

7.2 Contract no. 2021/31 Freeway Golf Course Maintenance Shed Extension

Abstract

This report seeks Council endorsement for the award of Contract No. 2021/31, Freeway Golf Maintenance Shed Extension. This contract is for the proposed extension to the existing maintenance shed to include 130m² of new office space and upgrade to the existing kitchen and toilet amenities.

These redevelopment works are expected to commence in late September 2021 and be completed early 2022.

The total cost of this Contract is \$659,399.78 (ex GST) which is in excess of the allocated project budget. This budget shortfall will be funded from savings from Capital Works program in 21/22.

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, in accordance with Section 66(2)(a) and the definitions of 'confidential information' in Section 3(1) of the *Local Government Act 2020*. The information relates to private commercial information, being information provided by a business or commercial undertaking that if released, would unreasonably expose the business or commercial undertaking to disadvantage. The 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 to:

1. Award Contract No. 2021/31, Freeway Golf Maintenance Shed Extension, to Simbuilt Pty Ltd, (ACN 140 288 080 / ABN 86 140 288 080), for the revised lump sum price of \$725,339.78 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$659,399.78.
2. Approve the allocation of a separate contingency, as set out in the attached confidential Appendix 1, and delegate authority to the Contract Superintendent to expend this contingency to ensure successful completion of the project.
3. Approve reallocation of savings identified in the Hawthorn Rowing Ramp Project - 72693, to fund the \$116,845.78 shortfall for construction of the Freeway Golf Maintenance Shed Extension.
4. Authorise the Director of Places and Spaces to execute the contract agreements with the above contractors.

Responsible director: Daniel Freer, Director Places and Spaces

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2021/31, Freeway Golf Maintenance Shed 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

This contract aligns with Theme 1: Your Community Services and Facilities in the Boroondara Community Plan (2017-27) and Council Plan (2017- 21). Within this theme, the particular strategic objectives that are addressed by this project includes:

Strategy 1.1: Plan, maintain and renew multipurpose facilities and sports precincts 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 1.6: 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.

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 invited selective tenders from the State Government Construction Supplier Register to undertake the Freeway Golf Maintenance Shed Extension, located at 47-49 Columba Street Balwyn North. This project was identified by Council as part of range of improvements at the Freeway Golf Course resulting from the North East Link project. As part of Council's settlement agreement with the State Government, a contribution of \$500,000 from the State has been received to support this project.

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 the Freeway Golf Maintenance Shed. An invitation to Tender was issued via e-Procure on 28 June 2021. The closing date for submissions was 4pm, Thursday 15 July 2021.

The following invited tenderers provided submissions:

- Simbuilt Pty Ltd;
- Ducon Maintenance Pty Ltd; and
- Neo Construct Pty Ltd.

4. Outline of key issues/options

The scope of works, whilst meeting the project brief, have resulted in a budget shortfall. This is discussed in section 6.

An option to exclude award of amenities from the tender award exists in the contract that would reduce the tender price by \$45,119.78. This option is not recommended given age of facilities and the need to improve the amenities at some stage in future.

There are no key issues associated with this contract.

5. Consultation/communication

Regular consultation meetings were conducted with staff as part of the design process to ensure the requirements of the new office were captured in the proposed works. The meetings involved discussions on the scope of work, budget, cost planning and construction timelines and milestones.

6. Financial and resource implications

This project was identified by Council as part of range of improvements at the Freeway Golf Course resulting from the North East Link project. As part of Council's settlement agreement with the State Government, a contribution of \$500,000 from the State has been received to support this project.

Council's 2021-22 adopted budget is as follows:

The Project Budget is as follows:

2020-21 Full Year forecast Account No. 72891	\$ 200,000.00
2020-21 Full Year forecast Account No. 72916 (Grant)	\$ 500,000.00
Total Project Budget	\$ 700,000.00
Less Expenditure and commitments	
2020-21 Financial year actuals	\$ 72,966.00
2021-22 Commitments	
less Consultant fees	\$ 10,040.00
less Building Permit Fees and Levies	<u>\$ 8,500.00</u>
Total Available Budget	\$ 608,494.00

Proposed Project Expenditure:

Construction Cost (Contract No 2021/31)	\$ 659,399.78
Other project costs	\$ 65,940.00
Total Construction Cost	\$ 725,339.78

Budget Shortfall **\$ 116,845.78**

The total project cost is in excess of the allocated project budget and the budget shortfall of \$116,845.78 will be funded from savings of \$132,000 identified in the Hawthorn Rowing Ramp Project - 72693.

The pre-tender estimate by an independent Quantity Surveyor for the works was in line with the tender price of the preferred tenderer. As such, an option for council to exclude the amenities from award of tender was included in the contract.

Simbuilt Pty Ltd submitted a price of \$45,119.78 for the removal of the amenities upgrade. Whilst this option would reduce the budget shortfall to \$71,726, this option is not recommended given age of facilities and the need to improve the amenities at some stage in future.

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. 2021/31, Freeway Golf Maintenance Shed Extension, to Simbuilt Pty Ltd, (ACN 140 288 080 / ABN 86 140 288 080), for a total cost of \$725,339.78 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$659,399.78.

Manager: **Christine White, Manager Capital Projects**

Report officer: Kristina Taranto, Project Architect