

4.6 TENDER FOR GLEN WAVERLEY SPORTS HUB DEVELOPMENT (CF2022154: SMC)

Responsible Director: Jarrod Doake

RECOMMENDATION*

That Council:

- 1. Awards the tender from Commercial Industrial Construction Group (CICG) Pty Ltd for the Glen Waverley Sports Hub Development Contract No. 2022154 for the fixed Lump Sum Price of \$23,074,581 with \$2,750,000 for Contingencies and a \$550,000 allowance for Service Utility and Authority fees;*
- 2. Authorises the Chief Executive Officer to execute the contract agreement;*
- 3. Notes that the contract is anticipated to commence on 12 September 2022 and the expected completion date is 4 November 2023; and*
- 4. Notes that the anticipated project expenditure including the fixed Lump Sum, Contingencies, Service Utility and Authority fees is \$26,374,581*

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

INTRODUCTION

Council has conducted a tender for 2022154 Glen Waverley Sports Hub Development at the Glen Waverley Golf Course on the corner of Jells Road and Waverley Road in Glen Waverley.

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 possibly access established contracts via other compliant Procurement agreements.

Due to the site-specific nature of the construction works and timeline constraints for the completion and delivery of the works, Council officers agreed to run a Council specific tender to achieve the best outcome for Council because a collaboration with other councils was not a viable option.

BACKGROUND

The Glen Waverley Sports Hub Project is a collaboration between Council and the State Government North East Link Program.

Works involve:

- Demolition of existing buildings.
- Construction of a two storey Golf/Tennis pavilion, café space and golf buggy storage facility;
- Construction of 18 synthetic tennis courts with lighting.

- New carpark, pedestrian paths, and civil infrastructure.
- Construction of Golf practice green and hitting cage; and
- Landscape works and supporting infrastructure.

The intersection upgrade works at Jells Road and Waverley Road are currently under construction separately as part of the overall project.

NOTIFICATION

A public notice was placed in The Age newspaper on 28 May 2022 and the tender closed on 8 July 2022

TENDERS RECEIVED

Five (5) tender submissions were received by the appointed closing time. The tenders received are listed below:

TENDERERS SUBMITTED	
1	Alchemy Construct Pty Ltd
2	2Construct Pty Ltd
3	Commercial Industrial Construction Group Pty Ltd (CICG)
4	Devco Project and Construction Management Pty Ltd
5	Lloyd Group 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 conformed with the tender requirements and all the tenders were then further evaluated as per the agreed evaluation criteria.

A number of unacceptable contractual departures and exclusions were proposed in the original tenders from all Tenderers. For the shortlisted tenderers, these departures and exclusions were thoroughly reviewed and amended through several clarification rounds.

TENDER EVALUATION

All members of the evaluation panel signed Conflict of Interest and Confidentiality forms and one potential conflict raised was managed appropriately.

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
Registered pre- qualified member of Dept. of Treasury & Finance Construction Supplier Register	Pass/Fail

	Key Selection Criteria	Criteria Weightings	Sub Criteria Weightings	Sub Criteria to be used in the Returnable Schedule
Qualitative Criteria (50%)	Capacity and Capability	20%	5%	Experience
			5%	Resources
			5%	Risk Management
			3%	Legal Compliance
			2%	Performance and Innovation
	Project Timelines or other criteria (if required)	10%	4%	Start and Completion timeframe
			6%	Proposed Program
	Sustainability (Mandatory)	20%	8%	Environmental Sustainability
			6%	Local Sustainability
6%			Social Sustainability	
Quantitative Criteria (50%)	Price (Mandatory)	50%	50%	Comparison of Fixed Lump Sum Cost

DISCUSSION

The five conforming tender submissions were assessed against the tender evaluation criteria including the price and non-price evaluation criteria under the guidance of an external Probity Advisor.

After several clarification rounds with several tenderers and an interview, the final evaluation ranking (including the price and non-price criteria) had Commercial Industrial Construction Group Pty Ltd (CICG) ranked the highest.

A tender interview was conducted with Commercial Industrial Construction Group Pty Ltd (CICG) to reaffirm a clear understanding of their proposal. The interview provided the tender evaluation panel confidence that CICG had the experience, resources, and capabilities to deliver this project within the required timeframes.

Commercial Industrial Construction Group Pty Ltd (CICG) can commence in mid-September 2022 and complete the contract by early November 2023.

As such, the evaluation panel recommends Commercial Industrial Construction Group Pty Ltd (CICG) as representing the best value outcome for Council.

FINANCIAL IMPLICATIONS

GLEN WAVERLEY SPORTS HUB DEVELOPMENT	GST exclusive	GST inclusive
Glen Waverley Sports Hub Development	\$24,000,000	\$26,400,000
TOTAL PROJECT BUDGET	\$24,000,000	\$26,400,000
Estimated Project Expenditure Based Upon CICG Pty Ltd Submission		
Fixed Lump Sum Price	\$20,976,892	\$23,074,581
Contingency	\$2,500,000	\$2,750,000
Service Utilities and Authority Fees allowance	\$500,000	\$550,000
ESTIMATED PROJECT EXPENDITURE	\$23,976,892	\$26,374,581

An allowance of \$24,000,000 (GST Excl.) was allocated from the Glen Waverley Sports Hub budget of \$26,770,000 (GST Excl.) for the construction development which is jointly funded by NELP (\$21m) and Council (\$5.77m).

A contingency of \$2,500,000 (GST Excl.) has also been allowed for any latent conditions or other necessary contract variations. Service utility upgrades and authority fees also has a separate allowance of \$500,000 (GST Excl.).

SUSTAINABILITY OUTCOMES

As part of Council's commitment to sustainability, the following summarises some benefits provided through CICG:

1. **Environmental Sustainability:**

CICG Pty Ltd have an independent certified Environmental Management System Policy.

As part of this construction project, CICG have committed to:

- Follow all ESD guidelines set out in the tender design documents;
- Recycling of demolition materials;
- Conduct energy modelling;
- Guarantee performance targets for electrical and water consumption;
- Provide potable water reuse;
- Procure low volatile organic compound products;
- Use engineered wood products; and
- Use recycled materials where feasible for construction.

2. **Local Sustainability:**

CICG Pty Ltd have four staff residing within the city of Monash. CICG have

committed to source local sub-contractors located within the City of Monash where feasible. They expect to procure 25% of materials for the development within the City of Monash.

3. **Social Sustainability:**

CICG have committed to employing two disadvantaged youths from within the City of Monash area to provide job experience, training, and job readiness skills to assist in entering the workforce.

CONCLUSION

That Council approves the recommendations contained within this report.