new pavement subbase & base in – situ. This methodology will recycle 4,250 tonnes of crushed rock avoiding disposal to landfill, cartage & transportation costs of new quarry sourced materials and can be delivered in a quicker turnaround time than conventional pavement construction.

Construction of the shared cycling path will also encourage road users to shift from private vehicles to bike and significantly improve sustainability in several ways:

- Encouraging cycling as an alternative to driving reduces the number of cars on the road, leading to lower greenhouse gas emissions and less air pollution.
- Bike paths help alleviate traffic congestion, making transportation more efficient and reducing overall environment impact.
- Improved Urban Spaces by enhancing the aesthetic appeal of urban areas, making them more livable and attractive.

### **CONCLUSION**

That Council approves the recommendations contained within this report.

### **ATTACHMENT LIST**

Nil