

7 Presentation of officer reports

7.1 Contract No 2023/115 - JJ McMahon Kindergarten Building Renewal and Upgrade Works

Executive Summary

Purpose

This report seeks Council endorsement for the award of Contract No. 2023/115, JJ McMahon Kindergarten Building Renewal and Upgrade Works to the recommended tenderer Bowden Corp Pty Ltd for the sum of \$2,371,645.00 excluding GST.

Background

Council has allocated funding in Council budget 2023/24 and 2024/25 for the redevelopment works of the JJ McMahon Kindergarten located at 16A Argyle Road, Kew.

The original single storey building facing Argyle Street was constructed circa 1961. A subsequent extension was added to the rear along the eastern boundary between 2012-2013.

Both buildings are single storey and have light weight external walls. The internal layout of the building lacks adequate space and facilities required to support the desired standard of functionality and operational efficiency for the service, such as a private meeting room for staff to discuss sensitive issues with parents or guardians.

Informed by an asset conditional assessment and further on-site inspections, the proposed works will involve reconstruction of the front original building and refurbishing the existing rear extension. The proposed design seeks to renew and upgrade the building surrounds to achieve compliance with current regulations and standards whilst also improving access and functionality of the facility for current and future use.

In accordance with Council's Procurement Policy 2021-25, Council invited public tenders from suitably qualified organisations, and a recommendation to award Contract No. 2023/115 JJ McMahon Building Renewal and Upgrade Work is presented for Council's consideration.

The works are expected to commence January 2024 and be completed by November 2024.

The project has a total budget of \$3,470,507. Council's overall budget allocation is sufficient to fund the award of this contract.

The total cost of this contract is \$2,371,645.00 (excluding GST).

Key Issues

Consideration has been given to the impact of the construction works to the amenity of the neighbouring residents. The contractor's site management plan will minimise noise, parking, and access issues in the residential area as best as possible and includes;

- Designated onsite area for storage of materials, contractor office and amenities set up.
- Appropriate hoarding will be securely installed to minimise disruption to the community and its residents.

Next Steps

Upon award of the contract, Council will oversee the delivery of the construction works for the renewal and upgrade of the kindergarten.

Confidentiality

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments. The information in this attachment is deemed to be confidential in accordance with Section 66(2)(a) and the definition 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, commercial or financial undertaking that—(i) relates to trade secrets; or (ii) if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

If discussion of the confidential information in the attachments to this report is required for Council to make a decision, Council may resolve to discuss the matter in a confidential session or to defer the matter to the confidential section of the agenda.

Officers' recommendation

That Council resolve:

1. To award Contract No. 2023/115, JJ McMahon Kindergarten Building Renewal and Upgrade Works to **Bowden Corporation Pty Ltd** (ABN 55 097 029 993) for an initial contract period of 24 months (which includes a 12-month defect liability period) for the contract award amount of \$2,608,809.50. The cost to Council after the return of the GST Tax Input Credits (\$237,164.50) is \$2,371,645.00 ex GST.
2. To authorise the Director Places and Spaces to sign and execute the contract on behalf of the Council.
3. Approve the allocation of a separate contract contingency, as detailed within the attached confidential Attachment 1, and delegate authority to the Contract Superintendent to expend this contingency to ensure the successful completion of the contract works.
4. To note that expenditure under this contract is in accordance with Council's 2023/24 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 for Council to give consideration to the awarding of Contract No. 2023/115, JJ McMahon Kindergarten Building Renewal and Upgrade Works to Bowden Corp Pty Ltd.

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

The Boroondara Community Plan is structured around the following 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 contract for JJ McMahon Kindergarten Building Renewal and Upgrade Works aligns with the following themes and strategies in the Boroondara Community Plan (2021-31):

Theme 1: Community Services and Facilities

Strategy 1.1 - Neighbourhoods 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 wellbeing 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.

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

3. Background

Council requires a suitably qualified organisation to redevelop and refurbish the JJ McMahon Kindergarten in accordance with the requirements of the specification as documented by the consultancy team lead by Content Studio Architects.

Invitation to tender

In accordance with Council's Procurement Policy 2021-25, Council invited six tenderers via VendorPanel, Council's eTendering portal on Wednesday 09

August 2023. The closing date for submissions was 4:00pm, Wednesday 13 September 2023.

In response, Council received a total of six submissions from:

- Bowden Corp Pty Ltd;
- Constructive Group Pty Ltd;
- Neo Construct Pty Ltd;
- Peach Construction Pty Ltd;
- Prime Build Pty Ltd; and
- Simbuilt Pty Ltd.

4. Outline of key issues/options

Consideration has been given to the impact of the construction works to the amenity of the neighbouring residents. The contractor's site management plan will minimise noise, parking and access issues in the residential area as best as possible and includes;

- Designated onsite area for storage of materials, contractor office and amenities set up.
- Appropriate hoarding will be securely installed to minimise disruption to the community and its residents.

In addition to the above other measures have been put in place to ensure project runs smoothly:

- Advertising will be sent informing immediate and surrounding residents informing them that trees will be removed.
- Adjoining neighbours have been advised of the proposed works
- Rear adjoining owner has conditionally provided rear access to the site, which will greatly assisted for landscaping work to be carried out efficiently
- 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

Throughout the design process various design workshops were held with the key internal and external stakeholders to ensure the design was able to meet their operational needs and priorities were incorporated into the building renewal/refurbishment design.

Community consultation was not required to be undertaken.

7. Financial and resource implications

Council's 2022-23, 2023-24 and 2024-25 combined adopted and foreshadowed budgets and other budgets nominated below contain a total allocation of \$3,250,506.65 for the scoping, design and construction of the JJ McMahon Kindergarten Building Renewal and Upgrade Works.

The project budget is as follows:

| | |
|--|-----------------------|
| Actual FY 2022-23 | \$ 199,971.00 |
| Budget FY 2023-24 Amended budget | \$1,206,763.00 |
| Budget FY 2024-25 Foreshadowed Funding | \$1,843,773.00 |
| Fordham Avenue Kindergarten | \$ 120,000.00 |
| Other Strategic Projects | \$ 100,000.00 |
| Total Project Budget | \$3,470,507.00 |
| Less Actual Expenditure | |
| 2022-23 Actuals | \$ 199,971.00 |
| 2023-24 Actuals and Commitments | \$ 470,549.55 |
| Total Available Budget | \$2,579,986.45 |
| Proposed Project Expenditure | |
| Contract Cost | \$2,371,645.00 |
| Contract Contingency | \$ 296,455.62 |
| Total Contract Cost | \$2,668,100.62 |
| Remaining Budget | \$ 20,367.04 |

8. Governance issues

No officers involved in the preparation of this report have a general or material conflict of interest requiring disclosure under chapter 5 of the Governance Rules of Boroondara City Council.

The recommendation contained in this report is compatible with the Charter of Human Rights and Responsibilities 2006 as it does not raise any human rights issues.

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 delivery of the new kindergarten will have a positive impact on the community as it responds to the need for a new and upgraded facility in JJ McMahon Kindergarten. The design of the kindergarten has the capability to cater for future demand, which has been triggered by the State Governments increased hours for 4-year-old kinder program. It also complies with accessibility requirements, providing compliant access to both kinder rooms and rear outdoor play area.

The design of the kindergarten also seeks to achieve a sustainable building with the implementation of a large rainwater tank, solar panels, water saving fixtures and sustainable materials into the design.

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. 2023/115, JJ McMahon Kindergarten Building Renewal and Upgrade Works to:

- **Bowden Corporation Pty Ltd**

for the contract award amount of \$2,608,809.50 (including GST). The cost to Council after the return of the GST Tax Input Credits (\$237,164.50) is \$2,371,645.00 ex GST.

Manager: Jarrod Filosa, Acting Manager Capital Projects

Report officer: Stefanie Sharp, Project Manager