

7.6 Contract No 2021/122 Annual Supply of Drainage Construction and Associated Works

Executive Summary

Purpose

The purpose of this report is for Council to consider the awarding of Contract 2021/122, Annual Supply Drainage Construction and Associated Works.

Background

Council requires a panel of suitably qualified organisations to provide drainage construction and associated services. Council's current annual supply contract for Drainage construction and Associated Construction Works (Contract No. 2017/143) expires on 1 February 2023.

The tender was developed with a view to delivering a range of high-quality Drainage and Associated Construction Works throughout the municipality.

The broad objectives of the Contract are to deliver:

- Drainage and Associated Construction Works of high quality
- Cost effective, reliable and efficient construction services; and
- Construction Works which comply with Government Acts, regulations, local laws, and policies.

To ensure that Council obtains these services in the most cost effective and efficient manner, Council intends to establish a panel of contractors for drainage and associated construction works. Works will be allocated based on the Schedule of Rates of the successful Contractors.

Council does not guarantee either a minimum quantity of work in relation to any of the contract components, or any mix of work within contract components.

Key Issues

This Contract for Drainage Construction and Associated Works is a key enabler to allow the extensive drainage construction program to be completed each year.

Next Steps

Upon award of the contract, Council will appoint the panel of contractors and oversee the delivery of drainage construction works based on asset conditions and renewal program.

Confidentiality

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 Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released.

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 for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council:

1. Award Contract No. 2021/122, Drainage Construction and Associated Works, to:
 - Beara Construction Pty Ltd, (ABN 88 101 639 301)
 - Fercon Pty Ltd (ABN 43 116 527 363)
 - Cole Civil (The Trustee for THE CENTOFANTI UNIT TRUST) (ABN 27 593 149 786)
 - Rapid Paving construction Pty Ltd (ABN 84 004 600 462)
 - CDN Constructors Unit Trust (ABN 62 884 294 341)

at their tendered schedule of rates for an initial contract period of five (5) years plus optional extension period of 2 years (1+1 year) to be exercised at the discretion of Council. The estimated total contract cost is \$20,800,000 (excluding GST).

2. Authorise the Director of Places and Spaces to execute the contract agreements with the above contractors.
3. Authorise the Director Places and Spaces to negotiate extensions to Contract No. 2021/122 Annual Supply of Drainage Construction with the above contractors to the maximum contract term.
4. Note that expenditure under this contract in 2022-23 is in accordance with Council's adopted budget and expenditure in future years will be in accordance with the approved budget allocations.

Responsible director: Daniel Freer, Director Places and Spaces

1. Purpose

The purpose of this report is to seek Council approval to award Contract No. 2021/122, Annual Supply of Drainage Construction and Associated Works.

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

This contract aligns with the following themes and strategies in the Boroondara Community Plan (2021-31) and Council Plan (2021-25): follows seven priority themes:

- Community, Services and Facilities
- Parks and Green Spaces
- The Environment
- Neighbourhood Character and Heritage
- Moving Around
- Local Economy
- Leadership and Governance

The proposed panel contract for Drainage Construction and Associated Works.

Theme 5: Moving Around

Strategy 5.1 - Safe roads are provided through proactive maintenance, renewal and community education

This procurement process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

3. Background

Council requires suitably qualified organisations for Annual supply of Drainage Construction and Associated Works in accordance with the requirements of the specification.

Invitation to tender

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitably qualified organisations to Drainage Construction and Associated Works. An invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Saturday, 27 August 2022 and in the Vendor panel. The closing date for submissions was 4:00 PM, Tuesday, 11 October 2022.

In response to the advertisement, Council received eleven (11) submissions:

- Rapid Paving Construction Co. Pty Ltd
- Fercon Pty Ltd
- CDN Constructors Unit Trust
- Kalow Holdings Pty Ltd
- Beara Construction Pty Ltd

- Cole Civil (The Trustee for THE CENTOFANTI UNIT TRUST)
- KPC Plumbing and Drainage
- Merlo Concreting Pty Ltd
- V Crete Contractors Pty Ltd
- Vision Civil & Asphalt
- JH Irrigation and Construction Ptd Ltd

4. Outline of key issues/options

Drainage infrastructure provides a significant broader community benefit across the municipality. In the absence of an appropriate contract in place to undertake works across this asset class, the deterioration of drains and subsequent flooding will impact significantly on residents and businesses.

5. Collaborative Procurement Opportunities

Collaborative opportunities were not sort for this contract as the need for continuity of works requires contractors to be available at all times for Council to carry out the extensive drainage works under this contract. Tendering for this contract was carried out in accordance with Council's tendering procedures and Sections 108 and 109 of the Local Government Act 2020.

6. Consultation/communication

Consultation and communication with residents regarding works under this Contract are carried out for each individual drainage construction project as required.

7. Financial and resource implications

Council's 2022-23 adopted budget contains a total allocation of \$2,500,000 for Drainage Construction and Associated Works.

Accounts	2022/2023 Available Budget	Budget Allocation for this contract
Account No. 71858. Unscheduled /emergency drainage works	\$350,000	\$300,000
Account No. 73011. Surrey Avenue Surrey Hills	\$250,000	\$250,000
Account No. 73012. Bethune Street, Hawthorn East	\$150,000	\$150,000
Account No. 73013. St Johns Ave Camberwell	\$150,000	\$150,000
Account No. 73014. Bright Street Camberwell	\$150,000	\$150,000
Account No. 73015. David Street Survey Hills	\$200,000	\$200,000
Account No. 73016. Nelson Road Camberwell	\$150,000	\$150,000
Account No. 73017. 54 Campbell Road, Deepdene	\$80,000	\$80,000
Account No. 73018. Eric Street, Hawthorn	\$50,000	\$50,000
Account No. 73019. Belford Road Kew East	\$350,000	\$350,000
Account No. 73020. Hamilton Street Kew East	\$200,000	\$200,000
Account No. 73021. Oswin Street Kew East	\$100,000	\$100,000
Account No. 73022. Moorhouse Street Camberwell - Laneway	\$60,000	\$60,000
Account No. 73023. Gladstone Street Kew Stage 2	\$280,000	\$280,000

Account No. 73024. Burwood Reserve, Glen Iris	\$30,518	\$30,000
Total	\$2,550,518	\$2,500,000

Council does not guarantee the appointed contractors a minimum quantity of work in relation to any of the contract components. The amount of work performed will be in accordance with the need and budgetary allocations each year.

Payment will be made in line with the respective Tenderer's Schedule of Rates.

8. 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 general or material interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

9. Social and environmental issues

The drainage system collects transports and discharges stormwater so that it does not present an environmental nor social impact. This Contract will provide upgrades and major maintenance works to the drainage network. This Contract will also complete works to implement water sensitive urban design treatments within the municipality.

10. Evaluation and review

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

As a result of the evaluation, the evaluation panel recommends that Council award Contract No. 2021/121, Annual Supply of Drainage Construction and Associated Works to:

- Beara Construction Pty Ltd, (ABN 88 101 639 301)
- Fercon Pty Ltd (ABN 43 116 527 363)
- Cole Civil (The Trustee for THE CENTOFANTI UNIT TRUST) (ABN 27 593 149 786)
- Rapid Paving construction Pty Ltd (ABN 84 004 600 462)
- CDN Constructors Unit Trust (ABN 62884294341)

Manager:	Christine White, Manager Capital Projects
Report officer:	Cid Mariani, Coordinator Civil Projects, Capital Projects