

10 Contract 2017/62, Hawthorn Citizens Youth Centre Redevelopment Works

Abstract

This report seeks Council endorsement for the award of Contract No. 2017/62, Hawthorn Citizens Youth Centre (Auburn Youth Centre) Redevelopment Works.

This contract involves replacement of amenities and refurbishment of the existing building. The estimated cost of this contract is \$784,012.90 including GST. The total project cost is in excess of the allocated project budget and the budget shortfall will be funded from savings on nominated capital works projects.

A selective tendering process was conducted from Contractors on the State Government Construction Supplier Register which is in accordance with the requirements of section 186 of the *Local Government Act 1989*.

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 89(2) of the *Local Government Act 1989*, as the information relates to contractual matters and premature disclosure of the information could be prejudicial to the interests of Council or other persons. This item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council resolve:

1. To award Contract No. 2017/62, Hawthorn Citizens Youth Centre (Auburn Youth Centre) Redevelopment Works, to Bowden Corporation Pty Ltd (ACN 097 029 993) at a cost of \$784,012.90 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$712,739.
2. To authorise the Chief Executive Officer or such other person that the Chief Executive Officer selects for the purpose of giving effect to this resolution to execute the contract agreement with the above contractor.
3. To note that expenditure under this contract is in accordance with Council's adopted 2016-17 budget.

**Responsible director: Bruce Dobson
Environment & Infrastructure**

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2017/62, Hawthorn Citizens Youth Centre (Auburn Youth Centre) Redevelopment Works.

2. Policy implications and relevance to council plan

This tender process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy.

This contract is aligned with Council Plan 2013-17 themes of "enhanced amenity" and "quality facilities and assets".

3. Background

Council requires a suitably qualified organisation to undertake building refurbishment works at the Hawthorn Citizens Youth Centre (Auburn Youth Centre) in accordance with the requirements of the specification.

Invitation to tender

In accordance with Council's tendering procedures and Section 186 of the *Local Government Act 1989*, Council invited selective tenders from suppliers on the State Government Construction Supplier Register to undertake the Hawthorn Citizens Youth Centre (Auburn Youth Centre) Redevelopment Works. Tenderers were selected based on their experience in completing projects of a similar nature and size. As well as reviewing the list of projects completed for the five selected companies from the Construction Supplier Register, a review of the company websites was also undertaken to confirm their experience in completing similar type projects.

An Invitation to Tender was issued on 10 October 2016 to the following five companies:

- 2 Construct Pty Ltd
- Bowden Corporation Pty Ltd
- DNACo
- Harris HMC Interiors Pty Ltd
- Schultz Building Group Pty Ltd

Tenders closed at 4.00pm on Tuesday 8 November 2016. The following invited tenderers provided submissions:

- Bowden Corporation Pty Ltd
- Harris HMC Construction Pty Ltd
- Schultz Building Group Pty Ltd

4. Outline of key issues/options

It is envisaged that there are no issues.

5. Consultation/communication

Council's Family, Youth and Recreation and Projects and Strategy Departments, assisted by the consultants (1:1 Architects and sub consultants), worked closely with the Hawthorn Citizens Youth Centre committee during the design development and pre-tender process. This included consultation on the proposed building design, layout of the areas and rooms and specified materials and finishes.

6. Financial and resource implications

Council's budget provides the following:

Auburn Youth Centre (Hawthorn Citizens Youth Centre) Pavilion Redevelopment (Account Number. 72417)	
2016-17 September amended budget allocation	\$600,000
2017-18 forecast budget allocation	<u>\$196,737</u>
Total budget allocation	\$796,737
Expenditure and commitments to date 2016-17	<u>\$ 51,882</u>
Total available project budget 2016-17 and 2017-18	<u>\$744,855</u>

Proposed project expenditure:

Construction Contract including Separate Cost Items (Contract No 2017/62)	\$712,739
Mezzanine Access and Hazardous Materials compliance	\$ 40,000
Contract Contingency	\$ 71,000
Outstanding Fees	\$ 13,000
Permits & authority Fees	\$ 8,000
Relocation & temporary accommodation	<u>\$ 10,000</u>
Total	<u>\$854,739</u>

Project shortfall	\$109,884
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The total project cost is in excess of the allocated project budget and the budget shortfall of \$109,884 will be funded from savings on nominated capital works projects.

The pre-tender estimate by an independent quantity surveyor for the Hawthorn Citizens Youth Centre (Auburn Youth Centre) Redevelopment Works was \$832,000 (excluding GST). This excluded design consultancy fees, contract contingency and any permit / authority fees.

7. Governance issues

The Project was tendered in accordance with Council's tendering procedures and Section 186 of the *Local Government Act 1989*, whereby Council invited selected tenders from suitably qualified organisations from the State Government Construction Supplier Register to carry out the building works.

The contract is being recommended to be awarded to the conforming tenderer who scored the highest combined qualitative and quantitative score and is considered best able to provide best value for Council.

The Instrument of Sub Delegation to the Director Environment and Infrastructure dated 3 August 2015 authorises the Director to vary any contract.

A condition of this delegation, as applicable to this contract, is that if the contract has been entered into by Council and the value of the contract is greater than \$500,000, the aggregate value of the contract (taking into account the value of the expenditure for the further term of the value of the variation) may not increase by more than 10% or \$100,000 whichever is greater.

8. Social and environmental issues

It is anticipated that the project will have a positive outcome on the local community. The refurbishment works have been designed to improve disabled access, acoustic performance and capacity of the facility. The installation of solar panels, rainwater storage and high efficiency fixtures and fittings will also be included in the proposed works.

9. Evaluation and review

As a result of the tender evaluation, the tender evaluation panel recommends that Council award Contract No. 2017/62, Hawthorn Citizens Youth Centre (Auburn Youth Centre) Redevelopment Works, to Bowden Corporation Pty Ltd (ACN 097 029 993) for a total cost of \$784,012.90 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$712,739.

Manager: Charles Turner, Projects and Strategy

Report officer: Peter Anderson, Project Architect, Projects and Strategy