

ORDINARY COUNCIL

ORD12

**SUBJECT: TENDER T006/2016 - ARGYLE STREET STREETScape UPGRADE -
STAGE 1B**

FROM: Acting Director Community Infrastructure

TRIM #: 15/340882

PURPOSE OF REPORT

To provide details of the tenders received for contract T006/2016, being Stage 1B of the Argyle Street Streetscape Upgrade, to recommend that Council accept the tender submitted by Statewide Civil Pty Ltd, and to seek additional funding to complete the proposed works.

BACKGROUND

Council recently completed the detailed design and approvals phase of this project, and is committed to undertaking improvements required in Argyle Street Camden.

The aim of these works are to:

- create an environment that will encourage a slower speed environment;
- create an environment which upgrades and enhances pedestrian mobility safety and access;
- enhance the main street of Camden so that it can continue to be relevant in a growing and changing LGA, as well as the broader region; and
- facilitate the continued retail and commercial success of the Town Centre.

The scope of works for Stage 1B generally comprises the section of road between John Street and Hill Street, and will include a set of pedestrian signals located mid way between these streets. The proposed upgrade will include construction of new footpath pavements, kerb and gutter, drainage works, utility adjustments, granite path paving, installation of pedestrian signals, installation of new street lighting, fencing, signage, line marking, adjustment of road pavement levels and landscape works.

A contractor is required to act as the Principal Contractor for the site and be responsible for the construction works. The Contractor will manage and coordinate all sub-contractors and integrate their output at all stages.

Procurement of a contractor for the works has been undertaken in two stages. The first stage was to issue an open Expression of Interest (EOI) to select suitable firms to participate in a Tender. This EOI was issued on 24 February, 2015, with no restrictions as to those organisations that may respond. The closing date for submissions was 17 March, 2015. Fourteen (14) firms responded to the EOI and seven (7) firms were assessed by the evaluation panel as suitable for participating in the tender. The recommended companies were approved by the Director Community Infrastructure.

The second stage of procurement was to issue Tender invitations to the selected firms. This was issued for stage 1B on 23 October, 2015 with tender returns required by 16 November, 2015.

MAIN REPORT

Invitation to Tender

The tender for Stage 1B of the Argyle Street Streetscape Upgrade, was issued to the pre-selected list of tenderers, using the NSW e-tendering website. Tenderers were asked to provide a lump sum price for the Stage 1B works.

Tender Submissions

Tenders were received from companies listed below in alphabetical order:

<u>Name of Tenderer</u>	<u>Location</u>
CA&I Pty Ltd	Chippendale NSW
Quality Management & Constructions Pty Ltd	Bella Vista NSW
Statewide Civil Pty Ltd	Norwest NSW

A summary of the submissions is provided in the **Supporting Documents**. Please note this information is Commercial in Confidence.

Tender Evaluation

The intention of the tender process is to appoint a contractor with proven capacity and experience in similar scale projects, as well as providing good value and quality services to Council.

A tender evaluation panel was established and the submissions were assessed on price and non-price factors as agreed by the evaluation panel. Price was given weighting of 50% and non-price factors a weighting of 50%

Non Price Factors considered for this project include:

- Conformity to the specification and tender documents
- Previous experience
- Proposed team, reliability and capacity
- Program
- Methodology for undertaking the works.
- WH&S

Statewide Civil Pty Ltd has provided the most competitive tender in terms of cost and meeting all requirements of Council's tender documentation. Past clients were contacted and provided positive feedback for Statewide Civil Pty Ltd.

Statewide Civil Pty Ltd has demonstrated a proven track record in delivering projects of a similar scale and nature for Local Government.

The panel members all agreed that the tender by Statewide Civil Pty Ltd represented the best value to Council.

Relevant Legislation

The tender has been conducted in accordance with the Local Government Act 1993, the Local Government Regulations (2005) and Council's Purchasing and Procurement Policy.



Critical Dates / Time Frames

Statewide Civil Pty Ltd has submitted a program to complete the works in 18 weeks from commencement. This program does not include any allowance for wet weather which would extend the completion date.

The commencement date is currently scheduled following Australia Day 2016. Council will however continue discussions with businesses to determine the most suitable arrangements for undertaking the works.

Budget Implications

The overall budget for Stage 1 was established as a pre-design estimate in the amount of \$4.1m. As noted in the Council report of 25 November 2014, estimates were to be further refined as the detailed design was developed and the full extent of the works were known.

During the detailed design phase and upon receipt of the tenders for Stage 1A, it was apparent that several components of the project had increased. It was considered appropriate to complete the tender process for Stage 1B before finalising an overall review of the budget implications. The tender process for Stage 1B has now clarified the overall budget that may be required for the works.

The components that have particularly increased from the original pre-design estimate are:

Additional road reconstruction works	\$165,000
Additional electrical and utility adjustment works	\$975,000
Additional design and approvals	\$160,000

Road Reconstruction Works

The original predesign estimates used for budget purposes had identified only limited road works, principally for adjustment of levels to suit the new kerb. The existing road surface is visually in good condition however, geotechnical investigations revealed that the road pavement was weaker than anticipated. Should the existing road pavement have been retained, it is considered that the road would fail within 3 to 5 years, requiring ongoing renewal works.

Therefore it was appropriate to bring forward the road reconstruction works to achieve a 20 year asset life, which would have a lower overall cost and least disruption if undertaken as part of the current town centre works.

It is also noted that these costs have further increased due to unforeseen sub-surface conditions encountered during construction in some isolated locations, which required increased pavement depths.

Electrical adjustment and utility works

During the electrical investigations and design, it was found that a number of premises were not connected to the usual independent utility power circuit, but were connected to the street lighting circuit. It was necessary to separate these services from the street lighting circuit, which incurred significant design and approval costs, as well as the additional costs for the actual separation works, including significant underground cabling costs.

Other essential utility adjustments including Telstra, NBN, Jemena (gas) and Sydney Water were substantially higher than in the pre-design estimate, and are unavoidable costs which need to be funded.

Design and Approval Costs

In order to respond to the above requirements, additional external specialist design services were required.

These external resources have contributed to the increased cost of the project. Additionally, the wider scope of the utility adjustments required additional approval fees from the relevant utility authorities.

FINANCIAL IMPLICATIONS

The 2015/16 budget includes a funding package of \$4.1 million for Stage 1 works in Argyle Street. The completion of the tender process for Stage 1B has confirmed that additional funding of \$1.85 million will be required in order to complete Stage 1.

This is based on anticipated additional investment of \$1,300,000 for the overall project, plus a contingency amount of \$550,000, to provide for possible variations and latent conditions that may be encountered. Any of the contingency funds that are not required, will be returned to Reserves.

The following additional funding package is available to Council:

Regional Block Grant – currently unallocated	\$155,000
Roads To Recovery Grant – currently unallocated	\$413,694
Asset Renewal Reserve (*)	\$781,306
Capital Works Reserve	\$500,000
Total	\$1,850,000

(*) Council has applied for additional funding under the Western Sydney Infrastructure Plan (WASIP); the additional funding available to Council under the program guidelines is \$238,105. If this grant application is successful the amount required to be transferred from the Asset Renewal Reserve will be reduced to \$543,201.

The remaining balance within Council’s Asset Renewal Reserve upon the proposed transfer of \$781,306 will be \$1,223,703 which is available for allocation to other renewal projects. The uncommitted balance of this reserve will increase if the WASIP grant is successful as discussed above, and if the included contingency is not fully committed.

The remaining balance of the Capital Works Reserve upon the proposed transfer of \$500,000 will be \$2,220,790 this balance will further reduce to \$2,020,790 if Council approves the allocation of \$200,000 at tonight’s meeting for the proposed works at Birriwa Reserve.

CONCLUSION

The overall budget for Stage 1 was established as a pre-design estimate in the amount of \$4.1m. As noted in the Council report of 25 November 2014, estimates were to be further refined as the detailed design was developed and the full extent of the works were known.

The tender for stage 1B has now clarified the overall budget that may be required for the works. Increased funding allocations have been summarised above to allow for the additional unforeseen and unavoidable costs.

The increased funding will allow for the delivery of a high quality streetscape for the Camden Town Centre, which ensures that the infrastructure and utility improvements will meet the future needs of the Camden community. The additional road reconstruction works have been brought forward to ensure that the road will achieve a 20 year asset life and is a renewal cost that Council would have otherwise been required to fund in the future.

Statewide Civil Pty Ltd has provided a conforming tender for Stage 1B. The tender assessment concludes that the offer by Statewide Civil Pty Ltd represents best value to Council and the company has a proven track record of performance on projects of a similar nature.

RECOMMENDED

That Council:

- i. **accept the tender provided by Statewide Civil Pty Ltd for Stage 1B, between John and Hill Streets, for the lump sum value of \$1,806,116.92 (GST exclusive);**
- ii. **adopt the following additional funding package for works in Argyle Street:**

Regional Block Grant	\$155,000
Roads To Recovery Grant	\$413,694
Asset Renewal Reserve	\$781,306
Capital Works Reserve	\$500,000
Total	\$1,850,000

and

- iii. **authorise the relevant documentation to be completed under Council's Power of Attorney, granted on 27 August 2013, Minute Number ORD215/13.**

ATTACHMENTS

1. **Tender T006/2016 - Argyle Street Streetscape Upgrade - Stage 1B - *Supporting Document***