

CT7035 CONSTRUCTION OF NEW BASKETBALL COURT AND ASSOCIATED IMPROVEMENTS AT KILSYTH SPORTS COMPLEX, PINKS RESERVE.

Report Author: Executive Officer Major Projects
Responsible Officer: Director Built Environment & 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

This item is to be considered at a Council meeting that is open to the public.

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 awarding of the construction contract to the successful tenderer for a new Basketball Court and associated improvements at Kilsyth Sports Complex, Pinks Reserve.

The project includes the following works:

The project scope will deliver:

1. Badminton works, including external cladding replacement, internal linings and insulation, accessibility upgrades and flood protection works to the badminton entry.
2. Rainwater harvesting and Water Sensitive Urban Design works.
3. Changing Places (Adult accessible change room with hoist system including shower and toilet).

4. A new compliant Basketball Court including all associated amenities, storage, access, and fire protection works.
5. Fire protected corridor link from existing basketball area and required fire protection works to the existing external building.
6. Fully renewed and compliant amenities to the existing dilapidated amenities including additional amenities to service courts 1,2 & 3.
7. New compliant accessible changerooms to cater for the new court and show court and provide provision for wheelchair basketballers.
8. Service upgrades and all associated works and making good.
9. Flood Mitigation works to protect the existing Badminton /Table tennis buildings which is essential for the project and its future proofing against 1 in 100-year flood events.

The project consists of both new works and renewal/refurbishment work, the project is being funded in partnerships with the State Government and the Eastern Sports Development Ltd.

RECOMMENDATION

That Council

- 1. Award the contract to construct a new basketball court and associated facilities to Newpol Construction Pty Ltd for the Lump Sum price of \$8,080,196.00 Excluding GST (\$8,888,251.60 including GST) and adopted provisional sums and cost saving options.***
- 2. Approve a funding allocation for the project of \$2,116,324.13 excluding GST from Council's Capital Expenditure Program Asset Renewal Reserve and future Asset New & Investment Reserve, as detailed in Confidential Attachment 1.***
- 3. Council approves the Director of Built Environment and Infrastructure be delegated the authority to sign the contract documents.***
- 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

This project forms part of the key building projects approved by the Council in 2020 as part of the Pinks Reserve Masterplan with State Government funding.

Current external funding grants and agreements relating to the works and a funding agreement with Eastern Sports Development Ltd needs to be considered as part of the resulting contract.

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 as the details of

this report identify a significant shift in construction prices impacting the costs of current and future projects.

DISCUSSION

Purpose

To seek Council approval to enter a contract for the Construction of a new Basketball Court and associated works at Pinks Reserve, Kilsyth under contract CT7035. To recommend acceptance of a preferred tenderer and a revised overall project budget.

Background

Pinks Reserve is located at Liverpool Road in Kilsyth. Pinks Reserve is surrounded on three sides by private residential properties and an industrial zone to the south. Pinks Reserve has had a long history with sporting activities on site. It has served a vital role for the progression of sporting clubs in the Yarra Ranges. It is host to many clubs and associations that have rich history within their respective disciplines.

The reserve is home to the Kilsyth Sports Centre, incorporating regional basketball, badminton and table tennis, regional netball, Australian Rules football, cricket, and softball. Intermingled with these sporting activities is a playground, picnic area, half-court basketball and a path network popular with joggers and dog walkers.

The Pinks Reserve Master plan was prepared following a comprehensive site analysis, detailed review of the demographics of the area and a review of relevant Council plans, strategic documents, and industry literature. As part of the masterplan process, a need was identified to expand, renew, and upgrade parts of the Kilsyth Sports Centre.

Kilsyth Basketball centre is one of the largest regional basketball centres in Victoria. It currently has over 10,000 participants, including 3,400 females and over 6,000 of these participants reside in Yarra Ranges.

The Basketball Centre is host to over 1,100 teams from clubs based in many Yarra Ranges suburbs and has over 1,400 referees, coaches, and team managers. It has a very large junior participation base of over 6,000, including over 2,000 junior female participants. Their elite talent pathway program, the Kilsyth Cobras, is the main talent pathway in the region and as such draw's players from all over Yarra Ranges including Healesville, Yarra Glen and the Dandenong's.

The Kilsyth Basketball Centre is also home to a State Level Wheelchair basketball competition with over 40 participants playing each week.

The centre is also host to weekly indoor Netball competitions on a Tuesday and Thursday morning, as well as utilised for school holiday programs and Australia Day and Queens Birthday holiday tournaments.

The centre is also Council's primary Emergency Relief Centre. The complex plays host to the community in times of need.

Options Considered

A recommendation of a selected tender via the Department of Treasury and Finance's Construction Supplier Register (CSR) as the method of procurement was discussed and approved. 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.

On 2 November 2022, five (5) CSR registered preselected Contractors were invited for this tender. The tender closed on 12 December 2022 and three (3) submissions were received.

Due to the value of the contract and to mitigate risks, a probity plan was developed in accordance with Councils procurement policy by an independent probity advisor (SHOP Consulting). SHOP Consulting also acted in the role of Chair of the evaluation panel and provided ongoing probity advice throughout the procurement process. The probity plan was developed in conjunction with the Tender Evaluation Plan to ensure procedural fairness, value and a contract that can withstand any scrutiny.

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 because of major non-conformances. The evaluation panel scored tenders against pre-established evaluation criteria. A summary of the mandatory requirements and evaluation criteria is as follows:

Mandatory Requirements:

- Is an acceptable legal entity;
- Has met the insurance requirements;
- Will be compliant with Rapid Global prior to contract award;
- Registered Commercial Builder with the Building Practitioners' Board;
- Tender has been received in full prior to the closing time;
- Completed all schedules; and
- Lodged in electronic form using Council's e-tendering portal

Evaluation Criteria	Weighting
Price	60%
Capability/Capacity	15%
Sustainability, Quality & Environmental	15%
Programme & Methodology	10%
Total	100%

Site Meeting

A non-mandatory site meeting was facilitated on 15 November 2022 where Council Officers provided access and further insight into the requirements of the project. Attendance, notes, questions, and answers were captured and issued via an addendum shortly after to ensure all tenderers could access the same information.

Addenda

During the tender open period a total of nine (9) Addenda were advertised to address a range of queries including a request to extend the closing date to provide tenderers with adequate time to prepare a response. Having considered this request, the evaluation panel agreed to extend the closing date from 28 November to 12 December 2022. All addenda were responded to in a timely manner and to the satisfaction of the tenderer asking the clarification question.

FINANCIAL ANALYSIS

Following the closing of tenders, a comprehensive review of the pricing was undertaken by Councils Acting Manager Recreation Projects & Parks with further scrutiny by SHOP Consulting to ensure an accurate review and recommendation was presented to the evaluation panel. A detailed price and evaluation breakdown is provided within confidential Attachment 1.

Recommended option and justification

Following an extensive evaluation process the evaluation panel are unanimous in their decision to recommend Newpol Construction Pty Ltd for the Final Tender Price of **\$8,080,196.13 excluding GST**. Newpol Construction Pty Ltd offers the best value outcome for the community.

All tender prices received were over the pre-tender cost estimate and project budget. This is fundamentally due to current adverse market conditions impacting the construction industry. These impacts have been reported to Council in the recent Construction Market Impact Report presented to council forum on 17 May 2022.

The construction industry is experiencing unprecedented cost increases due to direct and in-direct impacts of the Covid-19 pandemic, inflationary pressures, labour and material shortages, and ongoing geopolitical issues. The tender prices received were aligned with the anticipated percentage price increases that industry experts have reported.

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 is currently made up from State Government funding grants, Council funding, and a funding agreement with Eastern Sports Development Ltd.

A detailed financial breakdown is provided in the Confidential Attachment to this report.

Works are anticipated to commence in April 2023 with an anticipated period for practical completion of 197 Master Builders Association of Victoria (MBAV) calendar days.

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. A detailed summary of the evaluation process is included in the Confidential Attachment to this report.

The recommendation in this report has been formally endorsed by the evaluation panel. The evaluation panel request that Council adopts the recommendations within this report.

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; and
- 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 also employs some staff that reside within the municipality. Some of the owners and sub-contractors reside in the Yarra Ranges. The purchasing of Hardware, Fuels, and servicing of all machinery is done locally.

Social Impacts

This has been considered as part of the project specification and evaluation process. The recommended tenderer tries in most cases to employ from Yarra Ranges.

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 will follow general guidelines to mitigate environmental damage.

Climate Change

This has been considered as part of the project specification and design process. Environmentally Sustainable Design features have been embedded into the design of the proposed building, including water sensitive urban design, passive ventilation systems, heavy insulation, LED lighting, natural lighting and the minimisation of energy and water use. Waste materials will be kept to a minimum during the construction works and recycled wherever possible. The design will help reduce energy consumption and utilise quality materials to decrease the ongoing maintenance and operational costs of the facility.

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.

PROBITY

Due to the value and risk of this project, and in accordance with Councils Procurement Policy, an independent probity advisor was engaged to oversee this project to raise and mitigate any probity related risks. A detailed Probity Plan was developed that lists the identified Probity Risks and mitigation strategies. The Probity Plan and associated checklist have been completed in accordance with the Australian Standard HB 325-2008 Probity in Decision Making and checklist and provided as confidential attachments to this report.

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. Confidential Attachment 1, CT7035 – Construction of a Basketball Court & Associated Facilities Tender Evaluation Report