CM13.2. Albury Airport Taxiway Charlie Construction - Contract 23/01257

DATE	13 March 2024	**FIL REFERENCE**	FIL23/01257-02
CONFIDENTIAL	No		
FURTHER ENQUIRIES	Andrew Lawson City Projects	**PHONE**	6023 8111
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Purpose of Report

To recommend to Council a preferred contractor for the Albury Airport – Taxiway Charlie Extension, through a qualitative and quantitative assessment.

Background

Albury Airport (ABX) is owned and operated by Albury City Council (Council) and is located on the eastern side of Albury, less than a 10-minute drive from the Albury CBD. ABX occupies an area of approximately 106.9ha and services a range of aviation industries including Regular Passenger Transport (RPT), aircraft maintenance and other general aviation. The airport also provides support to both NSW and VIC aerial firefighting and aeromedical capabilities, and the Department of Defence.

As part of the Albury Airport Master Plan 2018, it was recommended that Taxiway Charlie be extended. The extension of Taxiway Charlie was also raised during an Airport Technical Inspection to reduce back tracking of aircraft on the runway, therefore reducing the interruption to landing and take-off activity.

In 2019, the existing section of Taxiway Charlie was reconstructed to be a compliant Code C taxiway, capable of supporting increased aircraft movements. This project intends to expand upon the previous delivered project, by extending Taxiway Charlie to the eastern turning node of Runway 25.

The scope of works extends Taxiway Charlie approximately 510 metres to the eastern turning node of Runway 25. The new taxiway consists of a 21-metre-wide sealed pavement inclusive of drainage, lighting and line marking, as well as shaping to create a compliant taxiway strip throughout the taxiway length. Works required to complete this include bulk earthworks, stormwater and subsoil drainage, in-situ subgrade stabilisation, pavement construction, asphalt surfacing, electrical works, line marking, and the construction of temporary and permanent taxiway connections to user hangars.

Tenders were invited by Council for Contract No. 23/01257, and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on Tuesday, 13 February 2024.

The contract duration is estimated at 40 weeks and will be completed in the 2024/25 financial year.

Council's draft budget allocation for the project is $6.49M (including GST). This budget comprises of $1.63M in grant funding received under the Regional Airport Program Round 2, which was awarded to deliver the following projects (total funding received $2.855M):

- Extension of Taxiway C Stage 2 (this project);
- Reshape and Strengthen Taxiway Bravo;
- North East Apron Resurfacing;
- Runway Lighting Upgrade; and
- Enclose Taxiway Delta Open Drain.

A plan indicating the location of the works is attached for information (see Attachment 1).

Tender Assessment

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

- AP Delaney & Co Pty Ltd (Albury, NSW);
- Dineshchandra Indo Pacific Ventures and Investments Pty Ltd (Olympic Park, NSW); and
- Grampians Excavations Pty Ltd (Spotswood, VIC).

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

The assessment panel for the tender comprised of Project Lead – Shannon Leahy, 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
AP Delaney & Co Pty Ltd	Yes	Yes	Conforming
Dineshchandra Indo Pacific Ventures and Investments Pty Ltd	No	No	Non-conforming
Grampians Excavations Pty Ltd	Yes	Yes	Conforming

As indicated above, the submission from Dineshchandra Indo Pacific Ventures and Investments Pty Ltd (DIPV) was assessed as non-conforming, and subsequently was not considered further. This was on the basis that DIPV did not provide certificates of insurance, they have no previous trading history in Australia under the tendered entity (company incorporated September 2023), and their Statement of Compliance had a large range of deviations. Both of the other submissions were assessed as conforming, with companies either already WHS registered with Council or able to achieve registration.

Qualitative Assessment

A qualitative assessment considered a range of criterion including:

- **Experience** – relevant experience in performing same or similar projects; developing experience including research and innovation.
- **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 to deliver required goods/services/works, contract management capabilities; and
- **Benefit to the local region** – local impact on social, economic and community outcomes to benefit the Albury/Wodonga region.

Company	Experience (30%)	Methodology/ Program (30%)	Capacity (20%)	Capability (10%)	Local Benefit (10%)	Total (100%)
AP Delaney & Co Pty Ltd	30	26	19	9	8	92
Grampians Excavations Pty Ltd	28	24	16	9	3	80

AP Delaney & Co Pty Ltd is a local company based in Albury, NSW, and has undertaken a wide range of civil infrastructure projects in the local area. The company has completed numerous previous projects for Council, including several similar projects at the Albury Airport.

Their current work commitments include Reshape and Strengthen Taxiway Bravo for Council (expected completion, April 2024), Albury Airport North East Apron Rebuild for Council (expected completion, May 2024), and Corowa Saleyards Upgrade for Federation Council (expected completion, June 2024). The assessment panel considered the company's current commitments and available resources and determined that should AP Delaney & Co Pty Ltd be awarded this tender, they would have sufficient capacity to undertake the project.

Referee information indicated that AP Delaney & Co Pty Ltd is a capable and cooperative contractor that delivers projects to a high standard. Council has extensive experience with AP Delaney & Co Pty Ltd, throughout which the company has consistently provided quality outcomes.

The submission provided by AP Delaney & Co Pty Ltd included a construction methodology and detailed construction program. The methodology addressed all key elements of the project and was consistent with the required staging of construction. The construction program also included a logical work breakdown addressing all activities. The program indicates a construction duration of 36 weeks.

The company indicated that should they be awarded this tender, 100% of materials and labour would be sourced locally. AP Delaney & Co Pty Ltd provides sponsorship to numerous local organisations, including Albury Tigers Football Club, Albury Golf Club, Ronald McDonald House (Wodonga), and Stars of the Border (Cancer Council), amongst others.

Grampians Excavations Pty Ltd is a company based out of Spotswood, Victoria and has successfully completed several similar, and much larger civil projects throughout Australia.

Grampians Excavations Pty Ltd has recently completed airport projects including Kempsey Airport Apron Rehabilitation ($1.7M) for Kempsey Shire Council and an expansion to the Merimbula Airport ($18.7M) for Bega Valley Shire Council, along with other various airside and landside projects at the Melbourne Airport. These projects demonstrate that Grampians Excavations Pty Ltd has a thorough understanding of completing projects within an airside environment.

Their current work commitments represent their capability to deliver a diverse range of civil infrastructure projects including:

- Hawthorn Football Club $21M (expected completion, April 2024);
- Lilydale Waste to Energy Plant $8M (expected completion, late 2024); and
- Link Road Lang Lang Subdivision $3M (expected completion, early 2025).

As a subsidiary of the larger Symal Infrastructure group, referee information suggested that they significantly benefit from this arrangement, including shared processes, construction methodologies, site processes and practices, and administrative regimes of the parent company Symal. This point of difference enables a collaborative style of working with clients that was seen as an asset. In addition, referee comments were all positive in nature, and suggest that Grampians Excavations Pty Ltd delivers high quality project outcomes.

Grampians Excavations Pty Ltd provided a basic methodology, however still demonstrated an understanding of the project's technical requirements. Further, a logical sequence of events was included within their program, which indicated a 38 week works duration.

Grampians Excavations Pty Ltd highlighted 50% of materials, plant and equipment would be sourced from the local supply market, along with some local trades, supporting specific elements of the works.

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

Quantitative Assessment (100%)

The tendered prices and ratings relative to the lowest price are tabulated below.

Company	Estimated Contract Value (including GST)	Rating (100)
AP Delaney & Co Pty Ltd	$6,050,547.25	100
Grampians Excavations Pty Ltd	$7,687,944.00	79

The budget allocation for the project is $6.49M (including GST), with one submission within the allocated budget.

As detailed above, the submission from AP Delaney & Co Pty Ltd was the most favourable from a cost perspective, being $1.637M (27%) more favourable than Grampians Excavations Pty Ltd.

Risk

- **Business Risk** – financial risks during construction are possible if latent/unknown conditions are encountered. Risks during construction have been mitigated through an extensive site investigation, which informed detailed requirements within the design and contract.

- **Corporate Risk** – this project is located within the Albury Airport which is subject to high levels of public visitation as well as commercial operations; hence the project 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 provide improved amenity for users of the Albury Airport, and overall risk in this area is considered low.

- **WHS and Public Risk** – WHS risks due to the construction works will be controlled in accordance with AlburyCity and Albury Airport 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. The works will be supervised by an Airport Reporting Officer (ARO) at all times during construction.

- **Environmental Risk** – a Review of Environmental Factors (REF) (see Attachment 2) has been undertaken for these works to identify any risks and suitable measures to mitigate them. The REF determined that the risks identified were considered low, particularly given that the work area is already heavily disturbed by airport operations and previous construction activities. Sediment and erosion practices will be implemented throughout the project.

- **Delivery Program Risk** – standard risks associated with construction are possible, including delays due to inclement weather and changes due to latent/unknown construction issues. Notwithstanding, the work site is a constructed environment with existing drainage and pavement 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

This project has been included in the Four-Year Delivery Works Program, which was placed on public exhibition prior to Council adoption.

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

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.

1.2 Albury has an accessible, integrated transport network that connects our city through safe efficient travel options.

1.3 Albury will offer diverse and innovative tourism experiences to attract new and repeat visitation.

Summary

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

Company	Quantitative	Qualitative
AP Delaney & Co Pty Ltd	100	92
Grampians Excavations Pty Ltd	79	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 AP Delaney & Co Pty Ltd was assessed as being the most advantageous. The submission was $1.637M (27%) more favourable than the submission received from Grampians Excavations Pty Ltd.

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

Conclusion

Council invited tenders for Contract No. 23/01257 Albury Airport Taxiway Charlie Extension and received three submissions.

As part of the Albury Airport Master Plan 2018, it was recommended that Taxiway Charlie be extended to realise circulation efficiencies through the reduction in interruptions due to back tracking aircraft on the runway.

This project extends Taxiway Charlie to the eastern turning node of Runway 25, and includes construction activities such as bulk earthworks, stormwater drainage, in-situ subgrade stabilisation, pavement construction, asphalt surfacing and electrical works.

A quantitative and qualitative assessment indicated that AP Delaney & Co Pty Ltd was the most favourable submission. Their tendered price of $6,050,547.25 (including GST) is within the draft budget allocation of $6,490,000 (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 AP Delaney & Co Pty Ltd and awards Contract 23/01257 – Albury Airport – Taxiway Charlie Extension for the tendered lump sum price of $6,050,547.25.

Attachments

1. Location of Proposed Works Plan (DOC24/59228).
2. Review of Environmental Factors Report (DOC23/456732).