

7.2 Contract No 2022/139 - Rowen Street Kindergarten Building Refurbishment Works

Executive Summary

Purpose

The purpose of this report is for Council to consider the award of Contract No. 2022/139, Rowen Street Kindergarten Refurbishment Works.

Background

Council has allocated funding in the Council budget 2022/23 for the refurbishment works of Rowen Street kindergarten at 27 Rowen Street, Glen Iris. The kindergarten is on a large corner block and one of the more generous kindergarten premises in the municipality. The kindergarten service currently offers the community two 3-year-old and two 4-year-old classes in two classroom facilities.

The renewal of Rowen Street Kindergarten will provide a refreshed and more functional kindergarten facility, supporting the service to continue to meet the changing needs of the children, families, and the community of Glen Iris. The project will provide additional capacity for licensed places within Glen Iris, an area identified with forecast unmet demand by 2024.

The kindergarten service will move to Parkhill Primary School while construction works are underway supporting them to maintain a service. Some minor works are required to the school facilities to achieve compliance with current regulations and standards, and to support the smooth operation of the kinder until the refurbishment works are complete.

The building works to Rowen Street Kindergarten will realize a major renewal and refurbishment of the existing building, including the following proposed scope of works:

- Removal of all asbestos during demolition
- Reconfiguration of staff administrative office
- New DDA-compliant toilet
- Creation of a new consultation / small meeting room
- Improved DDA-compliant building entry including ramps and steps
- More functional foyer entry
- Expansion of one playroom to increase the licensed capacity of the service
- Renewed internal floor finishes
- New joinery
- Upgrade of lighting to energy efficient LED lighting

Key Issues

The key issues are outlined below:

- Rowen Street Kindergarten is an important facility to support 3- and 4-year-old classes
- The current building requires significant refurbishment works to achieve compliancy with current regulations
- The current facility has opportunity to expand to increase licenced capacity to support more families accessing kindergarten

Next Steps

Upon award of the contract, Council will oversee the delivery of the refurbishment works of the Rowen Street Kindergarten.

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 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. 2022/139, Rowen Street Kindergarten Refurbishment Works to:
 - Black Sheep Construction Pty Ltd (ABN/ACN 75 639 577 825 /639 577 825) for a total cost of \$789,294.97 (including GST). The cost to Council after return of the GST Tax Input Credits (\$71,754.09) is \$717,540.88.
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. To authorise the Director Places and Spaces to sign and execute the contract agreements with the above contractors.
4. To note that expenditure under this contract is in accordance with Council's 2022/2023 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. 2022/139- Rowen Street Kindergarten Refurbishment works.

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

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

The proposed works for Rowan Stret Kindergarten align with the following themes and strategies in the Boroondara Community Plan (2021-2031):

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

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

The proposed contract for Rowen Street Kindergarten Refurbishment Works aligns with the following theme and strategies in the Boroondara Community Plan:

Theme 1: Community, Services and Facilities

- Strategy 1.1 - Neighborhoods and community spaces facilitate social connections and belonging by providing, maintaining, and activating places for people to meet, organise activities and celebrate events.
- Strategy 1.2 - Health and well-being is improved through delivering, facilitating and advocating for services and programs that are accessible and affordable.
- Strategy 1.5 - Life-long learning is supported by delivering and working with our community and partners to meet the broad range of interests within the community.

3. Background

Council requires a suitably qualified construction contractor to refurbish the existing Rowen Street Kindergarten. These works are to be in accordance with the requirements of the specification as documented by the consultancy team led by DS Architects.

Invitation to tender

In accordance with Council's Procurement Policy 2021-25, Council invited public tender submissions from the suitably qualified and experienced commercial builders via a publicly advertised tender process to undertake the construction works for the redevelopment of Rowen Street Kindergarten. A Request for Tender (RFT) was issued by Council's e-portal Vendor Panel on Saturday 29 October 2022. The closing date for the submissions was 4:00pm, Monday 28 November 2022.

In response to the invitation, Council received six submissions which were as follows.

1. AWS Services Pty Ltd.
2. Black Sheep Construction Pty Ltd.
3. Boongalla Group Pty Ltd.
4. Kinetic Construction Pty Ltd.
5. Publiq Commercial Pty Ltd.
6. United Project Solutions Pty Ltd.

4. Outline of key issues/options

Construction Management Plan

Consideration has been given to the impact of construction works to the amenity of the neighbouring residents. As part of the contractor's construction management plan, the following items will be addressed to the satisfaction of Council officers:

- On street contractor parking will be in accordance with existing local requirements
- All works are to occur within the hours as noted in City of Boroondara's Amenity Local Law.
- Appropriate hoarding will be securely installed to minimise impact on community sport and other passive uses at the reserve.

Supply Chain Issues

- Construction industry market factors continue to present as a risk factor for the delivery of capital works projects.
- The proposed timing for award of this contract and completion of the works has considered material lead time risks and mitigation strategies, including early material orders upon award of the contract
- The successful tenderer will be required to prepare and comply with a COVID Safe Plan for the project to ensure that reasonable measures are implemented to minimise the spread of coronavirus and minimise the risk of delay to the project program.

5. Collaborative Procurement Opportunities

Due to the nature of the construction works to be engaged, there is no opportunity for collaborative procurement for this contract.

6. Consultation/communication

Consultation was undertaken with internal stakeholders such as relevant Council departments, and external stakeholders including the kindergarten Committee of Management.

The Consultation process ensures the operational needs and priorities of stakeholders are incorporated into the building refurbishment works and defined the scope of works aligned with the stakeholder's needs and priorities.

Construction works are anticipated to occur from early 2023 to May 2024.

7. Financial and resource implications

A total of \$1,215,000 has been approved through Council's amended budget for the 2021/22 and 2022/23 financial years for the refurbishment works. The allocation of the budget for the 2022/23 financial year is \$1,178,200.

Council has also been successful in securing a further \$300,000 from the Victorian Government through the Department of Education and Training under the Building Blocks Capacity Grant, post the adoption of the amended budget.

The total estimated project cost to deliver this project, inclusive of other project fees is \$1,145,637, which is within the amended budget allocation. The inclusion of \$300,000 from the Victorian Government through the Department of Education and Training, under the Building Blocks Capacity Grant, will result in a reduction to Council's contribution towards the delivery of this project. The grant funding offset will be referred for inclusion within the full year forecast review.

The project budget is as follows:

Councils Project Budget*	\$915,000
State Government Grant	\$300,000
Total Project Budget	\$1,215,000

Project Expenditure to date

2021/22 Actuals (Consultant)	\$36,800
2022/23 Actuals (Consultant)	\$21,557
2022/23 Actuals (Levies)	\$6,126
Total Project Expenditure to date	\$64,8483

Proposed Project Expenditure

Committed Amounts (Consultant)	\$36,613
Construction Contract	\$717,541
Other project costs	\$329,000
Total Forecast Project Expenditure	\$1,145,637

*Budget forecast to be updated to reflect receipt of grant funding, and councils contribution reduced to \$915,000

8. Governance issues

This report's implications have been assessed according to 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 Council's Procurement Policy 2021-25.

9. Social and environmental issues

The kindergarten is on a large corner block and one of the more generous kindergarten premises in the municipality. The kindergarten service currently offers the community two 3-year-old and two 4-year-old classes in two classroom facilities.

The renewal works respond to the need for an upgraded facility that enhances accessibility and achieves compliance with current building code requirements. Moreover, the upgrade, expansion, and renewal work of this kindergarten will allow the creation of more places for local children and help meet future demand for both 3-year-old and 4-year-old kindergarten. The renewal of Rowen Street Kindergarten will deliver the service of a more functional, refreshed kindergarten facility, providing for the development of the kindergarten program which will continue to meet the changing needs of the children, families, and the community of Glen Iris.

Careful design consideration has been given to the redevelopment works for safety, accessibility, inclusion, and the ease of adult supervision.

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. 2022/139- Rowen Street Kindergarten Refurbishment Works to:

- Black Sheep Construction Pty Ltd (ABN/ACN 75 639 577 825 /639 577 825)

for a total cost of \$789,294.57 (including GST). The cost to Council after return of the GST Tax Input Credits (\$71,754.09) is \$717,540.88.

Manager:	Christine White, Manager Capital Projects
Report officer:	Nazmul Hoque, Senior Project Manager