

3 Presentation of officer reports

3.1 Contract 2020/252, Victoria Road Reserve Pavilion - Renewal, Upgrade and Extension

Abstract

This report seeks Council endorsement for the award of Contract No. 2020/252, Victoria Road Reserve Pavilion – Renewal, Upgrade and Extension. This contract is for the works proposed for the existing pavilion building located at 15 Victoria Road, Hawthorn East.

These redevelopment works are expected to commence in late August 2020 and to be completed in February 2021.

The total cost of this Contract is \$1,045,844.62 (excluding GST), which is in accordance with Council's Adopted Budget for Financial Year 2020-21.

A selective tender process was conducted from suppliers 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.

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

- a) because it is Council business information, being information that would prejudice Council's position in commercial negotiations if prematurely released (section 3(1)(a)); and
- b) this ground applies because the agenda item concerns the progress of ongoing contractual negotiations that would, if prematurely released, diminish the strength of Council's possession in those negotiations.

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 the Services Special Committee resolve:

1. To award Contract No. 2020/252, Victoria Road Reserve Pavilion – Renewal, Upgrade and Extension to:
 - Stokes Rousseau Pty Ltd (ACN 119 165 623 / ABN 63 119 165 623)for a total cost of \$1,150,429.08 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$1,045,844.62.
2. To authorise the Director of Environment and Infrastructure to execute the contract agreement with the above contractor.
3. To note that expenditure under this contract in 2020-21 is in accordance with Council's adopted budget and expenditure in future years is in accordance with the foreshadowed budget allocations.

Responsible director: Daniel Freer
Director Environment and Infrastructure

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2020/252, Victoria Road Reserve Pavilion – Renewal, Upgrade and Extension.

2. Policy implications and relevance to community plan and council plan

The Boroondara Community Plan is structured around the following seven priority themes:

- Your Community Services and Facilities
- Your Parks and Green Spaces
- The Environment
- Neighbourhood Character and Heritage
- Getting Around Boroondara
- Your Local Shops and Businesses
- Civic Leadership and Governances

The proposed works for the existing building at the Victoria Road Reserve Pavilion is aligned with Theme 1: Your Community Services and Facilities.

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2017 -27) and Council Plan (2017- 21):

Strategic Objective 1: Community services and facilities are high quality, inclusive and meet a variety of needs now and into the future.

Strategy 1.1 - Plan, maintain and renew multi-purpose facilities and sports precincts that meet broad, intergenerational needs of the community now and into the future.

Strategy 1.3 - Deliver, facilitate and advocate for services and programs that promote health, wellbeing, safety and a sense of community.

Strategy 1.4 - Provide, facilitate and advocate for life-long learning opportunities for people of all ages.

Strategy 1.6 - Create and maintain public areas, facilities, amenities, footpaths and spaces that are inviting, clean and appropriately lit to increase social connection and improve perceptions of safety.

The relevant guiding principles and priorities for sports and recreation in the context of the budget and services that Council provides include:

- Priority area 1: Health, Wellbeing & Social Cohesion
- Priority area 2: Diversity & Inclusion
- Priority area 3: Participation
- Priority area 4: Partnerships
- Priority area 5: Sustainability
- Priority area 6: Infrastructure & Safety

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

3. Background

Council requires a suitably qualified organisation to undertake the proposed building and external works at the Victoria Road Reserve Pavilion in accordance with the requirements of the specification.

The proposed works will address the overall functional, operational and compliance requirements of the existing building. It will also address the requirements of DIPP (Diversity Inclusion Participation Program) as part of Council's Sports and Recreation Strategy.

Invitation to tender

In accordance with Council's procurement procedures and Section 186 of the *Local Government Act 1989*, Council invited suitably qualified and experienced companies selected from the State Government Construction Supplier Register to tender on the proposed works at Victoria Road Reserve Pavilion. An Invitation to Tender was issued via e-Procure on Friday, 12 June 2020. The closing date for submissions was 4pm, Friday, 3 July 2020.

The following invited tenderers provided submissions:

- Ascot Group
- DNaco Construction Pty Ltd
- Insight Construction Group Pty Ltd
- May Constructions Pty Ltd
- Newpol Construction Pty Ltd
- Stokes Rousseau Pty Ltd

4. Outline of key issues/options

The State of Victoria was under Covid-19 stage 2 restrictions during the three-week tender period. On 8 July 2020, Victoria has been placed in stage 3 restrictions.

There could be potential impact to the construction industry and there could be associated contractual risks to the project should these restrictions remain for much longer and if upgraded further to stage 4.

5. Consultation/communication

Several consultation meetings were conducted with representatives of the user groups (Football Club and Cricket Club) as part of the design process. The meetings involved discussions on the scope of work, budget, cost planning, and construction timelines and milestones.

6. Financial and resource implications

Council's 2020-21 adopted budget and 2021-22 foreshadowed budget contain a total allocation of \$1,610,000 for the proposed works at the Victoria Road Reserve Pavilion.

The Project Budget is as follows:

2020-21 Adopted Budget: Account No. 72714	\$1,110,000
2021-22 Foreshadowed Budget: Account No. 72714	\$ 150,000
2021-22 Foreshadowed Budget: Account No. 72768	<u>\$ 350,000</u>
Total Project Budget	\$1,610,000

less expenditure to date (Consultancy Fees, automated public toilet and Building Permit Fees and levies)	<u>\$ 128,750</u>
Total Available Budget	\$1,481,250

Proposed Project Expenditure:

Construction Cost (Contract No 2020/252)	\$1,045,845
plus other project expenditure	
<u>\$ 250,584</u>	
Total Construction Cost	\$1,296,429

Budget Surplus **\$ 184,821**

This surplus will be used to address any shortfall in 2020/21 budgets relating to other projects.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

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.

8. Social and environmental issues

The proposed design addresses the aesthetic, functional and operational needs of the user groups. It is also in keeping with the environmental features and aspects of the site and its surrounds.

9. Evaluation and review

The tender evaluation report is provided as **Confidential Attachment 1**.

As a result of the tender evaluation, the evaluation panel recommends that Council award Contract No. 2020/252, Victoria Road Reserve Pavilion – Renewal, Upgrade and Extension to:

- Stokes Rousseau Pty Ltd (ACN 119 165 623 / ABN 63 119 165 623)

for a total cost of \$1,150,429.08 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$1,045,844.62.

Manager: Michael Le Grange, Acting Manager, Projects & Strategy

Report officer: Cherry Marquez, Senior Project Manager, Projects and Strategy