CM13.4. Thurgoona Oval Sporting Pavilion Contract No. 19/03873

DATE	12 May 2020	**FIL REFERENCE**	FIL19/03873-02
CONFIDENTIAL	No		
FURTHER ENQUIRIES	Andrew Lawson City Projects	**PHONE**	(02) 6023 8233
AUTHOR	Anthony Bisignano		

Purpose of Report

To recommend a preferred contractor for the Design and Construction of the Thurgoona Oval Sporting Pavilion, through a qualitative and quantitative assessment.

Background

Thurgoona Oval is a local sports field facility serving the Thurgoona area and is the home of the Thurgoona Football and Netball Club (Club). The Club uses the facility during winter for both Australian Rules football and netball, and in summer, Cricket Albury-Wodonga use the facility. Charles Sturt University also use the facility for some of their sports and there is significant community use.

Thurgoona Oval has been a sports field for over 60 years. Over the past decade, a number of improvements have taken place in line with the priorities identified in the Thurgoona Oval Master Plan developed in 2007. These improvements included the construction of a new clubroom, extension to the playing surface, construction of new netball courts, installation of sports field lighting on both the oval and netball courts, provision of playground equipment and associated landscaping. However, not all priorities in the Thurgoona Oval Master Plan have to date been fully realised.

One such priority is the construction of a new sporting pavilion containing change rooms and associated amenities. The current change rooms and associated amenities are inadequate for the current patronage of Thurgoona Oval. In particular, the absence of dedicated female change rooms presents a significant challenge for the users of Thurgoona Oval. This problem is anticipated to increase over time, given Thurgoona's rapid expansion and proximity in Albury’s growth corridor.

The intent of the new Thurgoona Oval Sporting Pavilion is to provide adequate amenities, change room facilities and storage areas. It will allow the existing teams and codes to continue to fully utilise the Thurgoona Oval sporting precinct and will provide the opportunity for other user groups, such as schools and sporting carnivals to better utilise the precinct in the future.

In preparation for this tender, Council staff explored the potential market by contacting local builders, architects and engineers to ascertain the extent of interest in submitting a bid on a *design and construct* project for Council in the price range of $1.65M to $2.75M (including GST).

Satisfied that the market existed, a Reference Design for the new Thurgoona Oval Sporting Pavilion was developed collaboratively between Albury City Council and the Club (refer attachment 1), and a

set of Principal's Project Requirements were developed outlining the specific deliverables for the project. The request for tender documentation informed prospective tenderers that these documents formed the 'design intent' of Council's proposed Thurgoona Oval Sporting Pavilion.

The scope of works consists of the *design and construction* of the Thurgoona Oval Sporting Pavilion. Specifically, prospective tenderers are to carry out the design, planning approval, construction and commissioning of a new sporting pavilion at Thurgoona Oval compliant with the Principal's Project Requirements as set out in the request for tender documentation.

Notwithstanding the above, Council's Reference Design outlines the following deliverables:

1. Pavilion Building;
    - A 'local level' AFL Pavilion & Change Facility compliant with the AFL Preferred Facility Guidelines: State, Regional, Local, School and Remote Facilities (2019);
    - A 'local level' Netball Victoria Player, Umpire & League Facility compliant with Netball Victoria Facilities Manual (2017); and
    - Storage areas for Council and Cricket Albury-Wodonga.

2. Amenities Building;
    - Public toilets (gender neutral) inclusive of a baby change;
    - Storage area to supplement the existing Club House; and
    - Kiosk.

3. Covered Seating Area for the Oval;
    - A 'local level' AFL External Covered Viewing Area Facility complaint with the AFL Preferred Facility Guidelines: State, Regional, Local, School and Remote Facilities (2019).

4. Concrete Forecourt Area;
    - A concrete hardstand area between the Pavilion Building and Amenities Building for general public use.

5. Concrete Pavement around Buildings;
    - An accessible path of travel from the carpark to each building; and
    - Tiered seating to the existing Netball Courts.

6. Carpark Upgrade;
    - Formalise the existing carpark adjacent to the new Pavilion Building, new Amenities Building and Existing Club House.

7. Demolition of the Existing Change Rooms;
    - Demolition of the existing change rooms when the new Pavilion and Amenities Buildings are complete.

8. Provision for Future Carpark Upgrade;
    - Provide the provision to formalise the existing carpark north of the existing club rooms through design documentation.

Council's Reference Design, incorporating a location plan, is included in attachment 1.

Tenders were invited for Contract No. 19/03873 'Thurgoona Oval Sporting Pavilion' and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on Tuesday 21 January 2020. The Contract is to be a lump sum not subject to rise and fall provisions.

The contract duration is estimated at 11 months and will be completed in the 2020/21 financial year.

The budget available for the project is $2,195,862.00 including GST. This consists of the following funding:

- $943,800.00 (including GST) – 2019/20 budget (includes $152,372.00 Stronger Country Communities Grant Funding); and
- $1,252,062.00 (including GST) – draft 2020/21 budget (includes $314,862.00 Stronger Country Communities Grant Funding).

Council staff have also submitted a business case to the AFL seeking funding towards this building construction project ($110,000.00 – $165,000.00). However, the application has not progressed due to the current Coronavirus (COVID-19) pandemic and, at the time of writing, is considered unlikely to be successful.

Approaches where made to the Club for a contribution towards the project. The Club has already made a significant contribution to the site through the construction of the Community Room and canteen building with assistance from Council through a $100,000.00 interest free loan. With the final instalment of the current loan remaining and the uncertainty of the immediate future of their sports, the Club has indicated that it is not in a position to commit to a financial contribution to this project.

Tender Assessment

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

- The Adaptive Trust t/a Dezign (Albury, NSW);
- Premier Building & Construction Pty Ltd (Wodonga, VIC); and
- Q1 Constructions Pty Ltd (Wodonga, VIC).

All tenders were evaluated in accordance with Council's Procurement Policy and Guidelines. The assessment panel for the tender comprised of Interim Team Leader Project Delivery – Anthony Bisignano, Team Leader Parks and Recreation – David Armstrong, Acting Team Leader Procurement & Contract – Gerard Coyle, Acting Team Leader Building & Property – Matt Gardiner and Landscape Architect – Miha Skok.

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
The Adaptive Trust t/a Dezign	Yes	Yes	Yes	Conforming
Premier Building & Construction Pty Ltd	Yes	Yes	Yes	Conforming
Q1 Constructions Pty Ltd	Yes	Yes	Yes	Conforming

As indicated above, all submissions were assessed as conforming tenders. Although none of the tenderers are WHS registered with Council, they all have provided the necessary documentation to demonstrate the ability to meet Council's WHS requirements.

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%)
The Adaptive Trust t/a Dezign	22	21	15	7	8	73
Premier Building & Construction Pty Ltd	22	17	12	6	9	66
Q1 Constructions Pty Ltd	22	17	11	6	7	63

Dezign is a locally based company and has undertaken a number of similar contracts between $340K and $3.25M for local government bodies. Their recent projects are associated with the construction of amenities buildings (some of which are sporting facilities) and school refurbishments.

Their current commitments include the Manly Community Preschool Refurbishment for Northern Beaches Council (expected to be completed in February 2020), the Rooty Hill Works Depot Refurbishment and Pearce Reserve Public Amenities both for Blacktown City Council (expected to be completed in April 2020).

Referee information was generally favourable and indicated that Dezign deliver a quality product, are cooperative with their clients, and well organised on site. One referee praised their ability to work to a fixed budget, and their ability to identify issues in design documentation before they become an issue onsite during construction.

Council has no recent experience dealing with Dezign (ie any experience within the last 10 years).

Dezign's submission articulates a great understanding of the Principal's Project Requirements. The only difference of note to the design is rather than the exterior walls consisting of double brick or brick veneer construction, they will be of lightweight framing construction with Colorbond steel cladding. Their proposed design consultants are local and well respected in their fields, and include Phil Wilkins for architectural services, and Connex Group for both civil and structural services. Their program is 15 months in duration, which is longer than Council's estimate of 11 months. However, their program is entirely reasonable, achievable and has a logical sequence of activities.

Dezign has indicated that should they be awarded this tender, the majority of the materials, plant and labour will be sourced from the local region. The company has also listed a number of sporting groups and a volunteer organisation which they sponsor.

Q1 Constructions Pty Ltd is a locally based company and has undertaken a number of similar contracts in the magnitude of this project for a mix of local government, state government and private bodies. Their recent projects are associated with the construction of fast food buildings and police stations.

Their current work commitments include the Corryong College for Department of Education Victoria (expected to be completed in January 2020) and Hungry Jacks Lavington for OP Properties Pty Ltd (expected to be completed in May 2020). They also have an ongoing building maintenance contract with LJ Colquhoun Dixon Real Estate and an ongoing project management service agreement for the Mann Central Shopping Centre.

Referee information indicated that Q1 Constructions Pty Ltd deliver a quality product, use reputable subcontractors and suppliers, and are capable of working to a tight budget. One referee indicated that support from head office for their site supervisors can be mixed between projects.

Council has no recent experience dealing with Q1 Constructions Pty Ltd (ie any experience within the last 10 years).

It is unclear exactly what Q1 Constructions Pty Ltd design looks like, as no details were provided in their tender submission. Their only nominated proposed design consultant, Pro-Ark Architects (for architectural services), are based in Melbourne and are more than capable of designing the new facility. Their program is 12 months in duration (which is in line with Council's estimate of 11 months) and is entirely reasonable, achievable and has a logical sequence of activities.

Q1 Constructions Pty Ltd has indicated that should they be awarded this tender, the majority of the materials, plant and labour will be sourced from the local region. They are also a major sponsor of the Wodonga Diamonds Football Club.

Premier Building & Construction Pty Ltd is a locally based company and has undertaken a number of similar contracts in the magnitude of this project for a mix of local government, state government and educational institutions.

Their current work commitments include the Young Street Redevelopment for Paul Lachal (expected to be completed June 2020), a large development in Tallangatta for the Department of Environment, Land, Water & Planning (expected to be completed in December 2020), the Wodonga TAFE Kids on Campus for Wodonga TAFE (expected to be completed in June 2020), and the Westmont Dementia Cottages for JWP Architects (expected to be completed in September 2020).

Referee information indicated that Premier Building & Construction Pty Ltd deliver a quality product and have exceptional experience in a design and construct procurement model. One referee praised their ability to understand their clients' needs, site constraint issues, and constructability issues when developing their designs. Referee information also indicated Premier Building & Construction Pty Ltd are great at working to a fixed budget.

Council has experience dealing with Premier Building & Construction with the Urana Road Sports Oval New Club Rooms and Function Facility. This engagement was positive with a high level of service and quality product delivered.

It is unclear exactly what Premier Building & Construction Pty Ltd's design looks like, as no details were provided in their tender submission. There are no proposed design consultants, as they have internal design capabilities. Their program is 11 months in duration, which is in line with Council's estimate of 11 months and is entirely reasonable, achievable and has a logical sequence of activities.

Premier Building & Construction Pty Ltd has indicated that should they be awarded this tender, the majority of the materials, plant and labour will be sourced from the local region. They also sponsor a number of local sporting groups and volunteer organisations.

From the information provided, all companies demonstrate the required management systems, experience, construction methodology, proposed subcontractors and sub consultants, resources and availability to provide Albury City Council with a quality outcome.

Quantitative Assessment (100%)

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

Company	Lump Sum Price (including GST)	Rating (100)
The Adaptive Trust t/a Dezign	$2,521,420.00	100
Premier Building & Construction Pty Ltd	$2,642,752.31	95
Q1 Constructions Pty Ltd	$3,240,980.50	71

The budget allocation for the project is $2,195,862 including GST, with no submissions being within the allocated budget. This leaves a budget shortfall of $325,558 including GST when compared with the lowest tender. In addition, there is no funding available for the project management costs.

As detailed above, the submission from The Adaptive Trust t/a Dezign is the most favourable from a cost perspective, being $121K (5%) more favourable than Premier Building & Construction Pty Ltd, and $720K (29%) more favourable than Q1 Constructions Pty Ltd.

Risk

- **Business Risk –** Financial risks are possible, most likely associated with scope creep or with latent conditions associated with differing inground conditions than those anticipated. However, these risks have been minimised through a clearly defined scope of works and geotechnical investigations that were included in the tender documentation. The Coronavirus (COVID-19) pandemic, and its impact on the construction and building industry is still evolving and it is unknown at this time what this risk may be to Council.
- **Corporate Risk –** There is very little corporate risk as the users of Thurgoona Oval will be unaffected during the construction of this new facility as the existing change rooms will be retained during construction and demolished after the completion of the new facility.
- **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.
- **Environmental Risk –** The contractor will be required to submit Environmental Plans, addressing environment controls to be implemented; in particular, erosion and sediment controls, and air quality; and
- **Delivery Program Risk –** Standard delivery program risks are possible, such as delays due to inclement weather, delays due to latent conditions and contractor-caused delays. With the existing cancellation of sporting events, delivery program risk associated with the project is considered low.

Community Engagement

The Thurgoona Oval Sporting Pavilion is identified in the Council endorsed Thurgoona Oval Master Plan, which included extensive stakeholder engagement and a public exhibition process. In addition, the Thurgoona Football and Netball Club have been involved and provided significant input into the building design process.

To keep the community informed of the construction process the project will be included in the Major Projects section of the website and updates through News from AlburyCity and via social media.

This tender is relevant to a number of strategic plans such as Albury 2030 and the Two Cities One Community Strategic Plan as outlined below.

1. Albury 2030;
   This tender identifies with Albury 2030's theme of 'a caring community' and specifically, with outcome 3.4 'Albury offers a diverse and accessible range of facilities and activities for all ages'. Specifically, the delivery of this project promotes and encourages healthy lifestyles through development and efficient use of sporting, recreational, educational and cultural facilities and infrastructure.

2. Two Cities One Community Strategic Plan;
   This tender identifies with the Two Cities One Community Strategic Plan community aspiration of 'our community' and specifically, with outcome 3.3 'our community is healthy and has a strong sense of wellbeing'. The delivery of this project improves user experience at the Thurgoona Oval. These users (football, netball and cricket) participate in leagues which cater for teams on both sides of the border in the local government areas of Albury City Council, City of Wodonga, Federation Council, Indigo Shire Council, Greater Hume Council and Towong Shire.

Summary

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

Company	Quantitative	Qualitative
The Adaptive Trust t/a Dezign	100	73
Premier Building & Construction Pty Ltd	95	66
Q1 Constructions Pty Ltd	71	63

From the qualitative assessment, all companies have the required management systems, experience, resources and availability to successfully undertake this project. Notwithstanding this, the tender assessment panel deemed that The Adaptive Trust t/a Dezign is better positioned to deliver the works. Their submission demonstrated a great understanding of the Principal's Project Requirements, and their capacity to perform this project is better placed than the other tenderers with their current commitments expected to be completed prior to consideration of this tender.

From the quantitative assessment The Adaptive Trust t/a Dezign was the most favourable being $121K (5%) more favourable than Premier Building & Construction Pty Ltd, and $720K (29%) more favourable than Q1 Constructions Pty Ltd. Notwithstanding this, the submissions from The Adaptive Trust t/a Dezign and Premier Building & Construction Pty Ltd are considered to represent market value.

Considering the above, based on the qualitative and quantitative assessments, the submission from The Adaptive Trust t/a Dezign provides the best value for Council to deliver this project.

Financial Impact

The available budget for the project is $2,195,862 including GST. This budget includes a contribution from the NSW Government, of $467,234, through Round 2 of the Stronger Country Communities Grant Program. There is currently a funding shortfall of $325,558 including GST (15%) in comparison with

the lowest tender price of $2,521,420 including GST. Funds are also required to cover project management costs and any contingency requirements of the project.

To cover a component of the shortfall it is proposed that the savings of $192,500, including GST, realised from the completed Les O'Brien Terrace Seating Project be reallocated to this project, leaving a shortfall of $133,058 including GST.

The following options were considered to address the balance of the shortfall:

1. **Reduce the scope of the project –** Following award and during the design phase, Council could work with the successful tenderer to identify elements of the design that may be removed or savings identified. Things that could be considered include, the spectator shelter, coaches/timekeepers box area and some provisional items. These items would then need to be included in future budgets for construction at potentially a greater cost. *This is a preferred option.*
2. **Wait for the outcome of the application from the AFL** – There are time constraints with the grant funding through the Stronger Country Communities Fund and further delays may impact on the NSW Government funding. In addition, further delays will provide a negative image to Council as the existing facilities are nearing the end of their useful life and require replacement. The impact of COVID19 on the financial position of the AFL is still unknown and it is unlikely that the AFL will be in a position to contribute to the project in the short term. In addition, it is unlikely that if the funding application was successful that it would fully address the shortfall. *This is not the preferred option.*
3. **Not accept a tender** – Council has the option of not accepting any tender and reconsidering and reviewing the reference design to reduce the scope prior to readvertising. As previously noted there are current time constraints with the grant funding through the Stronger Country Communities Fund and further delays may impact on the NSW Government funding. Further, as this is a design and construct project, revision of the scope can be identified through the design process once the contract is awarded. As the two most favourable tender submission prices provided are within 5% of each other this indicates current market value for this type of contract. *This is not the preferred option.*
4. **Allocate additional funding** – Additional funding could be allocated through a quarterly budget review process in the 2020/21 year. The budget allocation could be increased through potential savings in other projects, an increase to the capital program or sourcing of grant funding where available. *This is a preferred option.*

Considering the above options, it is recommended that a hybrid approach be undertaken to address the shortfall in funding with regard to the project. It is proposed that initially Option 1 be pursued and Council work with the successful contractor to identify potential savings in the design of the facility without diluting the defined intent of the project. Following this should a shortfall remain, noting the maximum contract exposure is $133,058 including GST, the Council initiate Option 4 and allocate the required additional funding at a quarterly budget review in the 2020/21 financial year to cover the required expenditure.

In parallel with this, should Council be successful in obtaining any funding from the AFL any additional funding required would be reduced by this amount.

Conclusion

Council invited tenders for the 'Thurgoona Oval Sporting Pavilion' and received three submissions, with all submissions being deemed conforming.

The current change rooms and associated amenities at Thurgoona Oval are not adequate for the current patronage. In particular, the absence of dedicated female change rooms presents a significant challenge for the users of Thurgoona Oval. The proposed Thurgoona Oval Sporting Pavilion will eliminate this issue and will accommodate for increased patronage at a facility located within Albury City's growth corridor. Council has secured funding from the NSW Government's Stronger Communities Fund to assist in the delivery of this proposed new development.

The intent of the new Thurgoona Oval Sporting Pavilion is to provide adequate amenities, change room facilities and storage areas. It will allow the existing teams and codes to continue to fully utilise the Thurgoona Oval sporting precinct and will provide the opportunity for other user groups, such as schools and sporting carnivals to better utilise the precinct in the future.

The scope of works consists of the *design and construction* of the Thurgoona Oval Sporting Pavilion. Specifically, prospective tenderers are to carry out the design, planning approval, construction and commissioning of a new sporting pavilion at Thurgoona Oval compliant with the Principal's Project Requirements as set out in the request for tender documentation. The scope also includes the demolition of the existing change rooms upon completion of the new buildings.

A quantitative and qualitative assessment indicated that The Adaptive Trust t/a Dezign was the most favourable submission. The tendered price of $2,521,420 including GST is above the budget allocation of $2,195,862 including GST.

It is proposed that the budget shortfall be addressed as follows:

- Realised savings from the Les O'Brien Terrace Seating Project of $192,500 including GST be reallocated to the project;
- Council staff work with the successful contractor to identify any potential savings in the design without diminishing the original intent of the project; and
- Any remaining shortfall be allocated at a quarterly budget review in the 2020/21 financial year.

Recommendation

That Council:

a. Accepts the tender from The Adaptive Trust t/a Dezign for the design and construct Contract No. 19/03873 'Thurgoona Oval Sporting Pavilion' for the lump sum amount of $2,521,420 including GST;

b. Reallocates $192,500.00, including GST, from the Les O'Brien Terrace Seating Project to the Thurgoona Oval Sporting Pavilion Project as part of the March quarterly Review;

c. Authorises the CEO to work with the successful contractor to identify any potential savings in the design;

d. Allocates at a quarterly budget review in the 2020/21 financial year any shortfall in project delivery cost following the implementation of recommendation c.; and

e. Continues to seek a financial contribution from the AFL for the project.

Attachments

1. AlburyCity's Reference Design – Thurgoona Sporting Pavilion (DOC20/61864).