

#### 4.11 TENDER FOR JINGELLA AVENUE, ASHWOOD – ROAD RECONSTRUCTION (2023025: SM)

Responsible Director: Jarrod Doake

##### **RECOMMENDATION\***

*That Council:*

1. *Awards the tender from CDN Constructors Pty Ltd for Jingella Avenue, Ashwood – Road Reconstruction Contract No. 2023025 for the fixed Lump Sum Price of \$1,554,008.45 with an extra \$155,100 for Contingencies and \$78,100 for Project Management/Delivery Fees;*
2. *Authorises the Chief Executive Officer to execute the contract agreement;*
3. *Notes that the contract is anticipated to commence on 23 Jan 2023 and the expected completion date is 21 August 2023;*
4. *Notes that the anticipated project expenditure including the fixed Lump Sum, Contingencies and Project Management/ Delivery Fees is \$1,787,208.45; and*
5. *Approves additional funding of \$412,208.45 required for this project*

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

##### **INTRODUCTION**

Council has conducted a tender for 2023025 – Jingella Avenue, Ashwood – Road Reconstruction

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. The scope of works contained within this tender is site specific and there is also no benefit to collaboratively procure materials or services to deliver the works. It is also critical to tender individually to meet Council's delivery timeframes for these works and procurement policy.

##### **BACKGROUND**

Council is seeking to appoint a Contractor for the road reconstruction of Jingella Avenue, Ashwood, to upgrade the existing road pavement and infrastructure.

The road is in poor condition as identified through proactive asset condition inspections and has been identified as a priority for renewal / reconstruction. This road can no longer be cost effectively maintained to a reasonable standard with routine maintenance.

The works include new kerb & channel, drainage pipes and pits, footpath and pavement rehabilitation including new wearing course asphalt.

The reconstruction will improve safety, address local drainage issues, reduce maintenance costs, improve the visual amenity and will assist in making Monash a more connected and greener City as well as maintaining a level of service expected by our community.

### **NOTIFICATION**

A public notice was placed in The Age newspaper on 31 August 2022 and the tender closed on 21 September 2022.

### **TENDERS RECEIVED**

Tender submissions were received from the following two suppliers by the appointed closing time.

<b>TENDERERS SUBMITTED</b>	
<b>1</b>	CDN Constructors Pty Ltd
<b>2</b>	Parkinson Group Australia Pty Ltd

### **Tender Conformance:**

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.

Key Selection Criteria	Criteria Weightings	Sub Criteria Weightings	Sub Criteria
Capacity and Capability	20%	10%	Experience
		7%	Resources
		3%	Risk Management & Legal Compliance
Project Timelines	10%	3%	Start and Completion timeframe
		7%	Proposed Program & Construction Methodology
Sustainability (Mandatory)	20%	10%	Environmental Sustainability
		5%	Local Sustainability
		5%	Social Sustainability
Price	50%	50%	Price

## DISCUSSION

The two conforming 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 both tenderers demonstrated relevant experience with road reconstruction projects and are capable of delivering this contract.

The TEP interviewed both tenderers. Through the interviews both tenderers highlighted the market supply challenges associated with extended lead time for the supply of reinforced concrete pipes; 40+ weeks and proposed a shorter lead time (4 - 6 weeks) should flexible (plastic) pipes be acceptable to Council. This was investigated further by Council Engineers and determined acceptable for this project. Both tenderers were then invited to resubmit an amended price and program for this tender utilizing flexible pipes.

The TEP completed their evaluation based upon the amended submissions; see Table 1.

The submission from CDN Constructors Pty Ltd was of a high quality and referee checks confirmed they have a clear understanding of council processes and relevant experience. CDN have successfully completed a \$2.6M road reconstruction project for City of Kingston – Chelsea Road, Chelsea. CDN are also currently delivering the Normanby Street, Hughesdale Road reconstruction project for City of Monash. The project is progressing well, and their quality of work is of a high standard.

A Financial check has been undertaken and CDN are deemed acceptable.

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

### FINANCIAL IMPLICATIONS

The adopted 2022/23 Capital Works Program makes provision for this project.

ITEM	GST exclusive	GST inclusive
Project C09231 - Jingella Avenue, Ashwood – Road Reconstruction	\$1,250,000.00	\$1,375,000.00
<b>TOTAL PROJECT BUDGET</b>	<b>\$1,250,000.00</b>	<b>\$1,375,000.00</b>
<b>Estimated Project Expenditure Based Upon CDN Constructors Pty Ltd Submission</b>		
Lump Sum Price	\$1,412,734.95	\$1,554,008.45
Contingency	\$141,000.00	\$155,100.00
Project Management/Delivery Fees	\$71,000.00	\$78,100.00
<b>ESTIMATED PROJECT EXPENDITURE</b>	<b>\$1,624,734.95</b>	<b>\$1,787,208.45</b>

There is budget shortfall of \$374,734.95 (GST excl.). The increased cost of this project is reflective of construction industry wide escalation in costs being experienced across Australia. There have been significant increases in raw materials, longer manufacturing lead times, fuel/energy cost increases, skilled labour supply shortages & cost increases which have all impacted project costs.

The additional funding required for this project will be managed in delivery of the overall 2022/23 Capital Works Program.

### SUSTAINABILITY OUTCOMES

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

**Environmental Sustainability:** Where possible the Contractor will reuse some material on site or will dispose of demolition material for recycling rather than sending to landfill.

Materials specified for this construction contract include use of recycled materials where feasible. This includes recycled crushed rock, recycled asphalt, mulching of removed trees and reuse of topsoil.

**Local Sustainability:** The Contractor will purchase goods, services, and materials within the City of Monash where possible. CDN Constructors also employ two local staff.

**CONCLUSION**

That Council approves the recommendations contained within this report.