

CT6513 CONSTRUCTION OF A COMMUNITY SPORTING PAVILION, PINKS RESERVE, KILSYTH

Report Author: Executive Officer Major Projects
Responsible Officer: Director Environment and Infrastructure
Ward(s) affected: Walling;

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

Confidential information is contained in Attachment 1. This information relates to contractual matters and contains commercially sensitive information including, but not limited to, the name of tendering parties, the evaluation panel members, the tendered prices and the evaluation of the tenders received against the published evaluation criteria.

Any disclosure of the information included within the confidential attachment to this report could be prejudicial to the interests of the Council or other parties. If discussion of this information is required, the Council is recommended to resolve that the item be deferred to the confidential section of the agenda when the meeting is closed to members of the public in accordance with Section 3(1)(g)(i)(g)(ii) of the Local Government Act 2020.

This report seeks Council approval to award a contract that complies with the Section 108 of the Local Government Act 2020.

SUMMARY

This report summarises the evaluation process and seeks Council approval for the Construction contract for the Pinks Reserve Community Sporting Pavilion at Kilsyth.

The Pinks Reserve Community & Sporting Pavilion project is a community driven project with wide and in-depth support from the Local community and the wider sporting community that connects and links all of the surrounding suburbs of Kilsyth and beyond.

The existing facilities are in poor condition and do not conform to current codes or standards. The size and functionality of the existing pavilion is restricting growth in sporting participation and other community uses. The demolition of the existing pavilion building and the construction of a new pavilion will see a purpose made fully accessible facility that will optimise use, increase patronage, and provide a meeting and social space for the community as a whole.

The new community sports pavilion will support the core sporting needs of football and cricket and other community groups for the next 50+ years. This project will provide a permanent home for sport and recreation groups in Kilsyth, whilst complementing the existing community facilities in the reserve and broader area.

The new community sports pavilion will be a contemporary facility which fits in with the current and future development works of the reserve and is physically and functionally aligned to the playing fields and all surrounding activities.

Four (4) pre-qualified suppliers from the Department of Treasury and Finance Construction Supplier Register (CSR) were invited to participate in a selective tender for this project on February 22, 2022. Council use of the CSR list is approved by the Minister of Local Government under section 186(5) (c) of the Local Government Act 1989 and is therefore compliant with Councils' legislative requirements.

Tenders closed on March 24, 2022 and four (4) submissions were received.

The evaluation panel recommends the tender from Newpol Construction Pty Ltd be accepted for the Final Tender Price as detailed in the Confidential Attachment to this report.

This item has been included in the public agenda to facilitate openness and transparency in Council's decision making. A confidential attachment has been included with the report which contains commercially sensitive information that is not to be disclosed whilst the meeting is open to the public.

The recommendation in this report has been formally endorsed by the evaluation panel.

RECOMMENDATION

That

- 1. Council awards the tender from Newpol Construction Pty Ltd for CT6153 Construction of a new Community Sporting Pavilion at Pinks Reserve in Kilsyth for the Final Tender Price and Construction Contingency as detailed in the Confidential Attachment to this report.**
- 2. The Director Environment and Infrastructure be delegated the authority to sign the contract documents.**
- 3. Council approve the allocation of \$545,909 in additional project budget funding for the project comprising;**
 - (a) \$300,000 from the State Government Growing Suburbs Fund allocation for Council's Climate Resilience Buildings Program, and**
 - (b) \$245,909 from Council's Capital Expenditure Program Asset Investment Reserve achieved as savings due to the approval of \$1.5m through the Federal Local Roads & Community Infrastructure grant funding allocation towards the Powelltown Community Sporting Pavilion project.**

4. ***The confidential attachment to this report remains confidential indefinitely as it relates to matters specified under Section 3(1) (g)(i), (g)(ii) of the Local Government Act 2020.***

RELATED COUNCIL DECISIONS

A Construction Market Impact Report was presented to council forum on May 17, 2022 for noting. The details of this report are relevant to this item.

DISCUSSION

Purpose

To seek Council approval to enter into a contract for the Construction of a new Community Sporting Pavilion at Pinks Reserve, Kilsyth under contract CT6153. To recommend acceptance of a preferred tenderer and of the overall project budget.

Background

The Community Sporting Pavilion project is a community driven project with wide and in-depth support from the Local community and the wider sporting community that connects and links all of the surrounding suburbs of Kilsyth and beyond.

The construction of a new building will see a new facility that will optimise the use of the existing recreation spaces, sporting ovals and other public facilities, and provide a central meeting and social space for the community.

The new building will be a modern facility which fits in with the surrounding setting of the reserve and is physically and functionally aligned to the playing fields.

Following completion of the design documentation phase, a pre-tender estimate was sought from an independent quantity surveyor. This pre-tender estimate was aligned with the project budget and tender documents were subsequently prepared.

An invited tender process was conducted to ensure procurement compliance. A summary of the evaluation process is included as a Confidential Attachment to this report.

Key issues

This tender has been carried out in accordance with the requirements of Council's Procurement Policy.

Tenders were assessed for conformity with the tender documents and no tenders were eliminated from further evaluation as a result of major non-conformances.

The evaluation panel scored tenders against pre-established evaluation criteria. A summary of the evaluation criteria follows:

Selection Criteria	Weighting
Price	40%
Capability/Capacity	25%
Quality/Sustainability	25%
Timeframes	10%
TOTAL	100%

Recommended option and justification

Following an extensive evaluation process as detailed in Confidential Attachment 1. The evaluation panel are unanimous in their decision to recommend Newpol Construction Pty Ltd for the Final Tender Price and Construction Contingency as detailed in the Confidential Attachment to this report. Newpol Construction Pty Ltd offers the best value outcome.

The evaluation panel request that Council adopts the recommendations within this report.

FINANCIAL ANALYSIS

Current adverse market conditions are significantly impacting the construction industry, particularly in the supply of timber, steel and other key materials. These impacts have been reported to Council in a recent Construction Market Impact Report presented to Council forum on the 17th May, 2022. The construction industry is experiencing unprecedented cost increases due to direct and in-direct impacts of the Covid-19 pandemic, inflationary pressures, and ongoing geopolitical issues.

The recommended tender award amount is reflective of current construction market rates and is considered to represent a best value outcome for Council.

The recommended tender price together with items outside of the construction contract exceed the current allocated overall project budget which includes funding from external grants, Council, and club contributions over multiple financial years.

Whilst endeavours have been made to reduce the cost to deliver the project through removal of various items, additional funds will be required to allow for the complete delivery of this project. Confidential Attachment 1 provides further details of the budget breakdown and anticipated expenditure for the project.

An additional \$545,909 is required to be added to the existing project budget in order to accept the preferred tender.

\$300,000 towards the budget shortfall can be utilised from the Growing Suburbs Fund Climate Resilient Buildings Program, as a result of savings being achieved in delivering works for other buildings identified in the program. As this increases the overall number of buildings to be improved through this program, staff have confirmed the use of this with State Government Program Administrators.

It is recommended that Council utilise a further \$245,909 in realised savings within the Asset Investment Reserve to fund the remainder of the project shortfall. Savings to the

Asset Investment Reserve have been recently achieved through the successful approval of \$1.5m through the Federal Local Roads & Community Infrastructure grant funding allocation towards the Powelltown Community Sporting Pavilion project.

Council officers will also actively pursue other potential external funding opportunities through other Grants and the seeking of additional Club Contributions to further reduce Councils' total contribution amount as much as possible.

Works are anticipated to commence in late August 2022 with an anticipated period for practical completion of 208 Master Builders Association of Victoria (MBAV) calendar days.

APPLICABLE PLANS AND POLICIES

This report supports Council's Strategic framework in being a high performing organisation that listens and delivers quality, value for money services to our community.

This report contributes to the following strategic objective(s) in the Council Plan: connected and healthy communities.

- Quality Infrastructure and Liveable Places.
- Connected and Healthy Communities.

RELEVANT LAW

This report seeks Council approval to award a contract that complies with the Section 108 of the Local Government Act 2020.

SUSTAINABILITY IMPLICATIONS

Economic Impacts

This has been considered as part of the project specification and evaluation process. The recommended tenderer has committed to source 30% of goods, services and materials proposed for this contract from within Yarra Ranges Shire. The recommended tenderer also employs staff that reside within the municipality.

Social Impacts

This has been considered as part of the project specification and evaluation process. Newpol have a social procurement framework providing local employment opportunities to Victorians that are indigenous, living with a disability, or are disadvantaged. They have a strategic partnership with the Brotherhood of St Laurence and have stated that opportunities will be provided for people living within the Yarra Ranges Council under this contract.

Environmental Impacts

This has been considered as part of the project specification and evaluation process. Details are provided in the confidential attachment. The recommended tenderer has an Environmental Management System and Quality Management System in place.

Climate Change

This has been considered as part of the project specification and design process. Design elements target the reduction of greenhouse gas emissions by use of passive ventilation systems, use of solar panels, natural lighting, energy efficient glazing, insulation, solar shading and energy efficient LED lighting. The solar system has been sized to offset the anticipated energy consumption of the building when in typical use.

COMMUNITY ENGAGEMENT

The design of the facility has been through an extensive consultation process with multiple approval gateways prior to tender. Stakeholder consultation has included both external and internal stakeholders throughout the process.

The project has been through a public advertised planning permit process. The permit process included a referral process to all required internal and external stakeholders.

The specification and tender documentation have been prepared in collaboration with an external consultant team, project stakeholders, planning referral advice, Major projects team, and has been developed in consultation with Council's Procurement team.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

No collaboration with other Councils, Governments or statutory bodies was sought on this item.

RISK ASSESSMENT

This has been considered as part of project design, overall project management, contract terms and conditions and the evaluation process.

There are significant cost and time risks directly associated with this opportunity.

A project risk register has been developed, maintained, and monitored for this project. Extensive negotiations have taken place with the preferred tenderer to reduce the financial and time impacts associated with this project. Refer to the Confidential Attachment for further details.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the Local Government Act 2020.

ATTACHMENTS TO THE REPORT

1. CT6513 Confidential Attachment 1 – Pinks Reserve CSP Evaluation Report