CM13.4. Wagga Road Beautification Stage 2A and 2B Contract No. 19/04717

DATE	28 November 2019	**FIL REFERENCE**	FIL19/04717
CONFIDENTIAL	No		
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Purpose of Report

To recommend a preferred contractor for the construction of Wagga Road Beautification Stage 2A & 2B (Kaylock Road to Barlow Street), through a qualitative and quantitative assessment.

Background

Lavington CBD Master Plan is a key infrastructure strategy adopted by Council. A component of the strategy is to beautify Lavington *'to make Lavington a more attractive and desirable place to live and work*' by delivering high quality streetscapes that include street tree planting, medians and street beautifications that will improve the attractiveness of Lavington CBD.

One of the projects in the strategy is the beautification of Wagga Road between Urana Road and Barlow Street. Stage 1 from Urana Road to Kaylock Road has been constructed and Stage 2A and 2B are the next stages from Kaylock Road to Barlow Street.

In late 2018 Council previously tendered the construction of Stage 2A only and a motion was carried at the 25 February 2019 Council Meeting to not accept any tenders as a result of additional grant funding being received that would allow Council to combine Stages 2A and 2B with the purpose of obtaining value for money, minimising risk and reducing ongoing disturbances to businesses.

The revised scope of the works included in this contract (Stage 2A & 2B) is summarised below:

- hotmix overlay of approximately 1,000 metres in length of road surface;
- 1,300 metres in length of kerb and guttering;
- kerb and splitter islands at McDonald Road, Dick Road and Barlow Street intersections;
- installation of centre islands with tree planting and landscaping;
- installation of trees in road verge; and
- new paved pathways.

Tenders were invited for Contract No.19/04717 - Wagga Road Beautification Stage 2A & 2B, and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on Tuesday 12 November 2019.

The contract duration is estimated at 26 weeks and will be completed in the 2019/20 financial year.

Council's budget allocation for the project is $4.34M including GST.

A location plan is attached for information.

Tender Assessment

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

- Mitchell Constructions (NSW) Pty Ltd (Albury NSW); and
- Excell Gray Bruni Pty Ltd (Wodonga VIC).

All tenders were evaluated in accordance with Council's Procurement Policy and Guidelines. The assessment panel for the tender comprised Acting Procurement and Contract Management Coordinator – Pat Maling, Senior Design Engineer – Josh McLinden, Senior Design Engineer – Alan Rodgers and Senior Project Engineer – Ross Tuckwell.

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	✓	✓	✓	Conforming
Mitchell Constructions (NSW) Pty Ltd	✓	✓	✓	Conforming

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

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%)
Excell Gray Bruni Pty Ltd	35	22	16	8	7	88
Mitchell Constructions (NSW) Pty Ltd	27	18	16	6	8	75

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 High, South and Bond Street Reconstruction projects in Wodonga and Kerr Road Stages 1-5. Excell Gray Bruni Pty Ltd also successfully completed the previous stage of Wagga Road Beautification (Stage 1) for AlburyCity.

Excell Gray Bruni Pty Ltd's current work commitments include the large-scale project of the Moama Intersections Upgrade, Echuca/Moama (expected to be completed in March 2021).

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 their construction site, suppliers and subcontractors. Referees indicated that the company have been accommodating to local businesses in the scheduling of previous works.

Overall, Excell Gray Bruni Pty Ltd's standard of works and procedures have been to a high standard on similar projects for AlburyCity (Wagga Road Beautification Stage 1, and Kerr Road Reconstruction Stages 1 - 5). The company has extensive experience on other similar projects including High, South and Bond Street reconstructions for Wodonga Council.

The company has submitted a detailed works methodology, outlining their intended works methods and staging of the project. The works program provided a clear timeline of works and indicated a contract period of 19 weeks with a completion date in late May 2020. 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.

A Concise Financial Assessment Report has been completed which has found the Company to have scored a *very strong* rating for a project of this scale and duration.

Excell Gray Bruni Pty Ltd has 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 several local community groups, sporting groups and fundraising events they sponsor.

Mitchell Constructions (NSW) Pty Ltd is a locally based company and has undertaken a variety of projects in Victoria and New South Wales. Recently the company has completed the Morgan Road Upgrade (Wangaratta), SunRice Tilt Panel Warehouse (Leeton) and Bangarang Park Upgrade (Corowa).

Mitchell Constructions (NSW) Pty Ltd's current work commitments include the Mirrabolong Flood Mitigation (expected to be completed late February 2020), Walsh subdivision (expected to be completed December 2019) and the Coreen Netball Courts (expected completion December 2019).

Referee information indicated the company typically completed projects to a high standard and within the allocated time frames. Referees consistently praised the company for the quality of their final product and their ability to cooperate with relevant stakeholders.

Mitchell Constructions (NSW) Pty Ltd's previous experience of these types of works for AlburyCity is the Dean Street Beautification Stage 6 - Macauley Street to Young Street carried out in 2017. The company provided a good quality final product and coordinated with the stakeholders successfully. However, there were some minor concerns regarding their project management, documentation and invoicing of works.

The company has submitted a high-level methodology which listed how they plan to deal with the site's complexities and liaise with residents and business owners. Their methodology indicated that due to the size of the project the company would recruit further staff to undertake the project. This increase of employment will have a positive effect on the local region however also signals a potential capability risk as the company has also indicated they would commit all their resources and personnel entirely to this project. The works program indicated a contract period of 27 weeks with a completion date in late July 2020. The company has demonstrated experience on smaller scale projects involving large volumes of traffic through the worksite, pedestrian movements and continued access to local businesses.

A Concise Financial Assessment Report has been completed which has found the Company to have scored a *satisfactory rating* for a project of this scale and duration.

Mitchell Constructions (NSW) Pty Ltd has stated that if successful 100% of the labour, plant and materials for this project will be sourced locally. The company has indicated that they provide sponsorship to various local sporting clubs.

From the information provided, both companies have the required management systems, experience, construction plant and resources to provide AlburyCity with a quality product. Mitchell Constructions (NSW) Pty Ltd have experience with road beautification projects but not of this scale. The longer program of 27 weeks, submitted by Mitchell Constructions (NSW) does present some risk to Council due to the high traffic and the short-term impact of construction works. However, if managed effectively the impact on nearby businesses can be minimised. Similarly, while resourcing for Mitchell Construction is a risk, they have adequately addressed this in their submission.

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)**
Mitchell Constructions (NSW) Pty Ltd	$3,974,987.50	100
Excell Gray Bruni Pty Ltd	$4,355,969.20	91

The Council budget allocation for the project is $4.34M including GST. The submission from Mitchell Constructions (NSW) Pty Ltd is under budget whilst the submission from Excell Gray Bruni Pty Ltd is marginally above Council's budget allocation.

As detailed in the table above, the submission from Mitchell Constructions (NSW) Pty Ltd was the most favourable from a cost perspective, being $381K (9%) more favourable than Excell Gray Bruni Pty Ltd.

Risk

- Business Risk – financial risks are possible if latent/unknown construction issues are encountered, a geotechnical investigation and inclusion of lessons learnt from Stage 1 construction have been undertaken to reduce this risk.

- Corporate Risk – this project is located within one of the principal access and commercial corridors on the north side of Albury and as such, will be highly visible to the community. Completion of this project will support both the continued redevelopment occurring within this area and Council's ongoing commitment to efficiently and effectively managing community assets. The proposed works would have a short-term impact on local businesses during the construction period on issues such as; restriction of access, noise and dust generation and potential loss of trade. The Contractor will be required to work closely with all stakeholders prior to the commencement of works and on an ongoing basis for the duration of the project. Council will be aiding the contractor in facilitating stakeholder engagement given the importance of this aspect of the project.

- 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. A major risk will be working with high volumes of traffic; the contractor will be required to submit a Traffic Management Plan to minimise this risk. WHS risk is considered low once controls are implemented.

- Delivery Program Risk – standard risks associated with construction are possible, including delays due to inclement weather and changes due to latent/unknown construction issues. However, the construction is scheduled to occur during Summer and Autumn and site investigations have been undertaken during the design and planning phase, so Delivery Program risks are considered low.

Community Engagement

Community Engagement has been comprehensively conducted during the design of Wagga Road Beautification Works Stage 2A & 2B. This community consultation has consisted of:

- information packages mailed out and hand delivered to effected stakeholders;
- several open community forums;
- on-site visits and meetings with stakeholders; and
- consultation on any relevant strategic or master plans linked to the project.

During the community consultation process several design alterations and iterations have been completed to address some business's requirements and concerns. The consultation has also been

undertaken to ensure all key stakeholders and the wider community realise the benefits of this significant beautification project.

Summary

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

Company	Qualitative	Quantitative
Excell Gray Bruni Pty Ltd	88	91
Mitchell Constructions (NSW) Pty Ltd	75	100

From the qualitative assessment, both companies have the management systems and experience in the delivery of this type of project. Excell Gray Bruni's proposed construction program is for 19 weeks ending in late May 2020 which will minimise the short-term impact on businesses and residents due to construction works.

Mitchell Constructions (NSW) Pty Ltd's submission has provided experience in road beautification projects of a smaller scale than that of this project. Mitchell Constructions (NSW) Pty Ltd have indicated that due to the size of the project the company would recruit further staff to undertake the project and achieve their program delivery of 27 weeks. This increase in the company size will have a positive effect on the local region due to creating local employment. It is acknowledged that the submission from Mitchell Constructions (NSW) Pty Ltd presents some inherent risks with regard to resourcing and scale of this project. However, Mitchell Constructions (NSW) Pty Ltd have addressed this in their submission and their past performance has been to a high standard.

From a quantitative perspective the submission from Mitchell Constructions (NSW) Pty Ltd was assessed as being the most advantageous. The submission was $381K (9%) more favourable than the other submission from Excell Gray Bruni Pty Ltd.

Based on the qualitative and quantitative assessments which have weighed the sizable difference in the contractors' pricing and overall project risks associated with each proposal it is deemed that the submission from Mitchell Constructions (NSW) Pty Ltd provides the best value for Council to deliver this project.

Conclusion

Council invited tenders for Wagga Road Beautification Stage 2A & 2B (Kaylock Road to Barlow Street) and received two submissions from Mitchell Constructions (NSW) Pty Ltd and Excell Gray Bruni Pty Ltd.

The scope of the contract included the rehabilitation of roadway, kerb and guttering, splitter islands, centre islands with trees and landscaping, installation of trees in road verge and new paved pathways.

A quantitative and qualitative assessment indicated that Mitchell Constructions (NSW) Pty Ltd was the most favourable submission. Their tendered price of $3,974,987.50 is within the budget allocation of $4.34M.

Recommendation

That Council accepts the tender from Mitchell Constructions (NSW) Pty Ltd for Contract No. 19/04717 - Wagga Road Beautification Stage 2A and 2B, in the lump sum amount of $3,974,987.50 including GST.

Attachment
Wagga Road Stage 2A & 2B Locality Plan (DOC19/170627)