

LATE ADDENDUM REPORT

REPORTS FROM THE DIRECTOR ENGINEERING

a5 [E-CM] RFO2017082 Package 1 for Road Flood Damage Restoration Update

SUBMITTED BY: Infrastructure Delivery

Valid



People, places and moving around
Who we are and how we live

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

- 3 People, places and moving around
- 3.3 Moving around
- 3.3.4 Roads, Traffic, Footpaths and Cycleways - To provide and maintain a network of roads and bridges, footpaths and cycleways that is safe, efficient and accessible.

ROLE: **Provider**

SUMMARY OF REPORT:

Request for Offer RFO2017082 Package 1 Road Flood Damage Restoration was called from a pre-selected panel of six suitably qualified and experienced contractors to provide road, bridge and culvert repairs of 107 assets damaged during the March 2017 flood event on the Tweed River following Cyclone Debbie.

At the time of closing 5 Offers were received.

The evaluation of the offers against the Selection Criteria is contained in the Offer Evaluation Report included in **CONFIDENTIAL ATTACHMENTS 1 and 2**. The recommendations are based on the evaluation.

RECOMMENDATION:

That in respect to Contract RFO2017082 Package 1 Road Flood Damage Restoration:

1. Council awards the offer to G & R Brown & Sons Pty Ltd, ABN 33 154 911 609, for the amount of \$1,380,320.70 (exclusive of GST).

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2. **The General Manager be granted delegated authority to approve appropriately deemed variations to the contract and those variations be reported to Council six monthly and at finalisation of the contract.**
3. **ATTACHMENTS 1 and 2 are CONFIDENTIAL in accordance with Section 10A(2) of the Local Government Act 1993, because it contains:-**
 - (d) **commercial information of a confidential nature that would, if disclosed:**
 - (i) **prejudice the commercial position of the person who supplied it, or**
 - (ii) **confer a commercial advantage on a competitor of the council, or**
 - (iii) **reveal a trade secret.**

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REPORT:

Offer Background

An Expressions of Interest (EOI) for Road Flood Damage Restoration Contractors was called in June and six suitably qualified and experienced contractors were chosen to form a panel of providers to undertake road, bridge and culvert repairs of assets damaged during the March 2017 flood event on the Tweed River following Cyclone Debbie. The repairs relate to a total of approximately 1,500 damage items.

In August, this Request for Offer RFO2017082 Package 1 Road Flood Damage Restoration was called to select a Contractor from the panel to provide road, bridge and culvert repairs for some 107 assets.

Repairs to be performed in this package includes:

- Abutment damage of bridge including scoured rock armouring, loss of timber sheeting, scouring around piles
- Causeway buried under soil or debris
- Causeway support scoured or undermined
- Causeway surface damage including concrete surface cracked / broken sections
- Culvert blocked by silts, vegetation or other washed debris
- Culvert pipe or headwall damaged
- Culvert washout or displacement within road
- Debris washed against bridge in watercourse or on deck/barriers/kerbs
- Embankment or formation damage including bottom side slips
- Bridge embankment damage including scoured wingwall batters
- Traffic guardrail damaged requiring replacement or repairs
- Guide posts or delineator markers damaged or lost
- Kerb and gutter damaged including washed away, displaced, or broken
- Scour damage to infill area between K&G and road cutting or verge
- Land slip / rock fall in roadside corridor (but not onto road or drainage - refer Land Slip on Roadway for this)
- Land slip / rock fall onto road or in table drain area, including top side slips & fallen rocks
- Pavement failure of sealed road as a result of saturation by inundation
- Damage to formation & pavement of sealed road including scouring & washouts of sections (excludes slips or surface damages or pavement failures)
- Silt, shingle and other deposits on roadway (excludes top side slip removals)
- Damage to wearing surface seal including delaminations, cracking, erosion
- Shoulder failures including scouring, washouts, subsidence outside travel lanes
- Table drain scour or other damage requiring restoration
- Table drain silted up or blocked by debris
- Trees on roadway
- Damage to formation of unsealed road including washouts of sections (excludes slips or surface damages)

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It should be noted that further Request for Offer (RFO) packages will follow in order for Contractors to repair all of the damage items. These will be brought to Council in future reports.

Request for Offer Advertising

Offers were officially invited in accordance with the provisions of the Local Government Act 1993 and the NSW Local Government (General) Regulation 2005. The Request for Offers was sent to six pre-qualified contractors via Council's e-tendering website on 29 August 2017.

Offer submissions closed at 12.00 noon (local time) on 25 September 2017 in the Tender Box located in the foyer at the Tweed Shire Council Civic and Cultural Centre, Murwillumbah NSW 2484.

Offer Addendums

There were 2 Notice to Bidders issued before close of Offer.

Addendum No. 1 was issued to Bidders to provide clarification of scope and technical details.

Addendum No. 2 was issued to advise Bidders that the closing date was extended by 1 week from 18 September to 25 September 2017.

Offer Submissions

At the closing time for Offer Submissions, the Tender Box was opened and 5 Offers were recorded as below:

Bidder	ABN
Coastal Works	79 126 214 487
G & R Brown & Sons Pty Ltd	33 154 911 609
Hazell Bros Group Pty Ltd	46 145 228 986
SEE Civil Pty Ltd	88 115 963 427
Skeen Constructions	42 122 970 978

Offer Evaluation

An Offer Evaluation Plan was developed based on the premise that competitive Offers were to be received and scored against specific evaluation criteria in order to select the best value Offer.

Council's Offer Evaluation Panel was made up as follows:

Position
Senior Engineer – Construction (Coordinator Flood Restoration)

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Manager Infrastructure Delivery
Engineer - Assets & Maintenance

Offers were evaluated based on the criteria noted in the table below which were also listed in the Conditions of Offering.

Criterion	Document Reference	Weighting (%)
Value for Money (Normalised Offer Price)	Schedule 3	70%
Relevant Experience and Capability, Management Systems (WH&S, Quality and Environmental)	EOI-RFO2017082 as previously submitted	10%
Time Schedule (Methodology and Proposed Work Program)	Schedules 5 & 6	10%
Local Content	Schedule 11	10%
	Total	100%

The details of the price and non-price evaluation are shown on the Offer Evaluation Report and Offer Evaluation Scoring Sheet. A copy of the Offer Evaluation Report and Offer Evaluation Scoring Sheet are included as ATTACHMENTS 1 and 2 which are CONFIDENTIAL in accordance with Section 10A(2):

- (d) commercial information of a confidential nature that would, if disclosed:
- (i) prejudice the commercial position of the person who supplied it, or
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The information identifies the Bidder in relation to the Offer price and the evaluation of the products offered by the Bidder. If disclosed, the information would be likely to prejudice the commercial position of the Bidder in terms of market competitiveness by giving their competitors an advantage. Accordingly, disclosure of the information is not in the public interest. Recommendations appear below for the Offer.

OPTIONS:

That Council:

1. Council awards the offer to G & R Brown & Sons Pty Ltd, ABN 33 154 911 609, for the amount of \$1,380,320.70 (exclusive of GST).
2. Awards the Contract to a different Bidder, including reasons for this course of action.
3. Declines to accept any of the Offers, including reasons for this course of action.

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CONCLUSION:

It is concluded, in regards to RFO2017082 Package 1 Road Flood Damage Restoration, that the offer from G & R Brown & Sons Pty Ltd provides the best value in repairing the designated road, bridge and culvert assets damaged during the March 2017 flood event on the Tweed River following Cyclone Debbie.

COUNCIL IMPLICATIONS:

a. Policy:

The Offer invitation and evaluation have been conducted in accordance with the provisions of:

- The Local Government Act 1993 and the NSW Local Government (General) Regulation 2005
- Council's Procurement Policy

b. Budget/Long Term Financial Plan:

The majority of flood damage items designated in RFO2017082 Package 1 Road Flood Damage Restoration are eligible for funding claims through National Disaster Relief and Recovery Arrangements (NDRRA). The exact amount of NDRRA funding is unknown as it is subject to assessment by Roads and Maritime Services and Public Works Advisory. The continuation of flood restoration works is necessary and using contractors procured through this RFO process maximises the available NDRRA funding opportunity and minimises the impact on the financial position of Council. Any funding shortfall between the contract value and the available NDRRA funding will be met by the Infrastructure Asset Management Reserve or by delaying some items on the capital works program.

c. Legal:

Not Applicable.

d. Communication/Engagement:

Inform - We will keep you informed.

UNDER SEPARATE COVER/FURTHER INFORMATION:

(Confidential) Attachment 1. RFO2017082 - Offer Evaluation Report (ECM 4801225).

(Confidential) Attachment 2. RFO2017082 - Offer Evaluation Scoring Sheet (ECM 4801554).

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a6 [E-CM] RFO2016114 Kingscliff Foreshore Revitalisation Construction Works - Variations Report Update

SUBMITTED BY: Infrastructure Delivery

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People, places and moving around
Who we are and how we live

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

- 3 People, places and moving around
- 3.3 Moving around
- 3.3.2 Construction Services - To manage the construction of Council assets such as transport, drainage, water supply and other infrastructure.

ROLE: Provider

SUMMARY OF REPORT:

On 15 December 2016 Council resolved to award contract RFO2016114 to SEE Civil Pty Ltd to perform construction activities for the Kingscliff Foreshore Revitalisation Construction Works for the amount of \$14,096,635.41 exclusive of GST.

Based on approved variations to date totalling an additional \$292,259.45 the revised contract sum for RFO2016114 is currently \$14,388,894.86 exclusive of GST.

The old Kingscliff Beach Holiday Park southern amenities caretaker's building and Community Hall were assessed in a Conservation Management Plan as having a high conservation value and hence need to be preserved and reused in such a manner as to preserve the identified heritage values. It is proposed to award these works to the current Principal Contractor as a cost plus variation.

RECOMMENDATION:

That:

1. **The approved variations to date amounting to \$292,259.45 (exclusive of GST) and the potential savings from the schedule of rates for Contract RFO2016114 Kingscliff Foreshore Revitalisation Construction Works be received and noted.**

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2. Council approves the proposal to award the community hall and amenities building reimbursement works to the current Principal Contractor, SEE Civil, as a cost plus variation to their current contract.
3. The General Manager is given delegated authority to approve additional variations and those variations reported to Council following completion of the works.
4. ATTACHMENTS 1 and 2 are CONFIDENTIAL in accordance with Section 10A(2) of the Local Government Act 1993, because it contains:-
 - (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
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REPORT:

Contract Background

On 15 December 2016 Council resolved to award Contract RFO2016114 to SEE Civil Pty Ltd to perform construction activities for the Kingscliff Foreshore Revitalisation Construction works for the amount of \$14,096,635.41, exclusive of GST.

Since that report to Council further approved variations have incurred during the construction process totalling a further \$292,259.45 due to changes in design, omissions in details and additional works being carried out at the construction stage.

These additional works have increased the contract sum to \$14,388,894.86 exclusive of GST.

It is also noted that there are potential savings within the contract schedule due to changes in design, scope and exclusion of some of the items from the contract due to construction methodology. These potential savings will be quantified once each component of works has been completed and quantities verified.

A summary of variations approved to date and potential savings is provided in **Confidential Attachment 1**.

Community Hall, amenities and visitor information centre

The old Kingscliff Beach Holiday Park southern amenities and caretaker's buildings were assessed in a Conservation Management Plan as having a high conservation value and hence need to be preserved and reused in such a manner as to preserve the identified heritage values. The requirement to retain and refurbish these buildings was not anticipated in the original project scoping and budget. The proposed reuse of these buildings is for amenities to serve the new Central Park and a Visitor Information Centre (VIC).

As they are old buildings in an exposed coastal environment, the investigation, design and reconstruction costs are significant, and greater than would be anticipated for a new build.

As the works required to refurbish these buildings was not anticipated at the contract stage they were not included in the original contract. There are significant potential benefits in undertaking the building works as a variation to the principal contract including:

- Site management and coordination will be streamlined and easily facilitated if undertaken through the principal contract. This includes the provision of services (sewer, power, water) and surrounding landscaping. If delays are caused to the Principal Contractors program due to the process of appointing a

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separate building contractor, this may result in both delays to the project completion date and resultant additional project costs.

- It is currently anticipated that the Central park will be completed and opened to the community in late February. Undertaking the building works as a variation under the Principal Contract will allow works to commence immediately and increase the probability of these works being completed when the park opens. The alternative process is to invite tenders for which the timeframe would result in works unlikely to commence prior to 2018 and conclude mid 2018.

Council design staff are currently finalising the construction drawings for these works and preliminary pricing of these works has been obtained from both an independent Quantity Surveyor and a building Sub Contractor to the Head Contractor SEE Civil Pty Ltd.

A summary of the quotation process is provided in **Confidential Attachment 2**.

OPTIONS:

Option1:

That:

1. The approved variations to date amounting to \$292,259.45 (exclusive of GST) and the potential savings from the schedule of rates for Contract RFO2016114 Kingscliff Foreshore Revitalisation Construction Works be received and noted.
2. Council approves the proposal to award the community hall and amenities building reimbursement works to the current Principal Contractor, SEE Civil, as a cost plus variation to their current contract.
3. The General Manager is given delegated authority to approve additional variations and those variations reported to Council following completion of the works.
4. ATTACHMENTS 1 and 2 are CONFIDENTIAL in accordance with Section 10A(2) of the Local Government Act 1993, because it contains:-
 - (d) commercial information of a confidential nature that would, if disclosed:
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Option 2:

That Council resolves an alternative action.

CONCLUSION:

The variations to date amounting to \$292,259.45 (exclusive of GST) and the potential savings within the contract schedule Contract RFO2016114 Kingscliff Foreshore Revitalisation Construction works are detailed in this report and Confidential Attachment 1.

The variation to RFO2016114 Kingscliff Foreshore Revitalisation Construction Works contract to include the building works on the Kingscliff Community Hall, amenities building and visitor information centre will expedite the finalisation of the required works and avoid potential site management issues arising from multiple contractors working on the same site.

Officers have reviewed the preliminary pricing for the building works and have held on site meetings with the contractors to discuss the building requirements. From this review officers are of the opinion that the preliminary pricing reflects the likely costs and undertaking these works as a cost plus variation to the contract represents the best value for money for Council.

COUNCIL IMPLICATIONS:

a. Policy:

Procurement Policy v1.6.

b. Budget/Long Term Financial Plan:

The total budget available to complete this project is \$21,413,400 inclusive of construction, design and project management. The projected varied contract sum for RFO2016114 is within the budget.

The project budget included an allocation of \$212,500 for the community hall upgrade. The balance of building works for the amenities and visitor information centre will be funded by savings realised from the project including the Holiday Parks commitment as reported to the Tweed Holiday Reserves Trust at its meeting held 18 August 2017.

c. Legal:

Not Applicable.

d. Communication/Engagement:

Inform - We will keep you informed.

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UNDER SEPARATE COVER/FURTHER INFORMATION:

(Confidential) Attachment 1. RFO2016114 Summary of variations and potential savings (ECM 4802211).

(Confidential) Attachment 2. RFO2016114 Summary of the quotation process (ECM 4801972).
