CM13.3. Sewer Trunk Main Construction - Kerr Road Contract No. 24/02894

DATE	30 April 2025	**FIL REFERENCE**	FIL24/02894
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 construction of Kerr Road Sewer Trunk Main Contract No. 24/02894, tendered contract through a qualitative and quantitative assessment.

Background

The current population of Albury is approximately 57,000, which is expected to increase to over 100,000 over the next 50 years. Most of this growth will likely occur in the Thurgoona/Wirlinga urban release area, northeast of the Albury central business district.

This project forms part of the Albury City Council Sewerage Supply Strategy 2017, which identifies a requirement to expand the capacity of the reticulated sewer network to service northeast Thurgoona catchments, as well as further development along northern sections of Kerr Road. This project will support a continued high level of wastewater service delivery to existing development throughout northeast areas of Thurgoona, whilst providing capacity for future growth. Furthermore, this project will integrate new growth areas into the existing AlburyCity sewerage system and will minimise the need for pumping stations within that locality.

The proposed works include the construction of a sewer trunk main commencing from Sewer Pump Station 40 (SPS40) at the western side of Kerr Road near Thurgoona Drive, crossing the roadway and continuing along the eastern side to an existing manhole approximately 1km to the north, located before Woolshed Creek. This main will be predominantly installed via pipe jacking, a trenchless construction method similar to conventional underboring, with launch pits located at intervals of approximately 100 metres, designed to target gaps in native vegetation.

An additional smaller section will also be installed via pipe jacking along the northern boundary of the Springview Estate drainage reserve. This alignment will extend approximately 120 metres along the northern boundary of this reserve from this new Kerr Road sewer main to another existing manhole, adjacent to Sewer Pump Station 73 (SPS73).

The adopted Four Year Delivery Program 2024-2028 provides an allocation of $3M (including GST) for the project.

A location plan is attached for information (see Attachment 1).

Procurement Objectives

The objectives of this procurement activity are strategic in nature. The planned outcomes seek to address the following considerations that align to the themes within AlburyCity's Community Strategic Plan – Towards Albury 2050:

- **Social Impact** – This project will assist to ensure there is adequate sanitation and wastewater management services for new residents.

- **Economic Impact** – *Towards Albury 2050,* Outcome *1.1 "Albury is a vibrant city, providing high-quality sustainable infrastructure, industry-leading services, and amenities."*

The project will support the sustainable population growth and residential development through the provision of essential infrastructure.

- **Environmental Impact** – A Review of Environmental Factors has been undertaken to assess the likely impacts of the project across a range of environmental aspects. Considerations have been undertaken to minimise vegetation clearing and tree removal as much as possible. However, some removal will still be required where some trees are located near to road shoulders and space is necessary for access to worksites. It was determined that the net environmental impacts of the project are not likely to be significant and the environment will be protected through implementation of suitable measures.

- **Civic Leadership Impact** – This project aligns with the Albury City Council Sewerage Supply Strategy 2017, which calls for increased wastewater infrastructure to service northeast Thurgoona catchments and further development along northern Kerr Road. The Strategy has previously been endorsed by Council.

Scope

The scope of the works and/or specification included in this contract is summarised below:

- construction of approximately 32 metres of 225mm PVC sewer main from the existing Kerr Road pump station SPS40 at the western side of Kerr Road, open trenched to the eastern side of the roadway;
- construction of approximately 1,066 metres of DN300 GRP sewer trunk main via pipe jacking from the eastern side of Kerr Road, across the existing Kerr Road pump station SPS40, to the existing manhole located before Woolshed Creek;
- construction of approximately 120 metres of DN300 GRP sewer trunk main via pipe jacking along the northern boundary of Springview Estate drainage reserve, from the new Kerr Road sewer main to the existing manhole EX A2 adjacent to the existing pump station SPS73;
- construction of 13 sewer manholes; and
- supply and installation of all associated fittings and materials to complete the sewer main constructions and reinstatement as required.

Invitation to Tender

Tenders were invited by Council for Contract No.24/02894 - Construction of Kerr Road Sewer Trunk Main, and advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on 27 February 2025.

The contract duration is estimated at 20 weeks and will be completed in the 2025/26 financial year.

Tender Close

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

- ATD Civil Group Pty Ltd (Wodonga, Victoria);
- Civil and Civic Group Pty Ltd (Canberra, Australian Capital Territory);
- Diona Pty Ltd (Sydney, New South Wales);
- Longford Civil Pty Ltd (Howlong, New South Wales);
- RS Pipe Civil (Campbellfield, Victoria); and
- Utilstra Pty Ltd (Fyshwick, Australian Capital Territory).

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 Acting Team Leader Project Delivery – Brendan Tracey, Senior Design Engineer – Alan Rodgers, Project Officer Project Delivery – Richard Bon 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 submissions received were in accordance with the contract documentation and specification.

Company	Schedules returned with supporting information	WHS & Insurance Documentation accepted	Conformity Status
ATD Civil Group Pty Ltd	Yes	Yes	Conforming
ATD Civil Group Pty Ltd	Yes	Yes	Conforming (Alternate)
Civil and Civic Group Pty Ltd	Yes	Yes	Non-Conforming
Diona Pty Ltd	Yes	Yes	Conforming
Longford Civil Pty Ltd	Yes	Yes	Conforming
Longford Civil Pty Ltd	Yes	Yes	Conforming (Alternate)
RS Pipe Civil	Yes	Yes	Conforming

Company	Schedules returned with supporting information	WHS & Insurance Documentation accepted	Conformity Status
Utilstra Pty Ltd	Yes	Yes	Conforming

As indicated above, all the submissions were assessed as conforming tenders other than the submission from Civil and Civic Group Pty Ltd. Their submission contained significant departures from the Request for Tender documentation. Civil and Civic Group Pty Ltd did not provide substituting material or installation methodologies as required in the tender. Therefore, the submission from Civil and Civic Group Pty Ltd was not considered further in this report.

All the companies are either WHS registered with AlburyCity or can adequately demonstrate they have the requisites to be WHS Registered.

ATD Civil Group Pty Ltd and Longford Civil Pty Ltd provided alternate tenders proposing to increase the pipe size on some areas to eliminate the need for centralisers and grouting the void between the bore and pipe. Additionally, Longford Civil Pty Ltd provided another alternate offer to reduce the pipe size on the other areas.

Quantitative Assessment (Pricing)

The contract was issued seeking a project lump sum tendered by suppliers to complete the project. The tendered prices and ratings relative to the lowest price are tabulated below.

Company	Contract Value (incl GST)	Rating (100)
ATD Civil Group Pty Ltd (alternate offer)	$2,085,716	100
ATD Civil Group Pty Ltd	$2,182,356	96
Longford Civil Pty Ltd (alternate offer)	$2,318,548	90
Longford Civil Pty Ltd	$2,461,548	85
RS Pipe Civil	$3,408,132	61
Utilstra Pty Ltd	$5,450,882	38
Diona Pty Ltd	$5,727,039	36

The budget allocation for the project is $3M (including GST), with the submissions from ATD Civil Group Pty Ltd and Longford Civil Pty Ltd being within the allocated budget.

As detailed above, the alternate submission from ATD Civil Group Pty Ltd was the most favourable from a cost perspective, being $233K (11%) more favourable than Longford Civil Pty Ltd. The remaining submissions from RS Pipe Civil, Utilstra Pty Ltd and Diona Pty Ltd are substantially higher than the other four offers (between $1.3M and $3.6M) and for this reason were not considered further for this contract.

The alternate tender from ATD Civil Group Pty Ltd is $97K (5%) less than their conforming tender and was considered by the assessment panel as a more favourable submission. Furthermore, a design

and sewer modelling investigation was undertaken to verify that the proposed change in pipe size will still be able to adequately accommodate the projected growth flows.

Qualitative Assessment (Non-price aspects)

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 region and Australian manufacturing** – local impact on social, economic and community outcomes to benefit the Albury/Wodonga region and Australian producers.

Company	Experience (30%)	Methodology/ Program (30%)	Capacity (20%)	Capability (10%)	Local Benefit (10%)	Total (100%)
ATD Civil Group Pty Ltd	24	27	16	8	7	82
Longford Civil Pty Ltd	27	15	16	8	7	73

ATD Civil Group Pty Ltd is a growing business locally based in Wodonga, VIC. Their projects encompass a number of civil construction services throughout the region for public and private sectors in the surrounding districts. They have recently completed various civil works in the region including a Watermain Upgrade in Corowa, and Sewer Pump Station Lids for Federation Council, as well as Infrastructure and Pathway Upgrade in Mitta Mitta. They were also subcontractors responsible for the civil works at the Kinross Woolshed in Thurgoona and for Brooklyn Fields Trunk Sewer (Stage 3 to Woolshed Creek).

ATD Civil Group Pty Ltd has an experienced and highly skilled crew. Key roles are filled by individuals who have developed extensive knowledge on large sewer mains, manholes and pump stations through their significant experience in the civil construction industry. The site supervisor nominated for the project was a site supervisor for the Ettamogah Sewer Augmentation and Brooklyn Fields Trunk Sewer (Stage 3 to Woolshed Creek) projects delivered through another contractor for AlburyCity.

Referee information indicates that ATD Civil Group Pty Ltd is highly cooperative and easy to work with. Overall, the feedback highlights the positive reputation of the company, strong working relationships, and satisfaction with the quality of the finished product.

ATD Civil Group Pty Ltd has indicated that their current work commitments are expected to be completed by August 2025, with remaining works mainly related to concreting. Moreover, they have no ongoing commitments past this date.

The successful delivery of this project is significantly reliant on the designated pipe jacking subcontractor as it is a specialised field of construction and is a major component of this project. ATD Civil Group Pty Ltd has nominated Adept Civil Group to undertake this part of the works. Adept Civil Group is based in Melbourne and is highly experienced in this construction methodology. They have become a leading and trusted contractor for numerous construction companies across Victoria. Adept Civil Group also completed the microtunneling work on the Ettamogah Sewer Augmentation and Brooklyn Fields Trunk Sewer (Stage 3 to Woolshed Creek) project, which were both executed successfully for AlburyCity.

Considering their current commitments, available resources, and nominated subcontractors, ATD Civil Group Pty Ltd was assessed as having sufficient capacity to undertake the project.

The submission provided by ATD Civil Group Pty Ltd included a comprehensive construction methodology and detailed construction program. The methodology provided addresses key elements of the construction, underscoring their expertise and holistic understanding of the project. They also demonstrated their proactive approach to the project requirements by furnishing traffic management and environmental plans as well as requested permission from the responsible company to use a nearby location for slurry management. The construction program includes a logical and specific work breakdown of activities and indicates a construction duration of 22 weeks.

ATD Civil Group Pty Ltd expressed that should they be awarded this tender, they will source the majority of the materials, plant, equipment and labour locally as practicable. The company also gives back to the community by sponsoring a local sporting group.

Information provided to Council indicates that ATD Civil Group Pty Ltd has the financial capacity to undertake this project.

Longford Civil Pty Ltd is a locally based company (Howlong, NSW). They have completed various civil construction works for public and private sector clients throughout the local area including several successful water and wastewater infrastructure projects for AlburyCity.

Longford Civil Pty Ltd has completed several civil infrastructure projects as contractor for AlburyCity in the last several years. These projects include the construction of the Ettamogah Sewer Augmentation and Brooklyn Fields Trunk Sewer (Stage 3 to Woolshed Creek), which involved construction methodology similar to that required by this project. Additionally, Longford Civil Pty Ltd has completed the construction of the Gerogery Road water main, Kerr Road trunk water main and various water main renewals throughout the city, amongst other civil works. All projects previously completed for AlburyCity were delivered with good results. Referee information was generally favourable and indicated that Longford Civil Pty Ltd demonstrated a high level of cooperation.

Longford Civil Pty Ltd have also nominated Adept Civil Group to complete the pipe jacking component of the works, which constitute the majority of the project. Longford Civil Pty Ltd utilised Adept Civil Group to undertake the microtunneling work on the Ettamogah Sewer Augmentation and Brooklyn Fields Trunk Sewer (Stage 3 to Woolshed Creek) project, which were both delivered successfully for AlburyCity.

The methodology provided by Longford Civil Pty Ltd is basic but appears to address appropriate items. They have nominated a completion date of October 2025 but no program has been provided.

Longford Civil Pty Ltd have listed two current work commitments which will be all completed by June 2025, with no ongoing commitments extending beyond that date. Considering the contractor's current commitments, available resources and nominated subcontractors, Longford Civil Pty Ltd was assessed as having the required capacity to deliver this project.

Longford Civil Pty Ltd has indicated that, should they be awarded this project, they will endeavour to source the majority of materials, plant, equipment and labour from the local region whenever feasible. They also contribute to the community through a sporting club sponsorship in the local region.

Risk

- **Business Risk** – Financial risks are possible and are most likely to be associated with scope creep and/or with latent conditions. Location of existing services, as well as environmental investigations and geotechnical investigations have been undertaken to reduce this risk. Due to the nature of the project and the contractors entering submissions, this risk is considered low.

- **Corporate Risk** – It is acknowledged that there is the possibility of risk to Council's image as a result of construction delays or significant cost discrepancies. This risk is considered low due to extensive investigations completed in the design phase.

- **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 undergo safety inspections.

- **Environmental Risk** – A Review of Environmental Factors (REF) has been undertaken for this project to identify any environmental risks and suitable measures to mitigate them (see Attachment 2). As part of the REF, an Archaeological Assessment and Aboriginal Cultural Heritage Assessment were undertaken. Collectively, it was determined that all predicted environmental and cultural heritage impacts can be avoided, mitigated and/or managed such that the proposal would not lead to significant impacts. Due to the comprehensive environmental and archaeological investigation completed and the non-intrusive method of construction employed for the majority of the project, the risk at this time is considered low.

- **Delivery Program Risk** – Standard delivery program risks are possible, such as delays due to inclement weather, supply chain lead times, adverse site conditions and contractor caused delays. Comprehensive site assessments including geotechnical investigation were conducted during the design and planning phase to mitigate these risks.

Engagement

The Construction of the Kerr Road Sewer Trunk Main aligns with *Towards Albury 2050*, which is Albury's Community Strategic Plan which has undergone extensive community consultation prior to adoption. It was also included in the 2024-2028 Four Year Delivery Program, which was endorsed by Council.

The project is consistent with the Albury City Council Sewerage Supply Strategy 2017, which identifies increased wastewater infrastructure to service northeast Thurgoona catchments and further development along northern Kerr Road. The Strategy was placed on public exhibition prior to adoption.

To keep the community informed about the progress of construction, this project will be included in the Major Projects section of AlburyCity's website and updates will also be provided via social media channels.

Summary

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

Company	**Qualitative (Non-price Score)**	**Quantitative (Price Score)**
ATD Civil Group Pty Ltd (Alternate)	82	100
ATD Civil Group Pty Ltd	82	96
Longford Civil Pty Ltd (Alternate)	73	90
Longford Civil Pty Ltd	73	85

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 alternate submission from ATD Civil Group Pty Ltd was assessed as being the most advantageous. The submission was $233K (11%) more favourable than the alternate submission from Longford Civil Pty Ltd.

Therefore, based on the qualitative and quantitative assessments, it is deemed that the alternate tender from ATD Civil Group Pty Ltd provides the best value for Council to deliver this project.

Conclusion

This project forms part of the Albury City Council Sewerage Supply Strategy 2017, which identifies a requirement to expand the capacity of the reticulated sewer network to service northeast Thurgoona catchments, as well as further development along northern sections of Kerr Road. This project will support in continuing a high level of wastewater service delivery to existing development throughout north-east areas of Thurgoona, whilst providing capacity for future growth.

The scope of this project includes the construction of a sewer main commencing from 'Sewer Pump Station 040' (SPS40) at the western side of Kerr Road, open trenched across this roadway, and continuing along the eastern side to an existing manhole approximately 1km to the north. Additionally, the scope of works includes construction of a smaller alignment of approximately 120 metres along the northern boundary of the Springview Estate drainage reserve to connect to another existing manhole, construction of 13 new sewer manholes, and all associated works required to complete the pipeline construction.

Council invited tenders for Contract No. 24/02894 - Construction of Kerr Road Sewer Trunk Main and received eight submissions from six tenderers, with one submission being non-conforming and two submissions greater than the available budget. Alternate submissions from ATD Civil Group Pty Ltd and Longford Civil Pty Ltd were received proposing changes to the size of the pipes to facilitate cost savings. The alternative tenders offer significant cost savings and introduce an innovative solution that enhances project outcomes. These offers were considered viable alternatives upon design and sewer modelling investigation and were submitted alongside conforming tender in compliance with procurement requirements.

A quantitative and qualitative assessment indicated that the alternate offer from ATD Civil Group Pty Ltd was the most favourable submission. Their tendered price of $2,085,716 including GST is within the budget allocation of $3M including GST and considered the most advantageous for Council.

Recommendation

That Council, pursuant to section 178 (1)(a) of the *Local Government (General) Regulation 2021* NSW, resolves to accept the alternate tender from ATD Civil Group Pty Ltd and award the contract for 24/02894 - Construction of Kerr Road Sewer Trunk Main for the tendered lump sum price of $2,085,716 (including GST).

Attachments

1. Kerr Road Sewer Trunk Main – Locality Plan (DOC24/303272).
2. Kerr Road Sewer Trunk Main – Review of Environmental Factors (DOC25/21216).