CM13.2. Water Filtration Plant B Contract No. 23/01250

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CONFIDENTIAL	No		
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Purpose of Report

To recommend to Council a preferred contractor for Contract No. 23/01250 - Water Treatment Plant B - Filter Refurbishment through a qualitative and quantitative assessment.

Background

Drinking water is supplied to Albury residents through two water treatment plants (WTPs). These are situated adjacent to each other, within the same site, on Waterworks Road in East Albury. Plant A was constructed in 1980, and Plant B was constructed in 1990. Both can be operated in combination or individually to accommodate the city's water consumption requirements.

Within the process of treating water, filtration is vital for removing dirt and impurities, and making it safe to drink. This upgrade of the Plant B filters is part of a bigger project that will see the holistic upgrade of AlburyCity's WTP.

As the Plant B filters and associated infrastructure remain in their original installation state, they now require an end-of-life upgrade to ensure the continued reliable production of clean, safe drinking water to meet the city's future development and population growth needs. Accordingly, this project aims to maximise the production of high-quality and compliant drinking water, as well as increase the treated water capacity.

Plant A is currently undergoing filter refurbishment and media replacement that is due to be completed in mid 2025. The Plant B refurbishment is planned to commence following the completion of Plant A works, and when complete will ensure the maximum production of high-quality and compliant drinking water.

The project aims to deliver the following:

- Installation of new filter media in Plant B filters 1 – 8;
- Installation of new lateral floor underdrains;
- Installation of new air scour pipework;
- Replacement of individual filter outlet valves and installation of new individual filter flow meters;
- Replacement of the current backwash flow meter with a new Magflow; and
- The overarching electrical and automation design of the WTP.

This project will support the resilience of Albury's WTP and ensure the continued production of clean and safe drinking water under both normal and adverse operating conditions. The eight filters in WTP B will be refurbished two at a time, so that in the event of increased water demand, the remaining filters in WTP B will maintain operational capacity and be able to supplement WTP A.

The adopted Four Year Delivery Program 2024-2028 provides an allocation of $11.0M (including GST) for an upgrade of the AlburyCity WTP (that includes both Plants A and B) and comprises of a budgetary allocation of $6.0M (GST included) for this phase of the project.

This proposed upgrade to the WTP will significantly enhance the longevity and operational efficiency of Plant B. By investing in these infrastructure improvements, the upgrade will address current maintenance challenges, increase the plant's treatment capacity, and ensure compliance with the latest regulatory standards. These enhancements will extend the lifespan of Plant B, reduce the frequency of future repairs, and safeguard the reliability of Albury's water supply for decades to come. This strategic investment not only meets immediate water quality requirements but also fortifies the plant's resilience against future demands and environmental changes.

Scope

The project's scope of works includes the engagement of a suitably qualified contractor to provide detailed design, construction and installation of a new filter media and lateral floor underdrain system, air scour pipework, individual outlet valves with actuators and flow meters, including a new backwash flow meter. It also includes implementing a filter to waste option, as well as designing electrical and automation systems for plant operation, control and integration of all project components.

To complete the above, the contractor must perform all necessary due diligence and design activities for delivering a coordinated and integrated construction outcome that will also ensure the ongoing and simultaneous operation of Plant A and Plant B during the project.

Invitation to Tender

Tenders were invited for Contract No. 23/01250 Water Treatment Plant B - Filter Refurbishment, and was advertised in the Border Mail, Sydney Morning Herald and Tenderlink. Tenders closed at 12 noon on 6 November 2024.

Tender Close

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

- Guidera O'Connor Pty Ltd (Thebarton, South Australia);
- Laurie Curran Water Pty Ltd (Norlane, Victoria); and
- Precision Civil Infrastructure Pty Ltd (Springwood, New South Wales).

All tenders were received and evaluated in accordance with the local government legislation of New South Wales (NSW) and Council's Social and Sustainable Procurement Policy and Guidelines.

The assessment panel for the tender comprised of Team Leader Design – Scott Donders, Leading Hand Water Treatment Plant – Ifan Martin and Project Engineer – Bernie Almazan. Procurement probity oversight throughout the Request for Tender (RFT) process was provided by Sourcing Coordinator – Paul Dwyer.

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
Guidera O'Connor Pty Ltd	Yes	Yes	Conforming
Laurie Curran Water Pty Ltd	Yes	Yes	Conforming
Precision Civil Infrastructure Pty Ltd	Yes	Yes	Conforming

As indicated above, all submissions were assessed to be conforming tenders, and all companies were found to be WHS registered with Council currently or they demonstrated a capacity to achieve this status.

Qualitative Assessment (Non-price aspects)

A qualitative assessment considered a range of criterion including:

- **Past Performance** – relevant experience in performing same or similar projects; developing experience including research and innovation.
- **Methodology & Program** – 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 to deliver required goods/services/works, contract management capabilities; and
- **Benefit to the region and Australian manufacturing** – 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%)
Guidera O'Connor Pty Ltd	22	30	19	9	1	81
Laurie Curran Water Pty Ltd	24	24	16	9	1	74
Precision Civil Infrastructure Pty Ltd	18	14	11	5	1	49

Guidera O'Connor Pty Ltd is based in Adelaide, South Australia and operates nationwide. The company is known for its collaborative approach, innovation, and high-quality workmanship. They specialise in the design and construction of water treatment projects and their activities are supported by a diverse team of engineers, drafters, and construction personnel.

In recent years, Guidera O'Connor has successfully delivered several projects for the South Australian Water Corporation. Some of these include filter refurbishments at the Hope Valley, Happy Valley, and Barossa Water Treatment Plants in South Australia. Additionally, they have completed similar refurbishment and asset renewal work at the Little Para Water Treatment Plant for South Australian Water.

Referee information indicated Guidera O'Connor Pty Ltd has performed well across past projects and previously delivered quality outcomes, able to keep projects on track, and communicated well.

Currently, Guidera O'Connor is managing eleven active projects, with eight expected to be completed prior to the commencement of this project. Their proven track record of executing and completing multiple projects concurrently gives confidence in their capability to deliver this project efficiently and on time. Moreover, an external financial capacity assessment indicated that Guidera O'Connor has a strong financial capacity to undertake this contract.

The company proposed a thoroughly considered 84-week project schedule. They have also included a comprehensive program and very detailed methodology that, combined with their extensive experience, provides confidence in their approach to construction activities, design processes, and timelines for obtaining required products and materials.

Although Guidera O'Connor does not maintain a permanent presence in our region, they plan to maximise the use of local resources and prioritise the upskilling of local contractors for future opportunities. Furthermore, they have pledged to give back to the local community through sponsorship programs, if successful in the tender.

Laurie Curran Water Pty Ltd (Laurie Curran) is a process engineering firm based in Norlane, Victoria. They specialise in the design and construction of water and wastewater treatment facilities in Australasia and are well known for their expertise in a range of treatment processes and technologies, including filtration systems.

Over recent years Laurie Curran has completed several similar projects for Victorian Water Corporations, with six of eleven current projects due for completion before the start of this project. Their experience in recent years with successfully undertaking and completing numerous projects running concurrently gives confidence in their ability to successfully deliver this project. An external financial capacity assessment also indicated that Laurie Curran has a strong financial capacity to undertake this project.

Referee information indicates that Laurie Curran has a strong performance record on past contracts. They have performed well in all aspects of project delivery and have been particularly cooperative when alternative sourcing of materials was necessary. Feedback highlights their cooperative nature and ease of collaboration.

Laurie Curran is also currently undertaking the WTP A filter refurbishment for AlburyCity. Their meticulous attention to detail is contributing positively on the project, underscoring their competence and expertise in the field.

Laurie Curran proposed a 91-week program of works. Although this is not the shortest program submitted, it is a judiciously considered plan, taking into account the sourcing of the proprietary underdrain system with a 35-week lead time.

They also provided a comprehensive program and methodology, which combined with their extensive experience, offered confidence in their proposed construction activities, design requirements, methodology and lead times on required products and materials.

Laurie Curran does not have a permanent presence in our region, although they have completed numerous projects for other utilities in the area. Local subcontractors are proposed to be engaged for this project.

Precision Civil Infrastructure Pty Ltd, based in Springwood NSW, is a construction company specialising in a range of innovative water and wastewater treatment services. Their services span from design through to the implementation and maintenance of pump stations, treatment plants and water reservoirs to pipelines for both urban and rural councils, as well as various industrial sectors across NSW.

In recent years, Precision Civil Infrastructure Pty Ltd completed several projects for various Sewage Treatment Plants. They were also subcontractors responsible for the installation of Leopold underdrain system for Xylem on projects including the Lower Molonglo Water Quality Control Centre in Canberra, and the Oakley Park and Cowra WTPs in NSW.

Referee information indicated Precision Civil Infrastructure Pty Ltd to be easy to work with and delivered quality work. However, one referee did indicate some slippage in their current program and that they appeared to have experienced resource allocation challenges on site.

Currently, Precision Civil Infrastructure Pty Ltd is managing four active projects that are expected to reach completion prior to the start of this project. However, the submission from Precision Civil Infrastructure Pty Ltd presented concerns regarding the company's demonstrated financial capacity to undertake a project of this scale. An external financial capacity assessment detailed concerns suggesting a risk for both Council and the Contractor, should the contract be awarded to Precision Civil Infrastructure Pty Ltd.

Precision Civil Infrastructure Pty Ltd has proposed a project duration of 59 weeks. This raised concerns as the proprietary underdrain system has a 35-week lead time and presented a breakdown of their construction approach, the proposed timeline appears insufficient. Whilst they have responded to and addressed multiple tender clarifications, there remained uncertainty regarding their complete understanding of the works required for successful delivery of the project.

While Precision Civil Infrastructure Pty Ltd does not have a permanent presence in our region. They intend to maximise the use of local resources and have committed to supporting the community through a sponsorship program with a local football club.

From the information provided, the Laurie Curran Water Pty Ltd and Guidera O'Connor Pty Ltd submissions stood out demonstrating they have the required capacity, resources, management systems, relevant experience and availability to provide AlburyCity with a quality product and the meet project objectives.

Quantitative Assessment (Pricing)

The tender was released to market seeking lump sum submissions. The tendered prices and ratings relative to the lowest price are tabulated below.

Company	Estimated Contract Value (incl GST)	Rating (100)
Precision Civil Infrastructure Pty Ltd	$5,066,477.00	100
Laurie Curran Water Pty Ltd	$5,451,479.00	93
Guidera O'Connor Pty Ltd	$6,779,092.00	75

The approved Four Year Delivery Program 2024-2028 includes $11.0M (including GST) for the overall upgrade of the AlburyCity WTPs. The allocation for this phase of the project is $6.0M (including GST), with two submissions being within the allocated budget.

From a quantitative perspective, the submission of Precision Civil Infrastructure was most favourable, being $385K (8%) more favourable than the submission of Laurie Curran Water Pty Ltd and $1.713M (34%) more favourable than Guidera O'Connor's submission.

Risk

- **Business Risk** – The refurbishment of the filters and other works in Plant B is required to ensure the continuation of filtration capacity and water quality. Should the project be delayed, AlburyCity's ability to meet the city's water servicing needs may be impacted with a more rapid decay in its filtration performance.

- **Corporate Risk** – Reputational risk is possible due to the potential loss of public trust or damage to stakeholder relationships if there are project delays or if the project does not deliver a reliable water supply during crucial peak demand periods. If this were to occur, it could result in negative media coverage, public dissatisfaction, and a loss of credibility with both the community and key stakeholders.

  In the event of a high demand occurring during the project, AlburyCity's water needs can still be met. This will be achieved by only two filters being taken offline at a time, leaving the remaining filters to continue to operate to supplement WTP A. In addition, and critical to managing this risk will be transparent communication, and the commitment to provide regular and clear updates to stakeholders about the project's progress.

- **WHS and Public Risk** – The age of the existing filters in Plant B poses a significant risk to the production of clean, safe drinking water at AlburyCity. The filter media have not been replaced since their initial installation in 1990 and are well past the 20-year lifespan given for filter media. The filters and media are overdue for a renewal to ensure continued high-quality water treatment performance that is essential in mitigating public health risks.

- **Environmental Risk** – Without this upgrade of the Plant B filters, there is potential for AlburyCity to be unable to meet the needs and expectation of our growing community into the foreseeable future.

- **Delivery Program Risk** – This upgrade of the Plant B filters is part of a bigger project that will see the holistic upgrade of AlburyCity's WTP (including Plant A). The project is necessary to ensure the city's continued compliance and capability to meet regulatory, public health and capacity requirements.

Engagement

The project was included in the 2024-2028 Four Year Delivery Program, which was endorsed by Council.

The planned project outcomes also seek to address the following considerations that align with AlburyCity's Community Strategic Plan – Towards Albury 2050, as follows:

1. 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.
1.1.1 Responsibly provide residential and commercial development options for our growing city, whilst prioritising sustainability.

1.5 Albury has a secure, integrated water and natural asset supply to support a circular economy.
1.5.1 Investigate opportunities for alternate water supply and usage to improve water security.
1.5.2 Our water quality is a priority that supports the health and wellbeing of the community.

2. An Enhanced Natural Environment

2.3 Albury is a leader in resource management and circular economy.
2.3.3 Deliver innovative sustainable water management technologies to manage water security.

Summary

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

Company	Qualitative (Non-price Score)	Quantitative (Price Score)
Precision Civil Infrastructure Pty Ltd	49	100
Laurie Curran Water Pty Ltd	74	93
Guidera O'Connor Pty Ltd	81	74

From the qualitative assessment, the submissions from Guidera O'Connor Pty Ltd and Laurie Curran Water Pty Ltd stood out with demonstrated relevant experience, required management systems, resources and capacity to successfully undertake this project.

The submission from Precision Civil Infrastructure Pty Ltd poses concerns regarding financial capacity and their understanding of the project. An external financial capacity assessment detailed similar concerns that suggests a risk for both Council and the Contractor, should the contract be awarded to Precision Civil Infrastructure Pty Ltd. Council officers maintain reservations regarding Precision Civil Infrastructure Pty Ltd understanding of the full scope of works and timeline for the project.

From a quantitative perspective the submission from Precision Civil Infrastructure was assessed as being the most advantageous being $385K (8%) more favourable than the submission of Laurie Curran Water Pty Ltd and $1.713M (34%) more favourable than the submission of Guidera O'Connor.

Therefore, based on the qualitative and quantitative assessments, it is deemed that the submission from Laurie Curran Water Pty Ltd provides Council the best value to deliver this project. Although their submission is not the lowest priced tender, their capacity and capability combined with their extensive relevant experience and comprehensive methodology, as outlined in their submission, provides AlburyCity with the confidence that they can provide a quality outcome.

Conclusion

Drinking water is supplied to AlburyCity through two WTPs, situated next to each other, within the same site, on Waterworks Road in East Albury. The younger of the two plants – Plant B - was constructed in 1990, and its essential water treatment filters are now beyond their effective useable lives for ensuring the continued production of clean and safe drinking water. Accordingly, they now require a full replacement to meet the city's future development and population growth needs.

Council invited tenders for Plant B refurbishment and received three submissions.

A quantitative and qualitative assessment indicated that Laurie Curran Water Pty Ltd was the most favourable submission. Their tendered price of $5,451,479.00 (including GST) can be accommodated within the budget allocation for this phase of the project of $6.0M (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 Laurie Curran Water Pty Ltd and awards Contract No. 23/01250 - Design & Construct Water Treatment Plant B Filter Refurbishment, for the tendered lump sum price of $5,451,479.00 (including GST).