

CM13.3. Nexus Stormwater Basin and Drainage Line Contract No. 22/01749

DATE	28 November 2022	FIL REFERENCE	FIL22/01749-02
CONFIDENTIAL	No		
FURTHER ENQUIRIES	Andrew Lawson City Projects	PHONE	6023 8111
AUTHOR	Clenisa Canafe		

Purpose of Report

To recommend a preferred contractor for the construction of Nexus Stormwater Basin and Drainage Line, through a qualitative and quantitative assessment.

Background

Nexus Industrial Precinct is an established, Albury City Council developed industrial subdivision located off Gerogery Road, Ettamogah, NSW, approximately 10 km north of Albury. Initially the precinct was sub-divided into three fully serviced lots intended for further sub-division at a later date based on demand and size requirements received. The three lots were subsequently further subdivided into 12 lots to cater for business interest. As a result of the recent subdivision, the need to augment the existing drainage network to appropriately service all lots and to effectively manage the generation of stormwater is required.

Currently, the stormwater in the precinct is discharged into a small dam located at the southern part of the precinct. As part of these works the dam will be extended and will form part of the stormwater detention basin design, ensuring that stormwater can be effectively attenuated and discharges to Eight Mile Creek are at an acceptable rate.

The scope of the project involves the installation of approximately 550m of stormwater pipe, the establishment of stormwater connections to all lots, as well as the construction of a stormwater detention basin and rock outfall to Eight Mile Creek.

Tenders were invited for Contract No. 22/01749 Nexus Stormwater Basin and Drainage Line and advertised in the Border Mail and on Tenderlink. Tenders closed at 12 noon on Tuesday 8 November 2022.

The contract duration is estimated at 12 weeks and will be completed in the 2022/23 financial year.

Council's budget allocation for the project is \$330,000 (including GST).

The Nexus Industrial Precinct Locality Plan is attached for information (see attachment 1).

Tender Assessment

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

- Abbott Construction Pty Ltd (Ettamogah, NSW);
- A P Delaney & Co Pty Ltd (Albury, NSW);
- Excell Gray Bruni Pty Ltd (Wodonga, VIC);
- Hurst Earthmoving Pty Ltd (Albury, NSW);
- Hutchinson Civil Pty Ltd (Lavington, NSW); and
- Turners Civil Pty Ltd (Moorong, NSW).

All tenders were evaluated in accordance with Council's Procurement Policy and Guidelines. The assessment panel for the tender comprised of Senior Project Engineer – Clenisa Canafe, Senior Design Engineer – Alan Rodgers, Sourcing Coordinator – Brooke Starkey, and in consultation with 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	Pricing Details	Supporting Information	WHS Documentation	Comment
Abbott Construction Pty Ltd	✓	✓	✓	Conforming
A P Delaney & Co Pty Ltd	✓	✓	✓	Conforming
Excell Gray Bruni Pty Ltd	x	x	x	Non-conforming
Hurst Earthmoving Pty Ltd	✓	✓	✓	Conforming
Hutchinson Civil Pty Ltd	✓	✓	✓	Conforming
Turners Civil Pty Ltd	Partial	Partial	✓	Non-conforming

As indicated above, four submissions were assessed as conforming, while the submissions received from Excell Gray Bruni Pty Ltd and Turners Civil Pty Ltd were assessed as non-conforming.

The submission from Excell Gray Bruni Pty Ltd contained documents not related to the project being tendered. The submission from Turners Civil Pty Ltd had missing information, as well as significant ambiguity within the submitted pricing schedule.

All four conforming companies are WHS registered with Council and provided updated insurances as part of their tender submission.

Due to being assessed as non-conforming, both the tenders received from Excell Gray Bruni Pty Ltd and Turners Civil Pty Ltd were not considered further for this contract.

Qualitative Assessment

A qualitative assessment considered a range of issues including:

- past performance – including referee checks, relevant experience and expertise in performing same or similar projects;
- methodology and program – project methodology and proposed program;
- capacity – current and future commitments and workload;
- capability – Including availability of resources, equipment and contract management capabilities; and
- benefit to local region – social and community benefit to the Albury/Wodonga region.

Company	Past Performance (35%)	Methodology & Program (25%)	Capacity (20%)	Capability (10%)	Local Benefit (10%)	Total (100%)
A P Delaney & Co Pty Ltd	30	22	17	9	9	87
Hutchinson Civil Pty Ltd	30	20	15	8	8	81
Abbott Construction Pty Ltd	28	12	12	7	8	67
Hurst Earthmoving Pty Ltd	23	15	12	6	8	64

A P Delaney & Co Pty Ltd is a locally based company in Albury (NSW) and has undertaken a number of similar contracts with both private and government clients.

Notable projects currently being delivered by A P Delaney & Co Pty Ltd include the \$2.9M Baranduda Fields for City of Wodonga (anticipated completion November 2022) and the \$3M Brooklyn Fields Stage 4 Residential Subdivision Construction for Peter Bowen Homes/SJE Consulting (anticipated completion November 2022).

Their other current commitments include the Nexus EasyShed project for Akura (anticipated completion February 2023) and Corowa Saleyards Redevelopment for Federation Council (anticipated completion June 2023). Due to three out of their four current commitments being either 80% or nearing completion, the assessment panel concluded that, should A P Delaney & Co Pty Ltd be awarded this contract, they would have sufficient capacity to deliver this project.

Referee information indicated that A P Delaney & Co Pty Ltd deliver a high-quality product in accordance with the project specification. Referees also suggested that the contractor is highly experienced in civil construction projects.

Their proposed delivery team is well resourced and consists of key personnel with the required civil construction industry experience.

Council has previous experience dealing with A P Delaney & Co Pty Ltd. Projects previously delivered by A P Delaney & Co Pty Ltd for Council include Travel Stop Way Roundabout (completed August 2017), Stage 1 of the Nexus Industrial Precinct (completed February 2018) and the Monument Hill Redevelopment (completed April 2019). These engagements have been positive, with a high level of service and a quality product delivered.

Having completed the initial Nexus Industrial Precinct subdivision works, A P Delaney & Co Pty Ltd is familiar with the site. Furthermore, their methodology was logical and was correctly reflected in their program, which is 10 weeks in duration.

The contractor has also considered, in their submission, the provision for a Construction Environmental Management Plan (CEMP) to demonstrate compliance with all the conditions as specified in the Review of Environmental Factors (REF) undertaken for this project.

A P Delaney & Co Pty Ltd's head office is in Albury, and they support several local community and sporting groups. It was acknowledged that should they be successful all materials will be sourced from the local region.

Hutchinson Civil Pty Ltd is a locally based company in Lavington (NSW). Their recent projects include a variety of civil works for both public and private clients within the region.

Projects currently being completed or recently delivered include the Lutheran Aged Care, West Albury for Hansen Yuncken Pty Ltd (anticipated completion December 2024), East Street Car Park for Southern Cross Developers (completed November 2022) and Keene Street Stage 2 for Albury City Council (completed October 2022). Based on their current commitments, the assessment panel concluded that, should Hutchinson Civil Pty Ltd be awarded this contract, they would have sufficient capacity to deliver this project.

Referee information indicated that the contractor is highly cooperative, aiding in the successful delivery of their projects.

The contractor has recently completed Keene Street Reconstruction Stage 2 for Council (October 2022). They also completed the Ross Circuit and Balston Street Drainage in June 2019. These projects were completed to a very high standard.

The contractor provided a detailed methodology which demonstrated a logical sequence of events and a sound understanding of the project's technical requirements. Their indicated duration for the works was six weeks from site establishment. Although it is shorter than Council's estimate, it is based on the drainage line and stormwater basin construction occurring simultaneously, thus, it was considered achievable.

Hutchinson Civil Pty Ltd indicated that for this procurement activity, all materials, labour, and plant would be sourced from the local region. The company also listed a number of local community and sporting groups that they sponsor.

Abbott Construction Pty Ltd is a locally owned company based in Ettamogah (NSW) and has undertaken a number of civil projects for both public and private clients within the region.

Their current work commitments include the \$1.2M Woodstock Gardens in Lavington for Hadar Investments (anticipated completion January 2023) and the \$933K civil works package located in Hoffman Road, Albury for EDM Group Wodonga (anticipated completion February 2023). With both projects nearing completion, the assessment panel concluded that, should Abbott Construction Pty Ltd be awarded this contract, they would have sufficient capacity to deliver this project.

Referee information indicated that Abbott Construction Pty Ltd adequately manages projects, maintains a high level of cooperation, and delivers a high-quality product. As attested by referees, it is notable that the contractor communicates well and is reasonable in submission of variation claims.

The contractor has delivered several projects for Albury City Council including the Wonga Wetlands water main (completed June 2022), Schubach Street water main, East Albury (completed May 2021) and the reconstruction of stormwater drainage at Twin Crescent, Lavington (completed May 2020). Having delivered all projects to a high standard, they have demonstrated that they are a capable and cooperative contractor.

Abbott Construction Pty Ltd provided a generic construction methodology which suggests an understanding of earthworks, however it lacked project specific details. The contractor highlighted that a program would be provided if they were successful. This presents a potential risk to Council as project duration is unknown.

Abbott Construction Pty Ltd indicated that, should they be awarded this project, all materials, labour, and sub-contractors would be sourced from the local region.

Hurst Earthmoving Pty Ltd is a locally based company in Albury (NSW). Their recent projects include a variety of civil works for both public and private client throughout the local region.

Their current commitments include the \$1M Murray Park Residential Estate in Thurgoona for Eslers (anticipated completion November 2022) and the \$1M Chisholm Estate Stage 3 for Diocese of Wagga Wagga (anticipated completion November 2022).

Referee information indicates that Hurst Earthmoving Pty Ltd is a reliable local contractor, however, have struggled with staffing numbers due to the recent labour shortages in the civil construction industry during COVID-19. This poses a risk to Council if the contractor cannot meet the specific delivery timeframe.

Hurst Earthmoving Pty Ltd has delivered several projects for Council including the construction of the Table Top Road Water Main Augmentation (completed June 2019), Emma Way and Thompson Street drainage projects (completed March 2020), Lavington Sports Ground Centaur Road Car Park (completed January 2021) and Nexus Sewer Works (completed April 2021).

The contractor provided an eight-week program, which aligned with the target duration for the project. The submitted methodology, however did not directly address the project specific requirements.

Hurst Earthmoving Pty Ltd has indicated that, should they be awarded this tender, all materials will be sourced from the local region.

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 (100%)

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

Company	Estimated Contract Value (including GST)	Rating (100)
A P Delaney & Co Pty Ltd	\$295,075.00	100
Abbott Construction Pty Ltd	\$316,865.44	93
Hutchinson Civil Pty Ltd	\$394,413.80	75
Hurst Earthmoving Pty Ltd	\$468,509.58	63

The budget allocation for the project is \$330K (including GST), with two submissions being within the allocated budget.

As detailed above, the submission from A P Delaney & Co Pty Ltd was the most favourable from a cost perspective, being \$22K (7%) more favourable than Abbott Construction Pty Ltd, \$99K (34%) more favourable than Hutchinson Civil Pty Ltd and \$173K (59%) more favourable than Hurst Earthmoving Pty Ltd.

Risk

- **Business Risk** – it is a condition of sale of Lot 1 of Nexus Industrial Precinct that the drainage line be constructed within 8 months of contract exchange (2 May 2023), otherwise, the purchaser may rescind the contract. Economic discontentment from the community and business sectors may result from delay or loss of sales of the remaining lots in the precinct. To mitigate this risk, it is a condition of this tender to construct the drainage line with rock outfall as a priority over the stormwater detention basin.
- **Corporate Risk** – AlburyCity is in the business to attract investors to Nexus Industrial Precinct. Decline in business interests due to delay in delivering the infrastructure necessary to service the precinct may affect AlburyCity's branding and image.
- **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 relevant Safe Work Method Statements and safety inspections. The Contractor will be required to submit a Traffic Management Plan to minimise construction impact to the existing businesses in the precinct and to allow safe movement of both construction site vehicles and public vehicles.
- **Environmental Risk** – A Review of Environmental Factors (REF) has been undertaken to identify any environmental risks and suitable measures to mitigate them (see attachment 2). It was

determined that all predicted environmental and cultural heritage impacts can be avoided, mitigated, and/or managed such that the project will not lead to significant impact to the environment. A Fisheries Permit was granted by the NSW Department of Primary Industries (Fisheries) for this work. It details all conditions related to the dredging and reclamation works in Eight Mile Creek, which is considered a key fish habitat.

- **Delivery Program Risk** – it is critical to this project that the drainage line construction is completed by 2 May 2023 to facilitate the sale of Lot 1 of Nexus Industrial Precinct. There is the possibility of delivery delays due to inclement weather, latent conditions, unexpected artefact finds, and contractor-caused delays.

Community Engagement

The Nexus Stormwater Basin and Drainage Line project is in line with the Council's endorsed Nexus Industrial Precinct Master Plan.

This project is also relevant to the Towards Albury 2050 Community Strategic Plan. Towards Albury 2050 identifies the theme of '*A Growing Sustainable Economy*' and specifically, outcome 1.2 '*Albury has a national reputation as a place to do business, supported by a resilient, future-focused and sustainable economy driving employment and supporting growth.*' The delivery of this project will '*promote and leverage our unique economic strengths to increase and attract private investment*'.

Summary

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

Company	Quantitative	Qualitative
A P Delaney & Co Pty Ltd	100	87
Abbott Construction Pty Ltd	93	67
Hutchinson Civil Pty Ltd	75	81
Hurst Earthmoving Pty Ltd	63	64

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 A P Delaney & Co Pty Ltd was assessed as being the most advantageous. The submission was between \$22K (7%) and \$173K (59%) more favourable than the other submissions.

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

Conclusion

Council invited tenders for Nexus Stormwater Basin and Drainage Line and received six submissions.

This project augments the existing drainage network at the Nexus Industrial Precinct to effectively manage the stormwater from the 12 industrial lots, thus providing attractive development sites to businesses and boost economy in the region.

The project involves the installation of approximately 550m of stormwater pipe, the establishment of stormwater connections to all lots, as well as the construction of a stormwater detention basin and rock outfall to Eight Mile Creek.

A quantitative and qualitative assessment indicated that the submission from A P Delaney & Co Pty Ltd was favourable and met the requirements of the tender. Their tendered price of \$295,075.00 (including GST), is within the budget allocation of \$330,000.00 (including GST).

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

Recommendation

That Council accepts the tender from A P Delaney & Co Pty Ltd for Contract No. 22/01749 Nexus Stormwater Basin and Drainage Line, for the lump sum price of \$295,075.00 (including GST).

Attachments

1. Nexus Industrial Precinct Locality Plan (DOC22/215705)
2. Review of Environmental Factors (REF) Report (DOC22/258411)