

4.3 TENDER FOR OAKLEIGH SOUTH CHILD & FAMILY HUB
(2023126: TB)

Responsible Director: Jarrod Doake – Director City Services

RECOMMENDATION*

That Council:

- 1. Awards the tender from Simbuilt Pty Ltd for Oakleigh South Child & Family Hub, Contract No. 2023126 for a fixed Lump Sum of \$4,728,812 with an extra \$473,000 for Contingencies.*
- 2. Authorises the Chief Executive Officer to execute the contract agreement;*
- 3. Notes that the contract is anticipated to commence on 15 March 2023 and the expected completion date is 15 December 2023; and*
- 4. Notes that the anticipated project expenditure including the fixed Lump Sum, Contingencies, Project Management/ Delivery Fees, Provisional Items and early works (demolition) is \$5,760,029 and that the anticipated surplus (\$839,971) will be returned to the budget at the completion of the project.*

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

INTRODUCTION:

Council has conducted a tender for the construction of the Oakleigh South Child & Family Hub.

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. As this is a stand-alone purpose designed facility, there was no opportunity to collaborate.

BACKGROUND:

Due to the State Government's Kindergarten Reform package, the Department of Education & Training (DET) through the City of Monash Kindergarten Infrastructure & Service Plan (KISP) identified vulnerable zones within the municipality, including the Oakleigh/Huntingdale area as needing increased kindergarten capacity. Without additional builds and renovations to existing kindergartens, the future needs (licensed kindergarten places) of the three and four year-old population would not be met.

Monash City Council and the Victorian School Building Authority (VSBA) (DET) have committed to working in partnership to provide additional kindergarten places in the municipality in response to the Victorian Government's commitment to providing two years of free kindergarten to all children before they commence their formal schooling.

The State Government has committed financial support to Council by contributing up to \$13.3 million in grant funding for early childhood infrastructure over the course of the Three-Year-Old Kindergarten reform program through to 2029. This forward planning will help ensure that all children will have access to two years of funded Kindergarten from 2022 onwards.

The first part of this package will include works across six major kindergarten infrastructure projects, providing over 360 additional funded kindergarten places (based on 15 hours of kindergarten) delivered for the 2024 and 2025 kindergarten years. The Oakleigh South Child & Family Hub Project is one of the first six sites to be developed.

NOTIFICATION:

Seven (7) 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 6 January 2023 and the tender closed on 8 February 2023. Council's use of the CSR list is approved under Council's Procurement Policy.

TENDERS RECEIVED

Six (6) tender submissions were received by the appointed closing time.
The tenders received are listed below:

TENDERERS SUBMITTED	
1	2 Construct Pty Ltd
2	Alchemy Construct Pty Ltd
3	Allmore Constructions Pty Ltd
4	Fimma Constructions Pty Ltd
5	McColl Smith Projects Pty Ltd
6	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 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
40% NON-PRICE CRITERIA	Capacity and Capability	20%	5%	Experience
			5%	Resources
			5%	Risk Management
			3%	Legal Compliance
			2%	Performance and Innovation
	Project Timelines	10%	4%	Start and Completion timeframe
			6%	Proposed Program
	Sustainability** (Mandatory)	10%	8%	Environmental Sustainability
			1%	Local Sustainability
			1%	Social Sustainability
PRICE (60%)	Price*	60%	60%	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

Tender clarifications were sought from the preferred tenderer with a satisfactory response. The construction timeframe to deliver the contract will commence in March 2023 with construction to be completed in December 2023.

Simbuilt have successfully completed the Pinewood Early Years Hub project in February 2023 to a very high standard. The construction value of that project was \$4.3 million. This project was brought in on time under very challenging weather and site conditions, a tight timeframe and under the available budget.

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

FINANCIAL IMPLICATIONS

This project is funded jointly by Council and the State Government through the Department of Education & Training, Building Blocks Grant Program.

PROJECT BUDGET ALLOCATION	GST exclusive	GST inclusive
Project: C09400 - Oakleigh South Child & Family Hub		
Council Funding	\$2,300,000	\$2,530,000
State Government Grant Funding	\$3,700,000	\$4,070,000
TOTAL PROJECT BUDGET	\$6,000,000	\$6,600,000
Total Anticipated Expenditure for Construction Based Upon Simbuilt Pty Ltd's Submission		
Lump Sum Price	\$4,298,920	\$4,728,812
Contingency	\$430,000	\$473,000
Design Fees	\$318,200	\$350,020
Early Works (Demolition) – Awarded Separately	\$102,270	\$112,497
Project Delivery & Management Fees	\$87,000	\$95,700
ANTICIPATED TOTAL EXPENDITURE	\$5,236,390	\$5,760,029

It is anticipated that there will be a budget surplus of \$763,610 (\$839,971 GST Incl) for this project. Once the works are completed any surplus will be returned to the budget. The project will be delivered across the current and 2023/24 financial years.

An Early Works package for the demolition of the existing redundant buildings on the site has been awarded to a specialist contractor under officer delegation with works scheduled to be completed ahead of the construction contractor (this tender) commencement on site.

SUSTAINABILITY OUTCOMES:

Simbuilt's tender includes the following sustainability initiatives:

- Simbuilt will undertake all works in accordance with their ISO 14001 accredited Environmental Management System which includes their Environmental and Sustainability Policy, Sustainability Monitoring and Evaluation Plan and Project Waste Management Plan;
- Whilst the demolition of the existing buildings on the site will be completed prior to Simbuilt commencing on site, they will reuse and recycle as much of their building waste as possible;
- Simbuilt is an Equal Opportunity Employer and has policies to facilitate this;
- Simbuilt are currently commencing a partnership with the Melbourne Indigenous Transition School (MITS), based close to their office in Richmond. MITS was developed to give indigenous scholarship holders to Melbourne Schools a comfortable transition year to adapt to Melbourne life within a comfortable community; and
- The project has been designed to be as energy efficient as sustainable as possible through the use of passive solar design principles where possible, sustainably sourced materials and finishes, energy and water efficient fixtures and fittings durable materials to reduce maintenance and low VOC paints.

CONCLUSION

That Council approves the recommendations contained within this report.