## CM13.2. Centaur Road Reconstruction - Overend Street to Mudge Street Contract No. 20/02903

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| **CONFIDENTIAL** | No | | |
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**Purpose of Report**

To seek endorsement from Council to accept no tenders for the reconstruction of Centaur Road – Overend Street to Mudge Street.

**Background**

As part of Council's ongoing commitment to maintaining its infrastructure and providing the community with improved roads, Centaur Road has been identified for reconstruction and upgrade, which includes treatment at the intersection with Mudge Street.

Centaur Road is located in Hamilton Valley, and is the only access road to the Albury Waste Management and Recycling Centre and the Albury Animal Management Facility. It is also the only access road for residents living in the Hamilton Valley housing estates. With significant volumes of traffic, including a high percentage of heavy vehicles (50%), the road has severely deteriorated. The section of Centaur Road between Overend Street and Mudge Street is particularly in poor condition and requires a full road reconstruction.

The reconstructed road will incorporate safety improvements, notably the curves and road intersection alignments, inclusion of a shared pathway, and enhancement of a section of the Hamilton Valley Creek.

The scope of the works for this contract include:

- construction of 7,240m$^2$ of new pavement;
- 1,446 metres of kerb and guttering;
- 617 metres of piped drainage;
- 768 metres of conduit installation to link the Albury Waste Management Centre to the AlburyCity Optic Fibre network;
- installation of 150 metres of water supply pipe;
- 129 metres of creek works to remove woody weeds, reinstate with native vegetation;
- an 8.7 metre extension to an existing box culvert under Centaur Road;
- a 5.5 metre extension to an existing 1050mm diameter piped culvert under Mudge Street;
- four new concrete driveways;
- 1,028m$^2$ of new 2.5 metre wide gravel shared pathways and pedestrian crossing;

- landscaping of the construction area; and
- maintenance of access to the Albury Waste Management Centre, Recycling Centre, Albury Animal Management Facility and residences during the construction period.

Tenders were invited for Contract No. 20/02903 – Centaur Road Reconstruction, Overend Street to Mudge Street, and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on Tuesday 13 April 2021.

Council's budget allocation for the project is $2.31M including GST ($660K in 2020/21 year and $1.65M in 2021/22 year) including a contribution of $1.54M from the NSW State Government under the Fixing Local Roads Program. The project budget includes provision for Project Management and Administration, Environmental Management, and a Community Awareness program.

At the close of tenders, submissions were received from the following companies:

- Cartwright Civil Contracting Pty Ltd (Wodonga, VIC);
- Longford Civil Pty Ltd (Howlong, NSW);
- Civil and Civic Group Pty Ltd (Kingston, ACT); and
- BR Durham Sons Pty Ltd (Mulgrave, NSW).

All tenders were evaluated in accordance with Council's Procurement Policy and in consultation with the Procurement Services Team Leader, Elisha Lieschke. The assessment panel for the tender comprised Senior Engineering Designer, Josh McLinden; Senior Project Engineer, Malcolm France, and Engineering Designer, Thomas Staats.

This contract was originally presented to Council at its meeting on 24 May 2021 for decision. However, it was deferred pending the finalisation of the Review of Environmental Factors (REF). A subsequent report, including the finalised REF, was re-presented to Council for consideration at its meeting held on 12 July 2021.

On review of the REF, concern was raised with regard to the potential impact to native vegetation due to the implementation of the project, and therefore the following motion was endorsed by Council:

*That Council:*

*(1) Postpones the awarding of a tender for Contract No. 20/02903 – Centaur Road Reconstruction, Overend Street to Mudge Street; and*

*(2) Considers alternative designs to reduce environmental risk, in particular impact on hollow bearing trees, including but not limited to alternative road alignments or revised project scope omitting road widening.*

Following the meeting, the Project Design Group reconvened with the intent to meet the objectives of the motion through a redesign of the project. It became evident that the redesign will substantially alter the scope of the project.

Based on the intent of this recommendation and required redesign to achieve its outcomes, the project deliverables will be substantially altered, and therefore the current contract is no longer reflective of the project scope.

It is therefore proposed that no tenders should be accepted for the current contract and that following the redesign, the project be retendered based on the revised scope in accordance with the Local Government Act.

Under the Local Government Regulation 2005, Clause 178(3) details the requirements of a Council where no tenders are to be accepted. These clauses state:

(3) A Council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:

(a) postpone or cancel the proposal for the contract,
(b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,
(c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,
(d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,
(e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,
(f) carry out the requirements of the proposed contract itself.

Based on the circumstance and the current status, it is proposed that Council progresses this project in accordance with Local Government Regulation 2005, Clause 178(3)(b).

**Risk**

- **Business Risk** – Financial risks are possible if the contract in its current form is awarded based on potential scope variations generated following the re-design of the project. This contract is grant funded. However, the required re-design will not impact on the funding provisions for this project.
- **Corporate Risk** – Should the contract in its current form be awarded, there is a potential risk to Council's reputation due to environmental impacts from the works.
- **WHS and Public Risk** – When the revised project contract is awarded, the WHS risk will be managed in accordance with AlburyCity procedures.
- **Environmental Risk** – The redesign of this project, through the revision of the Review of Environmental Factors, will look to reduce the risk of environmental impacts on the local fauna and flora in the area.
- **Delivery Program Risk** – It is envisaged that this project can be completed within the current financial year and within the timeframes of the grant funding provisions.

**Conclusion**

Council invited tenders for Contract No. 20/02903 – Reconstruction of Centaur Road, Overend Street to Mudge Street, which closed on Tuesday 13 April 2021 and received four submissions.

Centaur Road, between Overend Street and Mudge Street, is in poor condition and requires a full road reconstruction. It also forms critical infrastructure that services the Albury Waste Management Centre, Recycling Centre, Albury Animal Management Facility, the residents of Hamilton Valley, and is the only access road to these locations.

Based on concerns with regard to the potential impact to native vegetation, Council determined at its meeting on 12 July 2021 to postpone the award of the tender to allow for alternative designs to be considered to reduce the environmental impact of the project.

Therefore, based on the intent of the recommendation and initial review by the Project Design Group, it is evident that the scope of the project will substantially alter with the current contract no longer reflective of the project scope.

It is therefore recommended that Council accepts no tenders for the reconstruction of Centaur Road and invites fresh tenders following the redesign of the project, in accordance with Clause 178(3)(b) of the Local Government Regulation 2005.

**Recommendation**

That Council:

a. As per the Local Government (General) Regulation 2005, Clause 178(3), accepts no tenders for Contract No. 20/02903 – Centaur Road Reconstruction, Overend Street to Mudge Street; and

b. Invites fresh tenders based on a revised scope following redesign of the project, in accordance with Clause 178(3)(b) of the Local Government (General) Regulation 2005.