CM13.6. Water Filtration Plant A Filter Refurbishment Contract No. 23/01977

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CONFIDENTIAL	No		
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Purpose of Report

To recommend a preferred contractor for Contract No. 23/01977 – Design and Construction of the Water Treatment Plant A Upgrade, through a qualitative and quantitative assessment.

Background

Drinking water is supplied to AlburyCity through two water treatment plants (WTPs). These are situated next 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 A filters is part of a bigger project that will see the holistic upgrade of AlburyCity's WTP (including Plant B).

As the Plant A 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 for AlburyCity.

It aims to deliver:

- the installation of new media and nozzles within Plant A filters 1, 2 and 3;
- the installation of a new blower system, actuators, and valves for Plant A;
- waterproofing and water stop repairs or replacements; and
- improved visual monitoring of filter media.

Expedient project delivery is essential to ensure the continued production of clean, safe drinking water under both normal and adverse operating conditions. This contract aims for completion before the high-demand summer usage period of 2024. In the event of an early high demand period or project delays, AlburyCity's water needs can still be met. This will be achieved by keeping filter 4 online while filters 1, 2, and 3 are being refurbished. Filter 4, which received new media and nozzles in 2023, only

requires an upgrade to the blower system which can be completed after the refurbishment of filters 1, 2 and 3.
An additional reason for the timely completion of this upgrade is to prevent any delays to the planned upgrade of Plant B which is currently scheduled in 2025. It is crucial that the refurbishment of Plant A filters is completed on schedule to allow for the Plant B filter upgrade planned for 2025.

The adopted Four Year Delivery Program 2024-2028 provides an allocation of $11.0M (including GST) for an upgrade of AlburyCity WTP (that includes both Plants A and B) and comprises of a budgetary allocation of $2.2M (including GST) for this initial phase of the over-arching project.

The proposed upgrade to the WTP will significantly enhance the longevity and operational efficiency of Plant A. 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 A, 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, with an experienced team to provide the following deliverables:

- detailed design, construction and installation of new filter media and nozzles for Plant A filters 1, 2 and 3;
- detailed design, construction and installation of a new blower system, actuators, and valves for Plant A filters 1, 2, 3 and 4;
- repairs to the cementitious waterproofing of leaking joints in all filters;
- replacement of any defective water stop in all filters; and
- detailed design and construction of a new viewing window in filter 1.

To complete the above, the contractor is required to 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 B during the project.

Invitation to Tender

Tenders were invited for the Design and Construction of the Water Treatment Plant Upgrade, Contract No. 23/01977, and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on 11 April 2024.

Tender Close

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

- Filtec International Pty Ltd (Mount Waverley, VIC);

- Laurie Curran Water Pty Ltd, also trading as LC Water (Norlane, VIC); and
- Water Treatment Australia Pty Ltd (Notting Hill, VIC).

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

The assessment panel for the tender comprised Acting Team Leader Treatment Services – Pat Rokahr, Senior Engineer Technical Services – Poen Boshoff 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 received submissions were in accordance with the contract documentation and specifications.

Company	Schedules returned with supporting information	WHS & Insurance Documentation accepted	Conformity Status
Filtec International Pty Ltd	Yes	Yes	Conforming
Laurie Curran Water Pty Ltd	Yes	Yes	Conforming
Water Treatment Australia 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.

Due to the complexities of this project, an extensive clarification process was carried out.

Qualitative Assessment (Non-price aspects)

A qualitative assessment of the submissions considered a range of criterion including:

- **Past Performance** – relevant experience in performing same or similar projects including referee checks.
- **Methodology & Program** – project/scope understanding, proposed work methods, project delivery program, innovation and project risk analysis.
- **Capacity** – availability of resources, current and future commitments and current workload.
- **Capability** – skills, specialisation, certification, business systems to deliver required goods/services/works and contract management capabilities.
- **Benefit to local region** – 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%)
Laurie Curran Water Pty Ltd	26	26	13	9	3	77

Company	Past Performance (30%)	Methodology & Program (30%)	Capacity (20%)	Capability (10%)	Local Benefit (10%)	Total (100%)
Water Treatment Australia Pty Ltd	24	20	16	8	6	74
Filtec International Pty Ltd	16	18	15	7	4	60

Laurie Curran Water Pty Ltd (Laurie Curran) is a process engineering firm specialising in the design and construction of water and wastewater treatment facilities in Australasia. They 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 five of twelve current projects due for completion before the start of this project and three further projects due for completion by the end of 2024. Their experience in recent years with successfully undertaking and completing numerous projects running concurrently gives confidence in their ability to undertake and complete this project in a timely manner.

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 submitted a comprehensive design 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.

They proposed a 22-week program of works, with an additional four weeks for performance verification testing. Although this is not the shortest program submitted, it is an extremely well-considered plan, and this program will not affect our ability to maintain supply to Albury in the upcoming high-demand summer period. This timeline is based on sourcing a specific blower with a longer lead time.

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.

Water Treatment Australia Pty Ltd (Water Treatment Australia) has over 50 years of experience in the design and build of water treatment plants in Australia and abroad.

Water Treatment Australia scored well on past performance having completed multiple filter refurbishments regionally throughout Victoria and NSW. Last year they also carried out minor refurbishment on Albury's filter 4 in Plant A (which does not form part of this tender). They have completed filter upgrades at two Victorian Water Corporations and a Queensland Regional Council. Their experience in recent years gives confidence in their ability to undertake and complete this project in a timely manner.

Referee information indicated that Water Treatment Australia delivered satisfactory performance and that they were proactive in being able to resolve project-related obstacles when they arose.

Water Treatment Australia submitted a satisfactory design and methodology, which combined with their experience, outlined construction activities, design requirements and lead times for products and materials. It was clear and only required a few clarifications to enable better understanding within the evaluation panel.

Water Treatment Australia proposed a 34-week program from contract award to commissioning, which included a three week period for project contingency purposes. This was the longest program of works submitted and estimates completion in early Spring 2025. This timeframe could also delay stage two of the planned upgrades by impacting the proposed start time for the Plant B scheduled upgrade. While this timeline will not affect Albury's ability to meet water supply needs during the anticipated high-demand summer period, it is worth noting that other proposals, though shorter, offer more focused and efficient approaches with clearer details on the project's listed objectives and well-defined outcomes. These qualities are crucial for the successful and timely implementation of the project.

Water Treatment Australia is currently committed to nine projects, of which six are proposed to be completed in 2024.

Water Treatment Australia has a permanent office and factory that is located in Albury. They plan to engage local sub-contractors for much of the work, and they estimated that approximately 50% of materials, plant and equipment would be sourced locally.

Filtec International Pty Ltd (Filtec) is based in Mount Waverly, Victoria. They have delivered significant water treatment projects in New Zealand and have expanded into the Australian market over the last decade. In recent years Filtec has completed several projects in water treatment plants in Victoria. Their current work commitments consist of the Saputo WTP which is expected to be completed mid-2024.

Referee information indicated that the performance of Filtec has been good, with some project time management issues that were able to be resolved. Referee information indicated that Filtec performed well on the installation and mechanical aspects of project delivery in past contracts. However, time management issues were identified, and feedback identified concerns relating to delays in commissioning of a project.

Filtec did not provide a comprehensive design and methodology with their submission. Instead, they proposed to assess site conditions and develop their methodology post-contract award. This approach required several clarifications to better understand the methodology they did provide. Additionally, the proposal included provisional pricing for the removal and replacement of filter nozzle connections, which raised concerns regarding the robustness of Filtec's design and methodology.

Filtec proposed a 17-week program from contract to commissioning. However, the evaluation panel raised concerns about this timeframe due to responses to clarifications.

Filtec does not maintain a permanent presence in the local area. While some local subcontractors are proposed for engagement in this project, the absence of a local office may limit the immediate availability of resources and support.

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 Lump Sum Contract Value (including GST)	Rating (100)
Filtec International Pty Ltd	$1,842,471	100
Laurie Curran Water Pty Ltd	$2,013,898	91
Water Treatment Australia Pty Ltd	$2,409,606	76

From a quantitative perspective, the submission of Filtec International Pty Ltd was most favourable, being $171,427 (9%) more favourable than the submission of Laurie Curran Water Pty Ltd and $567,135 (24%) less than Water Treatment Australia's submission.

It is noteworthy that Filtec's final price submission still included a commercial departure nominating provisional pricing, instead of a lump sum as was requested, increasing the level of uncertainty to the final cost.

The allocation for this phase of the project is $2.2M (including GST), as part of an approved Four Year Delivery Plan 2024-2028 budget of $11.0M (including GST) for the overall upgrade of the AlburyCity WTPs.

Two submissions were within the design budget allocation and sufficient funds are approved within the Four Year Delivery Program to accommodate this procurement.

Risk

- **Business Risk** – The replacement of filters in Plant A 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 as potential loss of public trust or damage to stakeholder relationships due to project delays should the project 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 an early high demand period or project delays, AlburyCity's water needs can still be met. This will be achieved by keeping filter 4 online while filters 1, 2 and 3 are being refurbished to supplement Plant B production. Filter 4, which received new media

and nozzles in 2023, only requires an upgrade to the blower system which can be completed after the refurbishment of filters 1, 2 and 3. In addition, 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 A 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 1980 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 initial upgrade of the Plant A 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 A filters is part of a bigger project that will see the holistic upgrade of AlburyCity's WTPs (including Plant 'B' in 2025). It is necessary to ensure the city's continued compliance and capability to meet regulatory, public health and capacity requirements.

Community Engagement/Strategic Alignment

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)
Laurie Curran Water Pty Ltd	77	91
Filtec International Pty Ltd	60	100
Water Treatment Australia Pty Ltd	74	76

From the qualitative assessment, the submissions from Laurie Curran and Water Treatment Australia stood out with demonstrated experience, the required management systems, resources and availability to successfully undertake this project. However, the submission of Laurie Curran was assessed to be the most advantageous for AlburyCity in terms of methodology, program, and past performance.

Laurie Curran has demonstrated an ability to manage a large volume of work and deliver projects on time and within budget. Their track record includes successful completion of similar projects running concurrently with comparable scopes, showcasing their effective project management and resource allocation strategies. Their project planning includes well-defined timelines, a delivery program, and a robust risk management framework, ensuring they can meet our projection timeframes and financial targets. Additionally, their team comprises experienced seasoned professionals with the requisite expertise to handle numerous large-scale projects efficiently. Their past performance, coupled with a clear and feasible plan for managing their current workload simultaneously, confirms their suitability for this contract.

From a quantitative perspective, the submission from Filtec was assessed as being most advantageous being $171,427 (9%) more favourable than the submission of Laurie Curran and $567,135 (24%) less than the submission of Water Treatment Australia. However, Laurie Curran's experience in completing comparative projects was determined to be far superior to that of Filtec.

Therefore, based on the qualitative and quantitative assessments, it is deemed that the submission from Laurie Curran Pty Ltd provides Council the best value to deliver this project. Although their submission is not the lowest priced tender, their 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 older of the two plants – Plant A – was constructed in 1980 and its essential water treatment filters are now beyond their effective useable

lives for ensuring the continued production of clean, 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 this Plant A filter upgrade project 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 $2,013,898 (including GST) can be accommodated within the budget allocation for this phase of the project of $2.2M (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. 23/01977 – Design and Construction of the Water Treatment Plant A Upgrade, for the tendered lump sum price of $2,013,898 (including GST).