

Agenda

Special Council Meeting

Monday, 17th October 2022

Commencing at 6.30pm

via the Zoom platform and live streamed

kingston.vic.gov.au

Peter Bean
Chief Executive Officer
Kingston City Council



**City of Kingston
Special Council Meeting**

Agenda

17 October 2022

Notice is given that a Special Meeting of Kingston City Council will be held at 6.30pm on Monday, 17 October 2022 via the Zoom platform and live streamed.

1. Apologies

2. Foreshadowed Declaration by Councillors, Officers or Contractors of any Conflict of Interest

Note that any Conflicts of Interest need to be formally declared at the start of the meeting and immediately prior to the item being considered – type and nature of interest is required to be disclosed – if disclosed in writing to the CEO prior to the meeting only the type of interest needs to be disclosed prior to the item being considered.

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3. Infrastructure and Open Space Reports

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Agenda Item No: 3.1

AWARD OF CONTRACT CON-22/096 - REGENTS PARK PAVILION

Contact Officer: Chao Ren, Manager Project Management Office

Purpose of Report

The purpose of this report is to update Council on the tender process for CON- 22/096 Regents Park Pavilion Redevelopment project and to seek Council approval to award the contract.

Disclosure of Officer / Contractor Conflict of Interest

No Council officer/s and/or Contractor/s who have provided advice in relation to this report have declared a Conflict of Interest regarding the matter under consideration.

RECOMMENDATION

That Council:

1. Receive the information and note the outcome of the tender assessment process for Contract CON-22/096 – Regents Park Pavilion Redevelopment project, as set out in confidential Appendix 1 and 2 attached to this report.
2. Subject to a satisfactory independent financial risk assessment, award Contract CON-22/096 – Regents Park Pavilion Redevelopment project for the final adjusted fixed lump sum price of \$7,507,709 (exclusive of GST) to 2Construct Pty Ltd; and
3. Approve the allocation of a separate contract contingency, as set out in the attached confidential Appendix 1, and delegate authority to the CEO, or delegate, to expend this allowance to ensure the successful completion of the project.

1. Executive Summary

Tenders have been sought for the redevelopment of the Regents Park Pavilion project through a select tender process. The project pre-tender estimate of the base construction is \$6,158,712 (ex GST). Following the tender evaluation and cost management process, the preferred tenderer is 2Construct Pty Ltd for an adjusted lump sum price of \$7,507,709 (ex GST). The scope of works is to redevelop the pavilion to support and provide local sporting and community facilities.

It is also worth noting that additional items (namely blinding concrete, soft spot rectification, supply and installation of signage, master keying and gate to entry) have been included as provisional sum allowances within this lump sum price.

With the base construction cost from 2Construct, the total project cost (including consultants fees, other costs and construction) will be \$8,332,709 which exceeds the endorsed total project budget of \$7,355,000 resulting in a project budget shortfall of \$977,709 (excluding separate contract contingency).

This report recommends that subject to a satisfactory independent financial risk assessment, Council awards the Contract CON-22/096 – Regents Park Pavilion project to 2Construct Pty Ltd and endorses the adjustment of the project budget .

A detailed pricing summary and comparison with pre-tender estimates is included in the confidential attachments.

2. Background

In accordance with the resolution of Council on 25 October 2021, the detailed design and consultation for the redevelopment of the Regents Park Pavilion has been completed and tenders sought through a select tender process for the construction of the proposed new facility.

Prior to the select tender process, an open tender process was undertaken with one tender received and evaluated. This submission was considered by the Tender Evaluation Panel (TEP) and, given the lack of information provided both within the tender submission and following a tender clarification process, the panel had major reservations and could not recommend awarding this contract based upon the unacceptable level of risk with the submission. The TEP recommended that this tender process conclude without appointment and the contract for Regents Park Pavilion Redevelopment be re-tendered via a select tender process to obtain suitable submissions to provide Council with the best overall value.

A select tender process was undertaken. Tenders have been received and evaluated. Contractors who submitted tenders have undergone a series of assessments in relation to insurances, experience, organisational capacity, financial status, OHS systems and compliance.

Approval is now sought from Council to award contract CON-22/096 to 2Construct Pty Ltd who were assessed by the Tender Evaluation Panel to offer the best value to Council.

3. Discussion

3.1 Operation and Strategic Issues

3.1.1 Tender evaluation

Previous tender opened on the 26 July 2022 and closed on the 18 August 2022 with three nonconforming tenders received, no contract award was recommended, and the tender was concluded in line with probity advice.

A second-round tender was followed via a selective tender approach, tenders closed at 5.00pm on 4 October 2022 at which four (4) tender submissions were received from the following contractors, listed in alphabetical order:

<i>Tenders Submission Received at Close of Tender Period (in alphabetical order)</i>
Bowden Corporation Pty. Ltd.
FIMMA Constructions Pty Ltd
2Construct Pty Ltd
Newpol Construction Pty Ltd

The tender offers received are listed below, in order of lowest to highest (excluding GST):

<i>Tender Offers Received at Close of Tender Period (excl. GST) (in lowest to highest order)</i>
\$7,598,000.00
\$7,936,512.00
\$8,969,862.00
\$9,087,215.00

The Tender Evaluation Panel (TEP) comprised the following members:

- Manager, PMO (Kingston)
- A/Senior Project Manager, PMO (Kingston)
- Team Leader, Sports & Recreation Major Projects, Active Kingston (Kingston)
- Senior Project Manager (external, Bridge42 Pty Ltd)

Each submission was assessed in accordance with the evaluation criteria set out in the RFT Specification documents:

- (i) Critical Compliance Criteria (PASS/FAIL)
 - Compliance with OHS, Environmental and Insurance requirements
 - Financial Capacity
- (ii) Weighted Criteria
 - 50% Price
 - 15% Capacity, Resourcing & Experience
 - 10% Construction Programme
 - 10% Environmental Sustainability
 - 10% Community Benefit
 - 5% Methodology

Based on the application of the above criteria, the TEP sought clarification from one tenderer in order to complete their assessment, following which the TEP shortlisted 2Construct Pty Ltd on the basis that their submission provides Council with the best overall value.

As a result of the above assessment process the following final adjusted lump price for the preferred contractor is outlined below:

<i>Final Adjusted Tender Lump Sum – exclusive of all nominated tender options to be accepted and with correction of any stated errors/omissions by tenderers (excl. GST)</i>
\$7,507,709

Based on the revised fixed lump sum offer detailed in this report and the attached confidential evaluation matrix, it is recommended that Council award Contract CON-22/096 Regents Park Pavilion Redevelopment project for the revised fixed lump sum price of \$7,507,709 (excl. GST) to 2Construct Pty Ltd.

A confidential tender evaluation matrix is attached to this report for Councillor information (Appendix 2).

Approval by Council is also sought for the allocation of a separate project contingency allowance, as identified in the confidential attachment, and to delegate authority to the CEO (or delegate) to expend this contingency as required to ensure the successful implementation of the project.

3.1.2 Program of Works

Subject to Council award of contract, the redevelopment of the Regents Park Pavilion is expected to commence on site during January 2023 and is anticipated to be completed by December 2023 or earlier.

Arrangements have been made to support the clubs operating from the reserve throughout the construction works through the provision of temporary facilities.

4. Consultation

4.1 Internal Consultation:

Consultation has been undertaken with a wide range of internal and external stakeholders, who have all contributed towards the design of the proposed new facility.

4.2 Community Consultation:

Group	Method
General community	Community consultation was managed through the Your Kingston Your Say online portal during August and September 2021, as well as a community consultation event held on-site on the evening of 25 August 2021, following a mail out to local residents in the surrounding area.
Tenant sporting clubs	Council officers have worked closely with the tenant sporting clubs during the design phase of this project.

5. Compliance Checklist

5.1 Council Plan Alignment

Strategic Direction: Liveable - Our city will be a vibrant, enjoyable, and easy place to live.

Strategy: Invest in high-quality community assets

The proposed construction of the new Regents Park Pavilion responds to the age and poor condition of the existing building at the site, and the need to support the ongoing provision of community infrastructure for local sporting and community groups within the municipality.

5.2 Governance Principles Alignment

Principle (b) - priority is to be given to achieving the best outcomes for the municipal community, including future generations.

5.3 Financial Considerations

The proposed budget for the redevelopment of the Regent Parks Pavilion is outlined below.

Redevelopment of Regent Parks Pavilion	FY21/22	FY 22/23	FY23/24	TOTAL
C0445 Regents Park Pavilion Redevelopment	\$385,000	\$1,600,000	\$1,770,000	\$3,955,000
SRV grants		\$1,500,000	\$1,800,000	\$3,300,000
Club Contributions		\$100,000		\$100,000
TOTAL	\$385,000	\$3,400,000	\$3,570,000	\$7,355,000

Budget

A breakdown of the final total project expenditure for the Regents Park Pavilion, based on the award of Contract CON-22/096 as recommended, is included as a confidential appendix to this report for Councillor information (Appendix 1).

Subject to Council agreeing to award Contract CON-22/096 to the recommended tenderer, there is a shortfall in project funding of \$977,709 (excl GST). Noting this budget shortfall is exclusive of the separate contract contingency (Appendix 1).

Staff Resources

The project will be managed by external project management consultant as per existing service agreement, and oversight by a Project Manager from Council's Project Management Office.

5.4 Risk considerations

This project has significant State Government funding and club interest. Failure to provide appropriate community infrastructure is likely to have reputational risks for Council and will impact on future residents needs in this part of the municipality. In addition, the existing building is not compliant with current DDA or Universal Access standards.

This recommendation is subject to a review of 2Construct Pty Ltd's financials with an independent finance risk assessment currently underway.

Appendices

Appendix 1 - CON-22-096 Regents Park Pavilion Tender Evaluation Price Evaluation
Appendix 1 (Ref 22/288990) - Confidential

Appendix 2 - CON-22-096 Regents Park Pavilion Tender Evaluation Scoring Matrix
Appendix 2 (Ref 22/288991) - Confidential

Author/s: Chao Ren, Manager Project Management Office

Reviewed and Approved By: Samantha Krull, General Manager Infrastructure and Open Space

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Agenda Item No: 3.2

AWARD OF CONTRACT CON-22/086 - GR BRICKER RESERVE PAVILION REDEVELOPMENT PROJECT

Contact Officer: Chao Ren, Manager Project Management Office

Purpose of Report

The purpose of this report is to seek Council approval to award Contract CON- 22/086 GR Bricker Pavilion Redevelopment project.

Disclosure of Officer / Contractor Conflict of Interest

No Council officer/s and/or Contractor/s who have provided advice in relation to this report have declared a Conflict of Interest regarding the matter under consideration.

RECOMMENDATION

That Council:

1. Receive the information and note the outcome of the tender assessment process for Contract CON-22/086 – GR Bricker Pavilion Redevelopment project, as set out in confidential Appendix 1 and 2 attached to this report;
2. Subject to a satisfactory independent financial risk assessment, award Contract CON-22/086 – GR Bricker Pavilion Redevelopment project for the final adjusted fixed lump sum price of \$7,214,694 (exclusive of GST) to 2Construct Pty Ltd, which includes all base works plus the inclusion of four Tender Options (TO03, TO04, TO06 & TO07) for extended external brickwork, additional Moorabbin Dog Obedience club storage, the athletics club storage shed and new carpark and access road; and
3. Approve the allocation of a separate contingency, as set out in the attached confidential Appendix 1, and delegate authority to the CEO, or delegate, to expend this allowance to ensure the successful completion of the project.

1. Executive Summary

Tenders have been sought for the redevelopment of the GR Bricker Pavilion project via an open tender process. The project pre-tender estimate of the base construction is \$5,126,335 (ex GST). Following the tender evaluation and cost management process, the preferred tenderer is 2Construct Pty Ltd for an adjusted lump sum price of \$6,596,694 (ex GST), to redevelop this facility, which is required to support and provide the Moorabbin community with local sporting and community facilities.

Eight tender options were included as part of the tender process with two (TO06 & TO07) for the athletics club storage shed and new carpark and access road stemming from the approved master plan works for the reserve with \$730,922 funding allocated for these works from Council's Capital Works budget. The additional cost for these options is \$542,200 which is to be added to 2Construct's lump sum price for the base construction.

A tender option for extended brickwork to the façade (TO03) in lieu of lightweight cladding (fibre cement sheet) was also considered at a cost of \$42,000 (ex. GST). Following review with the Project Control Group it was considered beneficial from a maintenance and longevity perspective for this to be recommended for adoption with the cost to be added to 2Construct's lump sum price for the base construction.

In addition, a tender option for extended storage to the Moorabbin Dog Obedience (MDO) club (TO04) was also considered as part of the tender process which the club has been advocating to be included in the contracted works. The club has offered to fund this component of the works and at the time of writing this report, Council officers have been advised by the club they will provide funding up to \$60,000 (construction costs and associated design fees). 2Construct's price for this scope is \$33,800 which is to be added to 2Construct's lump sum price for the base construction.

It is also worth noting that additional items (e.g. management of contaminated soil, supply and installation of signage and master keying) has been included in the provisional sum allowances.

With the base construction cost from 2Construct, the total project cost (including consultants fees, other costs and construction) will be \$7,211,694 which exceeds the endorsed total project budget of \$5,593,000. With the masterplan and additional MDO storage funding the project budget is \$6,363,922 and when including the costs for the four tender options, the total project cost will be \$8,014,694 resulting in a total project budget shortfall of \$1,650,772.

This report recommends that subject to a satisfactory independent financial risk assessment, Council awards the Contract CON-22/086 – GR Bricker Pavilion project to 2Construct Pty Ltd and endorses the adjustment of the project budget to support the inclusion of the four tender options.

A detailed pricing summary and comparison with pre-tender estimates is included in the confidential attachments.

2. Background

In accordance with the resolution of Council on 27 September 2021, officers have now completed detailed design and consultation for the redevelopment of the GR Bricker Pavilion, seeking tenders via an open tender process for the construction of the proposed new facility.

Tenders have been received and evaluated with officers now seeking Council approval to award CON-22/086 to the contractor considered by the Tender Evaluation Panel to offer best value to Council. Contractors who have submitted tenders have undergone a series of assessments in relation to insurances, experience, organisational capacity, financial status, OHS systems and compliance.

Approval is now sought from Council to award contract CON-22/086 to 2Construct Pty Ltd who were assessed by the Tender Evaluation Panel to offer the best value to Council.

3. Discussion

3.1 Operation and Strategic Issues

3.1.1 Tender evaluation

Tenders closed at 2.00pm on 5 September 2022 at which point four (4) tender submissions were received from the following contractors, listed in alphabetical order:

<i>Tenders Submission Received at Close of Tender Period (in alphabetical order)</i>
2Construct Pty Ltd
CME*
Innov8tive Services Pty Ltd*
Kingdom Construction Group Pty Ltd
<i>*These tenderers provided non-conforming tenders including incomplete pricing that could not be properly considered or evaluated.</i>
<i>Tender Offers Received at Close of Tender Period (excl. GST) (in lowest to highest order)</i>
\$5,233,958.00
\$6,909,469.00

The Tender Evaluation Panel (TEP) comprised the following officers:

- Manager, PMO (Kingston)
- A/Senior Project Manager, PMO (Kingston)
- Recreation Planning and Projects Coordinator, Active Kingston (Kingston)
- Senior Project Manager (external, Bridge42 Pty Ltd)

Each submission was assessed in accordance with the evaluation criteria set out in the RFT Specification documents:

- (i) Critical Compliance Criteria (PASS/FAIL)
 - Compliance with OHS, Environmental and Insurance requirements
 - Financial Capacity

- (ii) Weighted Criteria
 - 50% Price
 - 15% Capacity, Resourcing & Experience
 - 10% Construction Programme
 - 10% Environmental Sustainability
 - 10% Community Benefit
 - 5% Methodology

The TEP required further information from both tenderers with clarifications sought in order to complete their assessment. In addition, the TEP also worked with the tenderers to consider a range of both cost savings and tender options,

and to agree on a final adjusted lump sum tender price, based on the agreed final scope of works.

Cost savings include:

- Alternative selection of tiling in lieu of wall vinyl to wet areas (where practicable).
- Deletion of CCTV cameras and head-end equipment

Tender options include:

- TO01 Multipurpose Room Glazing at High Level
- TO02 Additional Layer of Perforated Plaster to Multipurpose Room & MDO
- TO03 Extended External Brickwork
- TO04 Additional MDO Store Footprint
- TO05 Tiling to Wet Areas
- TO06 Athletics Club Storage Shed Works
- TO07 Construction of New Carpark and Access Road
- TO08 Extended Roofing to create Shade for Players and Spectators to the South

As a result of the above assessment process, details of which are included in the attached confidential appendices, the following final adjusted lump price is outlined below:

Final Adjusted Tender Lump Sum – exclusive of all nominated tender options to be accepted and the correction of any stated errors/omissions by tenderers (excl. GST)

\$6,596,694

Final Adjusted Tender Lump Sum – inclusive of nominated tender options to be accepted (TO03, TO04, TO06 & TO07) and the correction of any stated errors/omissions by tenderers (excl. GST)

\$7,214,694

Based on the revised fixed lump sum offer detailed in this report and the attached confidential evaluation matrix, it is recommended that Council award Contract CON-22/086 GR Bricker Pavilion Redevelopment project to 2Construct Pty Ltd on the basis that their submission provides Council with the best overall value.

For the project to include the four Tender Options (TO03, TO04, TO06 & TO07) for the extended external brickwork, additional MDO Store Footprint, Athletics Club Storage Shed and Upgraded Carpark and Access Road, the recommended contract award amount is \$7,214,694 (excl GST) to 2Construct Pty Ltd.

The extended external brickwork offers a more resilient finish and superior longevity to the building asset for a relatively moderate cost uplift of \$42,000. The dog club has been advocating for the additional MDO Store Footprint to be

included in the contracted works and have offered to fund this scope up to an amount of \$60,000 which covers the pricing received during tender.

The Athletics Club Storage Shed and Upgraded Carpark and Access Road form part of the approved masterplan for the reserve and packaging this scope with the pavilion project provides Council with value for money.

A confidential tender evaluation matrix is attached to this report for Councillor information (Appendix 2).

Approval by Council is sought for the allocation of a separate project contract contingency allowance, as identified in the confidential attachment, and to delegate authority to the CEO (or delegate) to expend this contingency as required to ensure the successful implementation of the project.

3.1.2 Program of Works

Subject to Council award of contract, the redevelopment of the GR Bricker Pavilion is expected to commence on site in March 2023 and is anticipated to be completed by February/March 2024.

Arrangements have been made to support the clubs operating from the Reserve throughout the construction works through the provision of temporary facilities and utilising an existing building that is being retained.

4. Consultation

4.1 Internal Consultation:

Consultation has been undertaken with a wide range of internal and external stakeholders, who have all contributed towards the design of the proposed new facility.

4.2 Community Consultation:

Group	Method
General community	Community consultation was managed through the Your Kingston Your Say online portal during July & August 2021, as well as a mail out to local residents in the surrounding area.
Tenant sporting clubs	Council officers have worked closely with the tenant sporting clubs during the design phase of this project.

5. Compliance Checklist

5.1 Council Plan Alignment

Strategic Direction: Liveable - Our city will be a vibrant, enjoyable, and easy place to live.

Strategy: Invest in high-quality community assets

The proposed construction of the new GR Bricker Reserve Pavilion is in direct response to the age and poor condition of the existing building at the site, and the need to support the ongoing provision of community infrastructure for local sporting and community groups within the municipality.

5.2 Governance Principles Alignment

Principle (b) - priority is to be given to achieving the best outcomes for the municipal community, including future generations.

5.3 Financial Considerations

The endorsed budget for the redevelopment of the GR Bricker Pavilion is outlined below.

Redevelopment of GR Bricker Pavilion	FY21/22	FY 22/23	FY23/24	TOTAL
N1004 GR Bricker Pavilion Redevelopment	\$100,000	\$2,100,000		\$2,200,000
SRV grants		\$3,000,000		\$3,000,000
Other Funding Transfer (Masterplan, LRCl, etc)		\$1,123,922		\$1,123,922
Club Contribution (MDO)		\$40,000		\$40,000
TOTAL	\$100,000	\$6,263,922		\$6,363,922

Budget

A breakdown of the final total project expenditure for the GR Bricker Pavilion, based on the award of Contract CON-22/086 as recommended, is included as a confidential appendix to this report for Councillor information (Appendix 1).

Subject to Council agreeing to award Contract CON-22/086 to the recommended tenderer, there is a shortfall in total project funding of \$2,150,772 (excl GST). This budget shortfall is inclusive of the separate contract contingency allowance and all professional fees.

Staff Resources

The project will be managed by external project management consultant as per existing service agreement, and oversight by a Project Manager from Council's Project Management Office.

5.4 Risk considerations

Failure to provide appropriate community infrastructure is likely to have reputational risks for Council and will impact on future residents needs in this part of the municipality.

This recommendation is subject to a review of 2Construct Pty Ltd's financials with an independent finance risk assessment currently underway.

Appendices

Appendix 1 - CON-22-086 GR Bricker Reserve Pavilion Tender Evaluation Price Evaluation Appendix 1 (Ref 22/289071) - Confidential

Appendix 2 - CON-22-086 GR Bricker Pavilion Tender Evaluation Scoring Matrix Appendix 2 (Ref 22/289070) - Confidential

Author/s: Chao Ren, Manager Project Management Office

Reviewed and Approved By: Samantha Krull, General Manager Infrastructure and Open Space

Special Council Meeting

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Agenda Item No: 3.3

AWARD OF CONTRACT CON-22/089 - CARRUM SURF LIFE SAVING CLUB REDEVELOPMENT

Contact Officer: Chao Ren, Manager Project Management Office

Purpose of Report

The purpose of this report is to seek Council approval to award Contract CON- 22/089 Carrum Surf Life Saving Club Redevelopment project.

Disclosure of Officer / Contractor Conflict of Interest

No Council officer/s and/or Contractor/s who have provided advice in relation to this report have declared a Conflict of Interest regarding the matter under consideration.

RECOMMENDATION

That Council:

1. Receive the information and note the outcome of the tender assessment process for Contract CON-22/089 – Carrum Surf Life Saving Club Redevelopment project, as set out in confidential Appendix 1 and 2 attached to this report;
2. Subject to a satisfactory independent financial risk assessment, award Contract CON-22/089 – Carrum Surf Life Saving Club Redevelopment project for the final adjusted fixed lump sum price of \$3,790,797 (excl. of GST) to 2Construct Pty, which includes all base works plus the inclusion of four Tender Options (TO02A, TO02B, TO02C & TO3) for renovating existing ground floor amenities, replace wall tiling, replace basins and taps and vanity joinery, and adding polished concrete floor; and
3. Approve the allocation of a separate contingency and allowance for temporary facility, as set out in the attached confidential Appendix 1, and delegate authority to the CEO, or delegate, to expend this allowance to ensure the successful completion of the project.

1. Executive Summary

Tenders have been sought for the redevelopment of the Carrum Surf Life Saving Club project via an open tender process. The project pre-tender estimate of the base construction is \$3,590,000 (excl. GST). Following the tender evaluation and cost management process, the preferred tenderer is 2Construct Pty Ltd for an adjusted lump sum price of \$3,790,797 (excl. GST), to redevelop this facility, which supports emergency service provisions on the Carrum foreshore.

This report outlines the tenders received and the outcome of the tender evaluation process, recommending 2Construct Pty Ltd as providing best value for Council.

Four tender options were included as part of the tender process (TO02A, TO02B, TO02C & TO3) for renovating existing ground floor amenities, replace wall tiling, replace basins and taps and vanity joinery, and adding polished concrete floor. These are included in 2Construct's lump sum price.

With the lump sum price from 2Construct, the total project cost (including construction and tender options) will be \$3,790,797 which exceeds the construction budget of \$3,242,364 resulting in a project budget shortfall of \$548,433 (note this excludes the separate contract contingency and temporary facility cost).

It should also be noted that the available project budget is inclusive of \$900,000 (excl. GST) additional funding and officers understand the application has been submitted by Life Saving Victoria to the State Government and is yet to be approved.

2. Background

In accordance with the resolution of Council on 24 May 2021, officers have now completed detailed design and consultation for the redevelopment of the Carrum Surf Life Saving Club and sought tenders via an open tender process.

The tender was advertised on 16 August and tenders closed on the 27 September (extended from 22 September as requested by tenderers due to the additional public holiday).

Tenders have been received and evaluated by the Tender Evaluation Panel. Contractors who have submitted tenders have undergone a series of assessments in relation to insurances, experience, organisational capacity, financial status, OHS systems and compliance.

In total (5) five tenders were received, with (3) three tenders deemed nonconforming due to their lack of response to all tender criteria. Among the remaining (2) two tenderers, detailed evaluation and assessment was undertaken by the Tender Evaluation Panel, including a financial risk assessment.

The tenders have been evaluated and approval is now sought from Council to award CON-22/089 to 2Construct Pty Ltd who were assessed by the Tender Evaluation Panel to offer the best value to Council.

3. Discussion

3.1.1 Tender evaluation

Tenders closed at 2.00pm on 27 September 2022 at which point five (5) tender submissions were received from the following contractors, in alphabetical order:

<i>Tenders Submission Received at Close of Tender Period (in alphabetical order)</i>
2Construct Pty Ltd
CME Composite Materials Engineering Pty Ltd *
Cornerstone Constructions *
Innov8tive Services Pty Ltd *
Kingdom Construction Group Pty Ltd
<i>* These tenderers provided non-conforming tenders including incomplete pricing that could not be properly considered or evaluated</i>

<i>Tender Offers Received at Close of Tender Period (excl. GST) (in lowest to highest order)</i>
\$3,706.00
\$176,155.00
\$3,064,884.20
\$3,114,810.00
\$4,112,468.00

The Tender Evaluation Panel (TEP) comprised the following officers:

- Manager, PMO
- Centre Manager, Waves Leisure Centre, Active Kingston
- A/Senior Project Manager, PMO

The evaluation criteria used to evaluate all tenders under CON 22/045 were as follows:

(i) PASS/FAIL Criteria

- Attendance at compulsory site visit
- Demonstrated experience delivering foreshore building projects
- Compliance with Council's OHS, Environmental & Insurance requirements
- Independent assessment of financial capacity of organisation / business

(ii) Weighted Scored Criteria

40%	Price	
15%		Site specific construction methodology
15%		Specific experience related to coastal projects
10%	Capacity and resourcing	
10%		Environmental Sustainability
10%		Community Benefit

Tender options include:

- TO01A Light weight In lieu of precast concrete
- TO01B Blockwork in lieu of precast concrete
- TO02A Renovating existing ground floor amenities
- TO02B Renovating existing ground floor amenities – Tiling
- TO02C Renovating existing ground floor amenities – New Basins & Tiled
- TO03 Adding Polished Concrete Floor Treatment to Existing Spaces
- TO04 Line Marking within Stores 5.01 and 5.03.
- TO05 Delete the Internal Sculptform Cladding F.BA.01
- TO06 Reduce Extent of Tiling to New Amenities.

An interview was undertaken with the preferred tenderer, and a range of tender clarifications were sought to finalise an adjusted lump sum tender price, including a selection of preferred tender options.

As a result of the above assessment process, details of which are included in the attached confidential appendices, the following final adjusted lump price for the preferred contractor is outlined below:

**Final Adjusted Tender Lump Sum and the correction of
any stated errors/omissions by tenderers (excl. GST)**

\$3,790,797.00

Based on the revised fixed lump sum offer detailed in this report and the attached confidential evaluation matrix, it is recommended that Council award Contract CON-22/089 Carrum SLSC Redevelopment project for the revised fixed lump sum price of \$3,790,797 (excl. GST) to 2Construct Pty Ltd on the basis that their submission provides Council with the best overall value.

A confidential tender evaluation matrix is attached to this report for Councillor information (Appendix 2).

It is requested that Council approve the allocation of a separate project contingency allowance, as identified in the confidential attachment, and to delegate authority to the CEO (or delegate) to expend this contingency as required to ensure the successful implementation of the project.

3.1.2 Program of Works

Subject to Council award of contract, the redevelopment of the Carrum SLSC is expected to commence on site during December 2022 and is anticipated to be completed by October 2023.

Arrangements have been made to support the club operating from the foreshore throughout the construction works with the establishment of temporary storage and operational facilities.

4. Consultation

4.1 Internal Consultation:

The following internal departments have been involved in this project and provided guidance on this tender review:

- Project Management Office
- Active Kingston (Sport and Recreation)
- Procurement (Contracts)
- Legal
- Infrastructure (Facilities Maintenance)

Subject to approval by Council, officers will provide further information to the public on the project and its implementation programme.

4.2 Community Consultation:

Group	Method
Life Saving Victoria (LSV)	Meetings with both LSV and ESIA are held on regular basis to keep close communication of the project status, challenges and seeking potential funding opportunities.

Emergency Services Infrastructure Authority (ESIA)	
Carrum Surf Life Saving Club (SLSC)	Extensive meetings with Carrum SLSC have occurred to clarify design queries, scope and any potential value management incorporation, as well as Club's expectation on the program.

5. Compliance Checklist

5.1 Council Plan Alignment

Strategic Direction: Liveable - Our city will be a vibrant, enjoyable, and easy place to live.

Strategy: Invest in high-quality community assets

Extension of the Carrum SLSC building will provide a modern, fit for purpose facilities to support volunteer life savers and associated provision of emergency services designed to keep visitors to the beach safe. The result will be a facility with future capacity for emergency response and community recreational activity and provide an optimal aquatic safety education and training facility. It also provides an opportunity to showcase Carrum as a beachside destination of choice, in keeping with the improved public transport infrastructure and revitalised public realm.

5.2 Governance Principles Alignment

Principle (b) - priority is to be given to achieving the best outcomes for the municipal community, including future generations.

5.3 Financial Considerations

Redevelopment of the Carrum SLSC	FY21/22	FY 22/23	FY23/24	TOTAL
Council - C0521 Carrum SLSC	-	-	\$800,700	\$800,700
LSV Grant Funding Agreement	\$300,000	\$500,000	\$700,000	\$1,500,000
Funding Transfer from Council Building Renewal Program	-	\$265,000	-	\$265,000
* Additional LSV Grant Funding	-	\$900,000	-	\$900,000
TOTAL	\$300,000	\$1,665,000	\$1,500,700	**\$3,465,700

* Through recent correspondence with LSV, Officers understand a further funding application of \$900,000 (excl. GST) has been submitted to the State Government. This funding is yet to be confirmed.

**The total project budget includes both consultant fees and construction budget

Budget

A breakdown of the final total project expenditure for the Carrum Surf Life Saving Club Redevelopment, based on the award of Contract CON-22/089 as recommended, is

included as a confidential appendix to this report for Councillor information (Appendix 1).

Subject to Council agreeing to award Contract CON-22/089 to the recommended tenderer, there is a shortfall in total project funding of \$548,433 (excl. GST). This budget shortfall is exclusive of the separate contract contingency and allowance for temporary facility cost.

Staff Resources

The project will be managed by senior project manager from PMO department, this is in line with the department resourcing plan.

5.4 Risk considerations

Failure to provide appropriate community infrastructure is likely to have reputational risks for Council and will impact on future residents needs in this part of the municipality

This recommendation is subject to a review of 2Construct Pty Ltd's financials with an independent finance risk assessment currently underway.

Appendices

Appendix 1 - CON-22-089 Carrum SLSC Redevelopment - Tender Evaluation -
Appendix 1 (Ref 22/289414) - Confidential

Appendix 2 - 20221012 CON-22-089 Carrum SLSC Tender Evaluation Scoring Matrix -
Appendix 2 (Ref 22/289417) - Confidential

Author/s: Chao Ren, Manager Project Management Office

Reviewed and Approved By: Samantha Krull, General Manager Infrastructure and Open Space

4. Confidential Items

4 Confidential Items

This information is confidential information under section 3(1) of the *Local Government Act 2020* and therefore suitable for consideration in closed session. In accordance with the *Local Government Act 2020*, Council may resolve to consider these items in open or closed session.

4.1 Strategic Advocacy Matter

Agenda item 4.1 *Strategic Advocacy Matter* is designated confidential:

- because it is land use planning information, being information that if prematurely released is likely to encourage speculation in land values, and because it is private commercial information, being information provided by a business, commercial or financial undertaking (section 3(1)(c) and (g)), and
- the explanation as to why the specified grounds apply is the report's contents could lead to inappropriate speculation over land which is yet to formally be considered by the Victorian Government.

Confidential Appendices

3.1 Award of Contract CON-22/096 - Regents Park Pavilion

Appendix 1, CON-22-096 Regents Park Pavilion Tender Evaluation Price Evaluation Appendix 1 is designated confidential as it relates to (s3(1)(g))

3.1 Award of Contract CON-22/096 - Regents Park Pavilion

Appendix 2, CON-22-096 Regents Park Pavilion Tender Evaluation Scoring Matrix Appendix 2 is designated confidential as it relates to (s3(1)(g))

3.2 Award of Contract CON-22/086 - GR Bricker Reserve Pavilion Redevelopment Project

Appendix 1, CON-22-086 GR Bricker Reserve Pavilion Tender Evaluation Price Evaluation Appendix 1 is designated confidential as it relates to (s3(1)(g))

3.2 Award of Contract CON-22/086 - GR Bricker Reserve Pavilion Redevelopment Project

Appendix 2, CON-22-086 GR Bricker Pavilion Tender Evaluation Scoring Matrix Appendix 2 is designated confidential as it relates to (s3(1)(g))

3.3 Award of Contract CON-22/089 - Carrum Surf Life Saving Club Redevelopment

Appendix 1, CON-22-089 Carrum SLSC Redevelopment - Tender Evaluation - Appendix 1 is designated confidential as it relates to (s3(1)(g(i)))

3.3 Award of Contract CON-22/089 - Carrum Surf Life Saving Club Redevelopment

Appendix 2, 20221012 CON-22-089 Carrum SLSC Tender Evaluation Scoring Matrix - Appendix 2 is designated confidential as it relates to (s3(1)(g(i)))

RECOMMENDATION

That in accordance with section 66(1) and 66(2)(a) of the *Local Government Act 2020*, the meeting be closed to members of the public for the consideration of the following confidential items:

4.1 Strategic Advocacy Matter

This agenda item is confidential information for the purposes of section 3(1) of the Local Government Act 2020:

- because it is land use planning information, being information that if prematurely released is likely to encourage speculation in land values, and because it is private commercial information, being information provided by a business, commercial or financial undertaking (section 3(1)(c) and (g)), and
- the explanation as to why the specified grounds apply is the report's contents could lead to inappropriate speculation over land which is yet to formally be considered by the Victorian Government.

Confidential Appendices

- 3.1 Award of Contract CON-22/096 - Regents Park Pavilion
Appendix 1, CON-22-096 Regents Park Pavilion Tender Evaluation Price
Evaluation Appendix 1**
This appendix is confidential in accordance with the Local Government Act 2020, s3(1) as it relates to (s3(1)(g)).
- 3.1 Award of Contract CON-22/096 - Regents Park Pavilion
Appendix 2, CON-22-096 Regents Park Pavilion Tender Evaluation
Scoring Matrix Appendix 2**
This appendix is confidential in accordance with the Local Government Act 2020, s3(1) as it relates to (s3(1)(g)).
- 3.2 Award of Contract CON-22/086 - GR Bricker Reserve Pavilion
Redevelopment Project
Appendix 1, CON-22-086 GR Bricker Reserve Pavilion Tender Evaluation
Price Evaluation Appendix 1**
This appendix is confidential in accordance with the Local Government Act 2020, s3(1) as it relates to (s3(1)(g)).
- 3.2 Award of Contract CON-22/086 - GR Bricker Reserve Pavilion
Redevelopment Project
Appendix 2, CON-22-086 GR Bricker Pavilion Tender Evaluation Scoring
Matrix Appendix 2**
This appendix is confidential in accordance with the Local Government Act 2020, s3(1) as it relates to (s3(1)(g)).
- 3.3 Award of Contract CON-22/089 - Carrum Surf Life Saving Club
Redevelopment
Appendix 1, CON-22-089 Carrum SLSC Redevelopment - Tender
Evaluation - Appendix 1**

This appendix is confidential in accordance with the Local Government Act 2020, s3(1) as it relates to (s3(1)(g(i))).

**3.3 Award of Contract CON-22/089 - Carrum Surf Life Saving Club
Redevelopment**

**Appendix 2, 20221012 CON-22-089 Carrum SLSC Tender Evaluation
Scoring Matrix - Appendix 2**

This appendix is confidential in accordance with the Local Government Act 2020, s3(1) as it relates to (s3(1)(g(i))).