

4.12 TENDER FOR LADNER COURT, ASHBY COURT AND TORQUAY AVENUE, CHADSTONE - ROAD RECONSTRUCTION
(2023020: SC)

Responsible Director: Jarrod Doake

RECOMMENDATION*

That Council:

1. *Awards the tender from Fulton Hogan Industries Pty Ltd for Ladner Court, Ashby Court and Torquay Avenue, Chadstone - Road Reconstruction, Contract No. 2023020 for a fixed Lump Sum of \$1,114,348.84 with an extra \$111,100 for Contingencies, and \$55,000 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 16 Jan 2023 and the expected completion date is 22 May 2023; and*
4. *Notes that the anticipated project expenditure including the fixed Lump Sum, Contingencies and Project Management/Delivery Fees is \$1,280,448.84; and*
5. *Approves additional funding of \$510,448.84 required for this project*

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

INTRODUCTION

Council has conducted a tender for Ladner Court, Ashby Court and Torquay Avenue, Chadstone – 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.

BACKGROUND

Council is seeking to appoint a Contractor for the road reconstruction of Ladner Court, Ashby Court and Torquay Avenue, Chadstone.

These roads are in poor condition as identified through proactive asset condition inspections and have been identified as a priority for renewal / reconstruction. These roads can no longer be cost effectively maintained to a reasonable standard with routine maintenance.

The scope of works includes:

- The installation of new stormwater drainage pipes and pits to improve drainage;
- Connection of private property drainage outlets to new drainage;
- Reconstruction of new kerb and channel;
- Reconstruction of private vehicle crossings to new line and levels to eliminate scraping of the under carriage of vehicles when exiting / entering driveways;
- Asphalt resurfacing and pavement patching;
- Footpath and associated works; and
- Reinstatement of nature strips and tree planting.

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 27 August 2022 and the tender closed on 16 September 2022.

TENDERS RECEIVED

Three (3) tender submissions were received by the appointed closing time.

The tenders received are listed below:

TENDERERS SUBMITTED	
1	Fulton Hogan Industries Pty Ltd
2	Parkinson Group (Vic) Pty Ltd
3	CDN Constructors 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
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%	8%	Experience
			5%	Resources
			7%	Risk Management & Legal Compliance
	Project Timelines	10%	2%	Start and Completion timeframe
			8%	Proposed Program
	Sustainability (Mandatory)	20%	8%	Environmental Sustainability
			6%	Local Sustainability
			6%	Social Sustainability
	PRICE (50%)	Price*	50%	50%

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 all tenderers demonstrated relevant experience with road reconstruction projects and are capable of delivering this contract.

The TEP interviewed the two highest ranked 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.

All 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.

The submission from Fulton Hogan Industries Pty Ltd was of a high quality and referee checks confirmed they have a clear understanding of council processes and relevant experience. Fulton Hogan Industries Pty Ltd is a well-established civil contractor specialising in multi-faceted civil construction with an annual turnover exceeding \$1B. They have successfully delivered civil construction projects for a number of City Councils in Melbourne and for the Department of Transport. They have a long-standing tenure with the City of Port Phillip having completed various civil projects during the past 25 years.

A Financial check has been undertaken and Fulton Hogan Industries Pty Ltd are deemed acceptable.

The final evaluation ranking (including the price and non-price evaluation criteria) had Fulton Hogan Industries Pty Ltd ranked highest and as such, the evaluation panel recommends Fulton Hogan Industries 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 C09241 - Ladner Court, Torquay Avenue & Ashby Court, Chadstone - Road Reconstruction	\$700,000.00	\$770,000.00
TOTAL INCOME	\$700,000.00	\$770,000.00
Estimated Project Expenditure Based Upon Fulton Hogan Industries Pty Ltd's Submission		
Lump Sum Price	\$1,013,044.40	\$1,114,348.84
Contingency	\$101,000.00	\$111,100.00
Project Delivery / Management Fees	\$50,000.00	\$55,000.00
ESTIMATED PROJECT EXPENDITURE	\$1,164,044.40	\$1,280,448.84

There is a budget shortfall of \$464,044.40 (GST excl.) for this project. 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. Fulton Hogan Industries Pty Ltd also employ two local staff.

CONCLUSION

That Council approves the recommendations contained within this report.