CM13.7. Kerr Road Reconstruction Stage 5 Contract No. 18/01922

DATE	29 November 2018	**FIL REFERENCE**	FIL18/01922
CONFIDENTIAL	No		
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Purpose of Report

To recommend a preferred contractor for the reconstruction of Kerr Road Stage 5, through a qualitative and quantitative assessment.

Background

Kerr Road is in poor condition and requires a full reconstruction. It also forms critical infrastructure as part of Council's Local Environmental Plan (2010) and the Thurgoona/Wirlinga Precinct Structure Plan, being a key access avenue to the City's growth area.

As part of Council's ongoing commitment to improving the standard and safety of Council's road network, Kerr Road has been identified for reconstruction.

The scope of the works included in this contract is summarised below:

- construction of 5,500m^2 of new pavement;
- 884 metres of kerb and guttering;
- 466 metres of piped drainage;
- 850 metres of 600mm water supply pipe installation (materials supplied by Council);
- 1,132m^2 of paved pathways; and
- landscaping of the construction area.

Tenders were invited for Contract No.18/01922 – Kerr Road Reconstruction Stage 5, and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on Tuesday 13 November 2018.

The contract duration is estimated at 16 weeks and will be completed in the 2018/19 financial year.

Council's budget allocation for the project is $1.32M including GST.

A location plan is *attached* for information.

Tender Evaluation

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

- Excell Gray Bruni Pty Ltd (Wodonga VIC);
- A P Delaney & Co Pty Ltd (Albury NSW); and
- Cartwright Civil Contracting Pty Ltd (Wodonga VIC).

All tenders were evaluated in accordance with Council's Procurement Policy and Guidelines. The assessment panel for the tender comprised Procurement and Contract Management Team Leader – Peter Hanes, Engineering Designer – Rob Eckersley, Engineering Designer – Kamrul Hasan and Senior Project Engineer – Ross Tuckwell.

The selection process must provide the best value for money when evaluated against the applicable assessment criteria. Best value does not necessarily mean 'lowest price'; it involves a comparative analysis of the benefits of the submission versus the cost of the procurement. Some of the benefits of a submission that are considered include resourcing and availability, performance history, planning and programming, work health and safety record, quality of work and experience. Consideration may also be given to items external to the contract such as additional contract management requirements during the course of the contract.

Conformity Check

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

Company	Pricing Details	Supporting Information	WHS Documentation	Comment
Excell Gray Bruni Pty Ltd	✓	✓	✓	Fully Complies
Cartwright Civil Contracting Pty Ltd	✓	✓	✓	Fully Complies
A P Delaney & Co Pty Ltd	✓	✓	✓	Fully Complies

As indicated above, all submissions were assessed as conforming tenders. All companies are WHS registered with Council.

Qualitative Assessment

A qualitative assessment considered a range of issues including:

- resources - availability and ability to complete projects within timeframes;
- performance capability - referee checks and comments;
- methodology proposed - includes program of works, reporting and recording systems, management of traffic;
- management systems - quality assurance/systems/programs/procedures;
- relevant experience - experience and reputation in carrying out similar projects; and
- local benefit – economic and social contribution to the region.

Company	Past Performance (30%)	Methodology & Program (40%)	Capacity & Capability (20%)	Local Benefit (10%)	Total (100)
Excell Gray Bruni Pty Ltd	26	28	14	7	75
Cartwright Civil Contracting Pty Ltd	22	30	14	6	72
A P Delaney & Co Pty Ltd	24	18	16	8	66

Excell Gray Bruni Pty Ltd is a locally based company and has undertaken a number of similar projects throughout New South Wales and Victoria. Recently the company has completed the Havelock Street extension Wodonga, Bunnings Albury roundabouts and Logic Rail Hub earthworks. Excell Gray Bruni Pty Ltd also successfully completed the previous stages of Kerr Road (Stage 1-4). Their current work commitments include a number of large-scale projects, Ettamogah Rise, Albury (expected to be completed in December 2018), Kinchington Estate Stage 2, Wodonga (expected to be completed in April 2019), Riverside Estate Stage 14, Wodonga (expected to be completed in May 2019) and Benalla Precast facility (expected to be completed in March 2019).

Referee information indicated that the company typically completed projects to a high standard on or before the date of practical completion. The company has good coordination procedures and is professional in managing the construction site, their suppliers and subcontractors.

Overall, Excell Gray Bruni Pty Ltd's standard of works and procedures has been to a high standard on similar projects for AlburyCity (Kerr Road Reconstruction Stages 1, 2, 3 and 4 and the Wagga Road beautification project). The company has extensive experience on similar projects.

The company has submitted a detailed works methodology, outlining their intended works methods and staging of the project. The attached works program provided a clear timeline of works and indicated a contract period of 16 weeks. The company has submitted an extensive range of their management systems including Safe Work Method Statements, Environmental Management System, Workplace Health and Safety Management System, and Quality Management System.

Excell Gray Bruni Pty Ltd have indicated that should they be awarded this tender, 100% of the materials, plant and labour will be sourced from the local region. The company has also listed a number of local community groups, sporting groups and fundraising events which they sponsor.

Cartwright Civil Contracting Pty Ltd is a locally based company and has undertaken a number of similar projects in Victoria and New South Wales. Recently the company has completed a number of subdivisions including Yarabee Park Stage 1, Collina Estate and Chisholm Estate in Albury as well as Cambourne Park, Wodonga. They currently have six subdivision sites in hand including 47 Table Top Road, Collina Estate Stage 4 & 6, Yarabee Park Stage 4, Ceres Drive, Schubach Street and Fallon Street throughout Albury and Wodonga. The majority of these projects are scheduled to be completed in January and February 2019.

Referee information indicated the company typically completed projects to a high standard and within the allocated time frames. The company is cooperative and has been involved in a number of projects throughout the region.

Overall Cartwright Civil Contracting Pty Ltd's standard of works and procedures have met the requirements on similar projects for AlburyCity (Racecourse Road Stage 2). The company has submitted a detailed methodology which highlighted how they plan to deal with a number of key site issues. The works program included in the submission, gave a clear timeline of works and indicated a contract period of 14 weeks.

Cartwright Civil Contracting Pty Ltd have stated that if successful 100% of the labour, plant and materials for this project will be sourced locally. The company has indicated that they currently employ through a disability employment service.

A P Delaney & Co Pty Ltd is a locally based company and has undertaken a number of similar projects in Victoria and New South Wales. Recently the company has completed various stages of the White Box Rise subdivision Wodonga, a hardstand and car park extension for Wilson Transformer Company Wodonga and civil works, hardstand and car park construction for Bunnings Albury. Their current commitments include White Box Rise Estate, Wodonga (3 separate stages - expected to be completed in December 2018), David Street, South Albury (expected to be completed in December 2018) and Rivalea Dam Construction, Corowa (expected to be completed in December 2018).

Referee information indicated the company completed projects to a very high standard and typically completed projects within the allocated time frames. The company is quick to respond to scope changes and is very professional in operation.

A P Delaney & Co Pty Ltd's work and procedures have met high standards on similar projects for AlburyCity (Nexus Industrial Subdivision Stage 1 and Travelstop Way roundabout). The company has also indicated a contract period of 14 weeks within their submission, but did not provide a detailed methodology or a program of works. The company listed an extensive amount of equipment available and robust management systems.

A P Delaney & Co Pty Ltd have indicated within their submission that should they be awarded this contract, 100% of the suppliers, subcontractors and materials for this project would be sourced locally. A P Delaney & Co Pty Ltd also note a significant number of community groups, sports teams and events which they provide sponsorship to within the local region, as well as a history of providing opportunities for Engineering university students to gain valuable work experience within the construction industry.

From the information provided, all companies demonstrate the required management systems, experience, construction plant, resources and availability to provide AlburyCity with a quality product.

Quantitative Assessment

Company	Tendered Price (including GST)	Rating (Max. 100)
Excell Gray Bruni Pty Ltd	$1,247,891.15	100
Cartwright Civil Contracting Pty Ltd	$1,302,556.49	96
A P Delaney & Co Pty Ltd	$1,559,030.00	80

The budget allocation for the project is $1.32M including GST. Excell Gray Bruni Pty Ltd and Cartwright Civil Contracting Pty Ltd's submissions were within the budget provision.

As detailed above, the submission from Excell Gray Bruni Pty Ltd was the most favourable from a cost perspective, being $55K or 4% more favourable than Cartwright Civil Contracting Pty Ltd and $311K or 25% more favourable than A P Delaney & Co Pty Ltd.

Risk

- Business Risk – financial risks are possible if latent/unknown construction issues are encountered, a geotechnical investigation, as well as environmental investigations have been undertaken to reduce this risk.
- Corporate Risk – this project is located within one of the primary growth corridors of the Albury Wodonga region and as such, will be highly visible to the community. The completion of this project will support both the continued development occurring within this area and Council's ongoing commitment to efficiently and effectively managing community assets. This risk area is considered low.
- WHS and Public Risk - WHS risks due to the construction works will be controlled in accordance with AlburyCity procedures, ie the contractor will be WHS registered by AlburyCity and will be required to implement relevant Safe Work Method Statements and safety inspections.
- Delivery Program Risk – standard risks associated with construction are possible, ie delays due to inclement weather and changes due to latent/unknown construction issues. However, the construction is scheduled to occur during summer and site investigations have been undertaken during the design and planning phase, so Delivery Program Risks are considered low.

Community Engagement

This project is within a major growth corridor of the city and is included as an initiative within the Thurgoona Wirlinga Structure Plan, Council's Infrastructure Contributions Plan and is consistent with various themes within The Community Strategic Plan - Albury 2030, all of which have undergone extensive community consultation prior to adoption. The project was subsequently included in the 2018/19 Delivery Program, which was endorsed by Council following the essential community consultation period.

Summary

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

Company	Qualitative	Quantitative
Excell Gray Bruni Pty Ltd	75	100
Cartwright Civil Contracting Pty Ltd	72	96
A P Delaney & Co Pty Ltd	66	80

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 Excell Gray Bruni Pty Ltd was the most advantageous being between $55K and $311K more favourable than the other submissions.

Therefore, based on the qualitative and quantitative assessments, it is deemed that the submission from Excell Gray Bruni Pty Ltd provides the best value to deliver this project.

Conclusion

Council invited tenders for Kerr Road Reconstruction Stage 5, and received three submissions. Tender submissions were received for this project from Excell Gray Bruni Pty Ltd, Cartwright Civil Contracting Pty Ltd and A P Delaney & Co Pty Ltd.

The scope of the contract includes approximately 5500m^2 of new pavement, 884 metres of kerb and guttering,466 metres of piped drainage, 850 metres of 600mm water supply pipe installation, 1132m^2 of paved pathways and landscaping of the area.

A quantitative and qualitative assessment indicated that Excell Gray Bruni Pty Ltd was the most favourable submission. Their tendered price of $1,247,891.15 including GST is within the budget allocation of $1.32M including GST.

Recommendation

That Council accepts the tender from Excell Gray Bruni Pty Ltd for Contract No.18/01922 – Kerr Road Reconstruction Stage 5, in the lump sum amount of $1,247,891.15 including GST.

Attachments

1. Location Plan (DOC18/176498)