

7.11 Contract No. 2020/116, Canterbury Community Precinct Redevelopment Works

Abstract

This report seeks Council endorsement for the award of Contract No. 2020/116, Canterbury Community Precinct Redevelopment Works. This Contract is for the redevelopment of the Canterbury Community Precinct, located at 2 Kendall Street, Canterbury.

The redevelopment works are expected to commence in late September 2020 and be completed by November 2021, pending COVID-19 restrictions.

The total cost of this Contract is \$9,514,150 (excluding GST), which is in accordance with Council's adopted budget for Financial Year 2020-21 and foreshadowed budget for Financial Year 2021-22.

Council invited select tenders from organisations shortlisted following an Expression of Interest process, 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. 2020/116, Canterbury Community Precinct Redevelopment Works, to Harris HMC Construction Pty Ltd (ACN 119 426 952) as trustee for Harris HMC Construction Trust (ABN 11 938 385 442), at a cost of \$10,465,565 (including GST). The estimated cost to Council after return of GST Input Credits is \$9,514,150.
2. To authorise the Director Environment and Infrastructure to execute the contract agreement with the above Contractor.
3. To note that anticipated expenditure under this Contract is in accordance with Council's 2020/21 adopted budget and foreshadowed 2021/22 budget.

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. 2020/116, Canterbury Community Precinct Redevelopment Works.

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

The redevelopment of the Canterbury Community Precinct will assist in meeting the evolving needs of the local community and is consistent with the following theme and strategies in the Boroondara Community Plan and Council Plan (2017 - 21):

Theme 1 - Your Community, Services and Facilities

Strategy 1.1: Plan, maintain and renew multi-purpose facilities to 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 Procurement Policy.

3. Background

Council sought to appoint a head Contractor to undertake the Redevelopment of the Canterbury Community Precinct. The Canterbury Community Precinct will undergo a major redevelopment, anticipated to commence late September 2020 (subject to COVID-19 restrictions), that will see it transform into a health, wellbeing and education precinct for the local Canterbury community.

Internal upgrades and heritage restoration works will take place at the former Canterbury Bowling Club pavilion, the Canterbury Maternal and Child Health Centre and the former Canterbury Public Library building next to Canterbury Gardens.

These buildings will be renewed to include fit-for-purpose modern facilities while protecting and preserving the neighbourhood heritage and character of the buildings for future generations to enjoy.

General Project Scope

The redevelopment of the Canterbury Community Precinct will incorporate the following:

- A permanent home for the kindergarten to ensure continued access to an important early years' service for families in the community, as their current accommodation arrangements do not extend beyond 2020.
- A permanent home for the Canterbury Neighbourhood Centre so they can continue to provide their range of programs and create a central meeting place for the community.
- Dedicated space in the precinct for the three historical societies, providing an opportunity for them to securely store and preserve important items for future generations to enjoy.
- Underground car parking.
- Improvements to the Logan Street underpass to provide a safer travel pathway for the community, as well as increase visibility and direct access to the Canterbury Gardens.

Invitation to tender

Council invited select tenders from organisations shortlisted as part of the Expression of Interest process for the redevelopment of the Canterbury Community Precinct.

An invitation to tender was issued 2 July 2020 to the following seven shortlisted respondents:

- Building Engineering Pty Ltd **ACN** 103 839 514
- Buxton Constructions (Vic) Pty Ltd **ACN** 141 994 425
- Devco Project & Construction Management Pty Ltd **ACN** 007 223 332
- Harris HMC Construction Pty Ltd **ACN** 119 426 952 as trustee for Harris HMC Construction Trust **ABN** 11 938 385 442
- J. Hutchinson Pty Ltd **ACN** 009 778 330 trading as Hutchinson Builders
- Lloyd Group Pty Ltd **ACN** 069 674 479
- Melbcon Pty Ltd **ACN** 094 370 457

The closing date for submissions was 4:00pm, 27 July 2020. The following six tenderers provided a submission:

- Building Engineering Pty Ltd **ACN** 103 839 514
- Devco Project & Construction Management Pty Ltd **ACN** 007 223 332
- Harris HMC Construction Pty Ltd **ACN** 119 426 952 as trustee for Harris HMC Construction Trust **ABN** 11 938 385 442
- J. Hutchinson Pty Ltd **ACN** 009 778 330 trading as Hutchinson Builders
- Lloyd Group Pty Ltd **ACN** 069 674 479
- Melbcon Pty Ltd **ACN** 094 370 457

4. Outline of key issues/options

There are no issues identified with the procurement process for this project. The delivery of the project will be overseen on a day to day basis by Council's Projects and Strategy Team with regular updates provided to Project Steering Committee. Issues that arise throughout the delivery of the project will be worked through and resolved by the Projects and Strategy Team and where appropriate discussed through the Project Steering Committee.

5. Consultation/communication

A significant program of communication and engagement has been conducted to understand local community needs and aspirations for the site. The consultation included on site conversations, a survey of participants, staff tutors and community engagement with local residents and residents in close surrounding areas.

Key Council departments that have had input and worked collaboratively on this project include Community Planning and Development, Family, Youth and Recreation, Projects and Strategy, Communication and Engagement, Traffic and Transport, Park and Infrastructure and Environment and Sustainable Living.

The Project Steering Committee comprising Councillors Jane Addis, Lisa Hollingsworth and Cynthia Watson has met regularly to guide the development of the project.

6. Financial and resource implications

The Project Budget is as Follows:

Prior Financial Years Budget	\$ 661,760
2020-21 Adopted Budget	\$ 8,570,693
2021-22 Foreshadowed Budget	\$ 2,070,000
Less Expenditure and Commitments to Date	\$ -809,124

Total Available Project Budget **\$10,493,329**

Proposed Project Expenditure:

Construction Contract	\$ 9,514,150
Other Project Costs	\$ 979,708

Total Anticipated Project Expenditure Excluding GST **\$10,493,858**

The outstanding balance of \$529 will be accommodated within the broader capital works budget.

7. Governance issues

The Contract was tendered in accordance with Council's tendering procedures and Section 186 of the *Local Government Act 1989*, whereby Council invited tenderers shortlisted following an open market Expression of Interest process.

The contract is being recommended to be awarded to the 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 23 September 2019 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

There are no known social or environmental issues and it is anticipated that the project will have a positive outcome on the local community and user groups. The works have been designed to improve maintenance, accessibility and capacity of the facility.

9. Evaluation and review

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

As a result of the tender evaluation, the Tender Evaluation Panel recommends that Council award 2020/116, Canterbury Community Precinct Redevelopment Works, to Harris HMC Construction Pty Ltd (ACN 119 426 952) as trustee for Harris HMC Construction Trust (ABN 11 938 385 442), at a cost of \$10,465,565 (including GST). The estimated cost to Council after return of GST Input Credits is \$9,514,150.

Manager: Michael Le Grange, Acting Manager Projects and Strategy

Report officer: Michael Le Grange, Acting Manager Projects and Strategy