

ADDENDUM REPORT

REPORTS THROUGH THE GENERAL MANAGER

a012 [CNR-OC] EC2007-086 Design and Construction of Retaining Wall at Warringa Drive, Bilambil Heights

ORIGIN:

Water

FILE NO: GC12/3-2007086

SUMMARY OF REPORT:

At its Council's meeting held 1 February 2006 it was resolved:

"That Council:-

1. *Contributes one third (1/3) of the cost to repair the two (2) landslides at the rear of 50, 52, 54 and 76 Warringa Drive Bilambil caused by the 30 June 2005 Storm Event and the full cost of the reconstruction of the Sewer Main.*
2. *Finances the project and enters individual agreements with each property owner for the repayment of their respective two thirds (2/3) contribution.*
3. *For those landowners that do not repay 'up front' apply a loan rate at the local government indicative interest rate based on a 5 year term as at previous 30 June 2005.*
4. *Jointly manages the project with the property owners and provide technical advice and direction as required.*
5. *Votes \$300,000 from the Sewer Fund Asset Replacement."*

Two tenders were called for the repair of landslides at Warringa Drive, Bilambil Heights with the first tender closing on 27 September 2006. After significant discussions with the two lowest tenderers and residents, the first tender was eventually cancelled as the tendered costs were unacceptable to the property owners. A second tender was called for the design and construction of a retaining wall with six lump sum tenders being received by the advertised closing date of 15 August 2007.

The residents have agreed to the engagement of the preferred Contractor for this tender and have indicated their intention to sign the deeds of agreements to fund two-thirds of the project cost.

This report provides a recommendation of the preferred tenderer.

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RECOMMENDATION:

That :-

1. Council awards the contract EC2007-086 Design and Construction of Retaining Wall at Warringa Drive, Bilambil Heights to Sutton Excavations Pty Ltd for the lump sum price of \$189,764.00 excluding GST.
2. The General Manager be given delegated authority to approve variations up to 20% above the initial contract price.
3. A letter of appointment not be issued to the Contractor until all deeds of agreement are signed by the respective property owners of Nos. 50, 1/52, 2/52, 1/54 and 2/54 Warringa Drive.
4. Council enters into the deeds of agreement as contained within the confidential attachment to this report with the property owners of Nos. 50, 1/52, 2/52, 1/54 and 2/54 Warringa Drive.
5. All deeds of agreement with the property owners of Nos. 50, 1/52, 2/52, 1/54 and 2/54 Warringa Drive be signed under the common seal of Council.
6. Council agrees to a loan option of ten years for those landowners that do not repay 'up front' and apply a loan rate at the local government indicative interest rate based on a 5 year term as at previous 30 June 2005 followed by a loan rate at the local government indicative interest rate based on a 5 year term as at 30 June 2012.
7. The ATTACHMENT be treated as CONFIDENTIAL in accordance with Section 10A(2)(d) of the Local Government Act, 1993, because it contains commercial information in relation to the tenders, the disclosure of which would be likely to prejudice the commercial position of the tenderers if it was provided. The information identifies the tenderers in relation to the tender price and the evaluation of the products offered by each tenderer. If disclosed, the information would be likely to prejudice the commercial position of the tenderer in terms of market competitiveness, by giving their competitors an advantage. Accordingly, disclosure of the information is not in the public interest.

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REPORT:

Tenders were called for the design and construction of a retaining wall at Warringa Drive, Bilambil Heights.

On or about 30 June 2005, a large rainfall event caused the collapse of a steep batter at the rear of Nos. 50, 52 and 54, Warringa Drive, Bilambil Heights. Two slips have occurred along the batter. Council's 150mm diameter uPVC gravity sewer main has also been exposed due to the slip. For the safety of residents and to protect Council's sewer, a retaining wall is required to be constructed and Council's sewer stabilised. Further details of the landslip are provided in a confidential attachment to this report. The scope of the works includes the following:

- Design, supply and construct a retaining wall including footings for the slip area
- Design certification of the retaining wall by a professional engineer
- Extension of existing roof water outlets through the wall
- Capture and removal of stormwater drainage at the base of the wall
- Site clean up at the completion of the works, including repairing any damage to existing access tracks and fences/gates.

Two tenders were called for the repair of landslides at Warringa Drive, Bilambil Heights with the first tender closing on 27 September 2006. After significant discussions with the two lowest tenderers and residents, the first tender was eventually cancelled as the tendered costs were unacceptable to the property owners.

As part of discussions with residents regarding submissions received for the first tender, some residents were very concerned that only a five year loan term option was available to them. They advised that this short term would not be affordable and requested an option for a longer term loan. The Deeds of Agreement have been amended to include a ten (10) year loan option and it is requested that Council accepts this option.

A second tender was called for the design and construction of a retaining wall with six lump sum tenders being received by the advertised closing date of 15 August 2007.

The lowest tender was received from Engineering Building Systems Pty Ltd, however their tender did not include construction of a footing for their proposed wall, which is a significant structural component of the required construction. Their tender was therefore non-conforming. The next lowest tender was received from Sutton Excavations Pty Ltd which conformed to the tender requirements.

A tender evaluation was conducted by Council's Tender Panel, consisting of John Zawadzki, David Oxenham and Ian Munro. A copy of the Tender Assessment report is included in **ATTACHMENT A** which is **CONFIDENTIAL** in accordance with Section 10A(2)(d) of the Local Government Act, 1993, because it contains commercial information in relation to the tenders, the disclosure of which would be likely to prejudice the commercial position of the tenderers if it was provided. The information identifies the tenderers in relation to the tender price and the evaluation of the products offered by each tenderer. If disclosed, the information would be likely to prejudice the commercial

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position of the tenderer in terms of market competitiveness, by giving their competitors an advantage. Accordingly, disclosure of the information is not in the public interest.

Based on the tendered information it is recommended that Sutton Excavations Pty Ltd's tender be accepted.

The expected duration of the contract is seven (7) weeks.

Sutton Excavations Pty Ltd has completed a number of projects for earthmoving and retaining wall contracts. Referees have advised that Sutton Excavations Pty Ltd's performance on these projects was satisfactory.

LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

The construction will occur over the 2007/2008 financial year. The work can be funded from Sewer Fund Asset Replacement Reserves which has a \$300,000 budget allocated in accordance with Council's previous resolution. A portion of this budget has already been expended for survey and geotechnical work and the tender price has been increased by 10% for anticipated contract variations and 2% for Council officer contract supervision. Two thirds of the contract construction costs and all other related costs will be recovered by either up-front or loan repayments (five or ten year loans) by the affected residents. In this case the effective Council contribution to the landslide repair work is approximately \$81,000 (excluding GST).

POLICY IMPLICATIONS:

Nil.

UNDER SEPARATE COVER/FURTHER INFORMATION:

To view any "non confidential" attachments listed below, access the meetings link on Council's website www.tweed.nsw.gov.au or visit Council's offices at Tweed Heads or Murwillumbah (from Friday the week before the meeting) or Council's libraries (from Monday the week of the meeting).

1. **Confidential Attachment** – Supplementary Confidential Information to Agenda Item EC2007-086 Attachment A (DW 1662187).
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