CM13.4. Lauren Jackson Sports Centre Redevelopment Stage 1 Construction Contract No. 23/01093

DATE	30 July 2024	**FIL REFERENCE**	FIL23/01093
CONFIDENTIAL	No		
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Purpose of Report

To recommend to Council a preferred contractor for the Lauren Jackson Sports Centre Redevelopment Stage 1 Construction Contract No. 23/01093, through a qualitative and quantitative assessment.

Background

The Lauren Jackson Sports Centre (LJSC) is a significant venue for community sport and major events within Albury and is recognised as Southern NSW's major indoor multi-sport facility, attracting more than 160,000 users each year.

Built in 1984, the five-court, multi-sport facility is the largest in the region, hosting community and social sport along with local, state, and national sporting events, and is home to the Border Bandits who play in the national NBL1 basketball competition. In addition to the two major users; Albury Basketball and Indoor Netball Associations, other sports played at the multi-sport facility include badminton, futsal (indoor soccer) and volleyball. With Albury's continued growth as a regional hub, and to ensure the LJSC meets the needs of both community and high-level sports events, a major upgrade is required as guided by the 2018 Master Plan for the venue.

Extensive community engagement has been undertaken regarding the design, with a two-stage Master Plan developed for the facility and endorsed by Council in 2018. The overall aim of the Master Plan is to:

- meet the needs of the regional community;
- generate increased physical activity within the regional community;
- meet the needs of regional, state, and national sports events; and
- comply with safety guidelines of sporting bodies.

This project is the implementation of the first stage of the Master Plan and is for the redevelopment of the existing LJSC to provide much needed upgrades to the multi-sport venue to enhance community inclusiveness, player participation, inclusivity for women in sport, improved spectator and player comfort, and the capacity to host large scale tournaments and events.

In November 2022, AlburyCity successfully secured $5.5M (including GST) of funding from the NSW Government under the Multi-Sport Community Facility Fund 2022/23 (Round 2) in support of the project.

A detailed cost plan was prepared in mid-2023 by independent quantity surveyors, Turner & Townsend, who estimated an investment of $14.01M (including GST) as being required to complete the redevelopment. The adopted Four Year Delivery Program (2024-28) provides a budget allocation of $16.5M (including GST).

Scope

The scope of the works includes the engagement of a suitably qualified and experienced principal contractor to deliver the refurbishment and extension of the LJSC. The works consist of site preparation, civil works, services, building works, and specific sports installations to complete the works detailed within the tender documents, and to deliver the following project specific outcomes:

- upgraded and compliant courts;
- new player and family accessible changerooms;
- first aid room;
- increased show court seating capacity from 1,000 to 1,400;
- more flexible seating configurations to suit all multi-sports;
- a new meeting room and corporate space;
- tournament hosting space;
- additional storage spaces;
- new timber sports flooring as the existing has reached its design life;
- new roof and facade cladding;
- new score boards; and
- outdoor shade structures and landscaping.

Invitation to Tender

Tenders were invited by Council for Contract No. 23/01093 and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on 2 July 2024.

Tender Close

At the close of tenders, submissions were received from the following companies (in alphabetical order):

- Build Australia Pty Ltd trading as Ozworth Construction (Arndell Park, NSW);
- Colin Joss & Co. Pty Ltd, trading as Joss Construction (Albury, NSW);
- Monarch Building Solutions (Aust) Pty Ltd (Canberra, ACT); and
- Zauner Construction Pty Ltd (Albury, NSW).

All tenders were received and evaluated by an assessment panel in accordance with the local government legislation of NSW and Council's Social and Sustainable Procurement Policy and Guidelines.

The assessment panel comprised of Team Leader Leisure Facilities (Project Lead) - Aaron Humphries, Sourcing Coordinator - Paul Dwyer and Team Leader Project Delivery - Isaac Greene.

Conformity Check

A conformity assessment was undertaken to ensure all submissions received were in accordance with the contract documentation and specification.

Company	Schedules returned with supporting information	WHS & Insurance Documentation accepted	Conformity Status
Build Australia Pty Ltd (trading as Ozworth Construction)	Yes	Yes	Conforming
Colin Joss & Co. Pty Ltd (trading as Joss Construction)	Yes	Yes	Conforming
Monarch Building Solutions (Aust) Pty Ltd	Yes	Yes	Conforming
Zauner Construction Pty Ltd	Yes	Yes	Conforming

As indicated above, all submissions were assessed as conforming tenders, and companies are either WHS registered with AlburyCity or able to achieve this outcome.

Qualitative Assessment

A qualitative assessment considered a range of criterion including:

- **Past Performance** – referee checks, relevant experience and expertise in performing same or similar projects.
- **Methodology/program of work** – work methods, project/scope understanding, proposed product, program and timeline.
- **Capacity** – availability of resources, current and future commitments and workload.
- **Capability** – skills, specialisation, certification, business systems and contract management capabilities to deliver the required works; and
- **Benefit to the local region** – local impact on social, economic and community outcomes to benefit the Albury/Wodonga region.

Company	Past Performance (30%)	Methodology/ Program (30%)	Capacity (20%)	Capability (10%)	Local Benefit (10%)	Total (100%)
Colin Joss & Co. Pty Ltd (trading as Joss Construction)	26	24	20	9	8	87
Monarch Building Solutions (Aust) Pty Ltd	26	28	16	9	8	87
Zauner Construction Pty Ltd	22	28	17	9	8	84

Build Australia Pty Ltd (trading as Ozworth Construction)	8	10	4	3	2	27

Colin Joss & Co. Pty Ltd (trading as Joss Construction) is a locally based company (Albury, NSW) and has extensive experience in large scale construction projects for both private and government sectors, which includes multi-purpose sporting halls of similar value and complexity, as well as the recent completion of Ian Barker Fields for AlburyCity.

Notable projects that directly relate to the development of major sporting infrastructure, completed or currently being delivered by Joss Construction, include the $7M Xavier High School Stadium Redevelopment for the Trustees of the Roman Catholic Church for the Diocese of Wagga Wagga, the $7M Wodonga Senior Secondary College for the Victorian School Building Authority and the $6M Yass High School Sports Hall for School Infrastructure NSW.

Joss Construction indicated that their current commitments include the $35M Benalla Police Station (anticipated completion, July 2025), the $51M Leneva Primary School (anticipated completion, October 2025), and the $28M Mars Pouch Facility (anticipated completion, March 2025), as well as numerous other construction-related projects that are nearing completion.

Joss Construction's program is 309 working days in duration. They provided a detailed program that identified all critical construction activities, included realistic timelines, and accounted for all project tasks. They also identified administrative, shop detailing, testing and establishment requirements and adequately assigned time to comply with witness points and hold points. The program submitted by Joss Construction illustrates that they have an appreciation of all construction activities and sequencing necessary to deliver the works.

The methodology provided by Joss Construction was relatively simple, however covered the main items requested and demonstrated compliance with staging.

Referee reports indicate that they perform well, endeavour to adhere to a co-operative contract, and undertake overall good management of the works. Joss Construction has previously delivered Ian Barker Fields for AlburyCity, which was managed well, and a good outcome achieved.

Joss Construction is well resourced internally and has nominated appropriate sub-contractors to complete the specialised components of the work. Joss Construction has established sub-contractor relationships along with developed work health safety, quality and environmental systems to ensure quality project outcomes. Financial statements and external assessments indicate that Joss Construction has the required financial capacity to undertake the project.

Joss Construction has indicated that, should they be awarded this contract, most of the materials, plant, equipment and labour will be sourced from the local region. Their submission also indicated substantial community benefit within the local region through extensive sponsorship of various local sporting groups, volunteer organisations and community groups.

Monarch Building Solutions (Aust) Pty Ltd is based in Fyshwick ACT, with an established local office and presence in Albury, NSW. They have a substantial portfolio of recently completed construction projects for both private and local government sectors, including the ACT Government. These projects include multi-purpose sporting halls of similar value and complexity, as well as two recent projects for AlburyCity.

Notable projects that directly relate to the development of major sporting infrastructure, completed or currently being delivered by Monarch Building Solutions (Aust) Pty Ltd include the $16.5M Bega Valley Sports Centre for the Bega Valley Shire Council, the $5.4M ADFA Indoor Sports Centre for the Australian Defence Force Academy and the $12M National Convention Centre for the ACT Government which included a new home for the University of Canberra's (UC) Capitals Women's National Basketball League (WNBL) team.

Monarch Building Solutions (Aust) Pty Ltd indicated that their current commitments include the $20.6M Watson Health Club for the ACT Health Directorate/Canberra Health Services (anticipated to commence soon), the $7.8M Bolton Park Stage 1 (anticipated completion, October 2024) and the $6.7M Southside Hydrotherapy Pool (anticipated completion, April 2025), as well as numerous other construction-related projects.

Monarch Building Solutions (Aust) Pty Ltd's program is 301 working days in duration. Their program was detailed, identified all critical construction activities, included realistic timelines, and accounted for all project tasks. They nominated all sub-contract letting, samples and workshop drawings and procurement upfront, as well as a detailed list of project plans as required by the contract. The methodology provided by Monarch Building Solutions (Aust) Pty Ltd was also comprehensive and demonstrated a full appreciation of the staging, technical requirements and methodologies required to successfully undertake the works.

Referee information indicated that Monarch Building Solutions (Aust) Pty Ltd is co-operative, and a high performing contractor with demonstrated project management capabilities. It was also mentioned that they demonstrate a willingness to work with clients, even in the event of unexpected discoveries and proactively assist in determining solutions.

Monarch Building Solutions (Aust) Pty Ltd is well resourced internally and has nominated appropriate sub-contractors to complete the specialised components of the work. They also have in-house capabilities, which include glazing and doors, carpentry, and a network of both local and broader sub-contractor relationships (Canberra). Financial statements and external assessments indicate Monarch Building Solutions (Aust) Pty Ltd has the required financial capacity to undertake the project.

Monarch Building Solutions (Aust) Pty Ltd has indicated that, should they be awarded this contract, the majority of the materials, plant, equipment and labour will be sourced from the local region. Their submission also indicated community benefit within the local region through sponsorship and donations.

Zauner Construction Pty Ltd is a locally based company (Lavington, NSW) and has extensive experience in large scale construction projects for both private and government sectors, which includes multi-purpose sporting halls of similar value and complexity.

Notable projects that directly relate to the development of major sporting infrastructure, completed or currently being delivered by Zauner Construction Pty Ltd, include the $13.5M Shoalhaven Indoor Sports Centre for the Shoalhaven City Council, the $6M Design and Construction Services – James Fallon High School Multipurpose Hall for School Infrastructure NSW and the $7M Nowra Swim Centre Upgrade for the Shoalhaven City Council.

Zauner Construction Pty Ltd indicated that their current commitments include the $60M Simplot Facility for Simplot Australia, (anticipated completion, March 2025), the $27M Sapphire Coast Community Aged Care for Edmiston Jones (anticipated completion, August 2024) and the $40M Rutherglen Residential Aged Care for the Victorian Health Building Authority (anticipated completion, January 2025), as well as numerous other large construction-related projects.

Zauner Construction Pty Ltd's program is 332 working days in duration and they demonstrated a detailed appreciation of activities and logic required to complete the works. They nominate all key off-site and on-site activities, provided good program logic, and identified key relations between activities. Zauner Construction Pty Ltd's methodology and logic was clearly conveyed through both written and graphical representation, which was also linked back to program staging. They also provided renders of the project (both inside and outside), which demonstrated their full appreciation of our vision, as well as the technical requirements and methodologies required to successfully undertake the works.

Referee reports indicated that Zauner Construction Pty Ltd generally perform well, with projects delivered to acceptable levels in terms of quality, time and budget, however some areas of improvement regarding time management, documentation and project administration were noted. Zauner Construction Pty Ltd has previously delivered the Murray Art Museum Albury (MAMA), and the Albury Library Museum for AlburyCity.

Zauner Construction Pty Ltd is well resourced internally and has nominated appropriate sub-contractors required to complete many of the specialised components of the work. They have established local sub-contractor relationships. Financial statements and external assessments indicate that Zauner Construction Pty Ltd has the required financial capacity to undertake the project.

Zauner Construction Pty Ltd has indicated that, should they be awarded this contract, the majority of the materials, plant, equipment and labour will be sourced from the local region. Their submission also demonstrated sponsorship, donations, and funding of local sporting teams and community groups.

Build Australia Pty Ltd (trading as Ozworth Construction) is a construction company based in Arndell Park, NSW, with experience in smaller infrastructure related projects.

Their current work commitments include, the $900k Auburn Depot Amenities Upgrade for the Cumberland City Council, and the $5.6M Return and Earn NSW Rollout for the NSW Government. Previously completed projects include a $3.2M warehouse for Sydney Metro West and $3M of upgrades to existing residential developments. All reference projects provided were of a significantly smaller scale than this project and did not align with the construction or redevelopment of sporting venues or halls.

Ozworth Construction's program is 304 working days in duration and did not represent the required activities and sequencing to deliver the works. The methodology was also simple and lacked specific detail. This combined did not provide confidence that they have a full appreciation of the project scope and required deliverables of the project.

Referee information indicated that they generally meet expectations, with improvements in co-operation and compliance noted as the projects progressed.

Ozworth Constructions' proposed delivery team consisted of only three personnel, including the Director. Ozworth Construction does not hold professional indemnity insurance, stating that they would rely on sub consultant policies if their tender was successful.

An independent financial assessment was also completed, which indicated that they have "marginal" financial capacity to undertake the project, with an overall result of "fail". Concerns identified within the scorecard included:

- the contract value represents 530% of average annual revenue; and
- an undesirable level of working capital for this quantum of project.

Ozworth Construction is not a local company and nominated only minimal local labour and sub-contractor involvement within their tender submission.

In consideration of the above, the assessment panel deemed Ozworth Construction as poorly positioned to deliver a project of this scale and type. Based on this assessment, engaging Ozworth Construction would present a risk, not only to Council, but also to Ozworth Construction. Furthermore, the risk of failure increases, not only because of the financial strain on Ozworth Construction to service a large contract, but also their ability to service the contract operationally. For this reason, Ozworth Construction was not considered further for this contract.

From the qualitative assessment, the submissions from Monarch Building Solutions (Aust) Pty Ltd, Joss Construction and Zauner Construction Pty Ltd demonstrated the required management systems, financial capacity, resources, and availability to deliver this contract and were therefore carried forward to the quantitative assessment.

Quantitative Assessment

The lump sum tender prices and ratings relative to the lowest price are tabulated below.

Company	Contract Value (including GST)	Rating (100)
Zauner Construction Pty Ltd	$14,527,658.20	100
Monarch Building Solutions (Aust) Pty Ltd	$15,126,870.00	96
Colin Joss & Co. Pty Ltd (trading as Joss Construction)	$17,399,924.30	83

Two of the submissions received were within the budget allocation of $16.5M (including GST) and slightly above the construction cost estimate of $14.1M (including GST). The two submissions within

the budget allocation are considered reasonable when taking into account cost escalation over the 14-month period since the estimate was completed.

As detailed above, the submission from Zauner Construction Pty Ltd was the most favourable from a cost perspective, being $599K (4%) more favourable than Monarch Building Solutions (Aust) Pty Ltd and $2,872K (20%) more favourable than Joss Construction.

Risk

- **Business Risk** – Financial risks during construction are possible if latent/unknown conditions are encountered. Risks during construction have been mitigated through extensive site investigations which informed detailed requirements within the design and contract. In addition to this, delays in the delivery of the project could impact the ability to host the 2026 Australian Country Cup at the venue; All submissions have been reviewed based on this, and all finish before this event is scheduled to commence.

- **Corporate Risk** – This project will be subject to high levels of public visitation and will be visible to the community. The works will be undertaken in several stages to ensure stakeholder disruption is minimised through the duration of the project. The successful delivery of this project will see quality facilities established that meet the requirements of all participants, spectators and the general community will mitigate this risk and provide a positive image for AlburyCity.

- **WHS and Public Risk** – WHS risks due to the construction works will be controlled in accordance with AlburyCity procedures. The contractor will be WHS registered with AlburyCity and will be required to implement a relevant WHS Management Plan, including Safe Work Method Statements and safety inspections.

- **Environmental Risk** – Development consent (10.2021.38113.1) has been obtained for these works, which includes the preparation and assessment of environmental risks via a Statement of Environment Effects (SEE). The risks identified were considered low, particularly given the works predominately relate to the refurbishment of an existing building, and that the work area is heavily disturbed.

- **Delivery Program Risk** – Standard risks associated with construction are possible, including delays due to inclement weather, changes due to latent/unknown construction issues, contractor caused delays and supply chain lead times. Notwithstanding, the worksite is a constructed environment with existing structures and drainage, which will provide good access, minimising potential delivery risk. Extensive site investigations have been undertaken during the design and planning phase, with results indicating the risk to delivery is low.

Community Engagement & Strategic Alignment

Extensive community engagement for the redevelopment of the facility was undertaken as part of the two-stage Master Plan for the facility endorsed by Council in 2018. The community engagement at the time was guided by an adopted Stakeholder Engagement Plan which included consultation with

the Lauren Jackon Sports Centre Advisory Committee, local user groups and sporting bodies, and through a "Have Your Say" process.

The community engagement has continued through the Advisory Committee with the project a standing agenda item for each meeting. The most recent meeting was held in June 2024, for which a comprehensive update on timelines and construction impacts was provided to the user group.

The project was also included in the 2024/25 Delivery Program, which was endorsed by Council following extensive community consultation.

The planned project deliverables also seek to address the following strategic outcomes and actions identified within AlburyCity's Community Strategic Plan - *Towards Albury 2050* as follows:

A Growing Sustainable Economy:

1.1 Albury is a liveable city supporting sustainable population growth through the provision of high-quality infrastructure, industry – leading services and high levels of amenity.
1.3 Albury will offer diverse and innovative tourism experiences to attract new and repeat visitation.

A Caring Community:

3.2 Albury is a welcoming, caring and healthy community with an emphasis on physical, mental and spiritual wellbeing.

Summary

The scoring for the qualitative and quantitative assessment is summarised in the following table:

Company	**Qualitative (Non-price Score)**	**Quantitative (Price Score)**
Zauner Construction Pty Ltd	84	100
Monarch Building Solutions (Aust) Pty Ltd	87	96
Colin Joss & Co. Pty Ltd (trading as Joss Construction)	87	83

From the qualitative assessment, all companies have the required management systems, experience, resources and availability to successfully undertake this project.

From a quantitative perspective the submission from Zauner Construction Pty Ltd was assessed as being the most advantageous. The submission was between $599K (4%) and $2,872K (20%) more favourable than the other submissions.

Therefore, based on the qualitative and quantitative assessments, it is deemed that the submission from Zauner Construction Pty Ltd provides the best value for Council to deliver this project.

Conclusion

Council invited tenders for the Lauren Jackson Sports Centre Redevelopment Stage 1 Construction Contract No. 23/01093 and received four submissions.

The Lauren Jackson Sports Centre (LJSC) is a significant venue for community sport and major events within Albury and is recognised as Southern NSW's major indoor multi-sport facility, attracting more than 160,000 users each year. To ensure the LJSC meets the needs of both community and high-level sports events, a major redevelopment is required.

This project includes all construction activities required to deliver the much-needed upgrades to the multisport venue, providing a facility that will cater for enhanced community inclusiveness, player participation, inclusivity for women in sport, improved spectator and player comfort, and increased capacity to host large-scale tournaments and events.

A quantitative and qualitative assessment indicated that Zauner Construction Pty Ltd was the most favourable submission. Their tendered price of $14,527,658.20 (including GST) is within the budget allocation of $16.5M (including GST).

Recommendation

That Council, pursuant to Section 178 (1)(a) of the *Local Government (General) Regulation 2021* NSW, resolves to accept the tender from Zauner Construction Pty Ltd and awards the Lauren Jackson Sports Centre Redevelopment Stage 1 Construction Contract No. 23/01093 for the tendered lump sum price of $14,527,658.20 (including GST).

Attachment

1. Proposed Site Plan (DOC24/180210).