

CONFIDENTIAL



Ordinary Council Meeting Agenda

Tuesday 11 June 2019
Commencing at 7pm -

Council Chamber
Hobsons Bay Civic Centre
115 Civic Parade, Altona

**HOBSONS
BAY CITY
COUNCIL**



THE COUNCIL'S MISSION

We will listen, engage and work with our community to plan, deliver and advocate for Hobsons Bay to secure a happy, healthy, fair and sustainable future for all.

OUR VALUES

Respectful

Community driven and focused

Trusted and reliable

Efficient and responsible

Bold and innovative

Accountable and transparent

Recognised

Council acknowledges the peoples of the Kulin nation as the Traditional Owners of these municipal lands and waterways, and pay our respects to Elders past and present.

Chairperson:

Cr Jonathon Marsden (Mayor)

Strand Ward

Councillors:

Cr Angela Altair

Strand Ward

Cr Peter Hemphill

Strand Ward

Cr Tony Briffa

Cherry Lake Ward

Cr Sandra Wilson

Cherry Lake Ward

Cr Colleen Gates

Wetlands Ward

Cr Michael Grech (Deputy Mayor)

Wetlands Ward

Aaron van Egmond
Chief Executive Officer
Hobsons Bay City Council

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This report is considered confidential under s89(2)(d) of the *Local Government Act 1989* as it relates to contractual matters.

12 In Camera Business

12.1 Contract No. 2019.02 Altona Sports Centre Extension - Design and Construction

Directorate: Infrastructure and City Services

Councillor Portfolio: Active and Inclusive Communities - Cr Michael Grech and Cr Peter Hemphill

Appendices: Nil

Purpose

To award Contract No.2019.02 for the Altona Sports Centre Extension - Design and Construction to Devco Project and Construction Management Pty Ltd.

Recommendation

That Council:

1. Award Contract No. 2019.02 Altona Sports Centre Extension - Design and Construction to Devco Project and Construction Management Pty Ltd at a fixed lump sum price of [REDACTED]
2. Execute an agreement to [REDACTED] as their contribution to the project.

Summary

It is recommended that Contract No.2019.02 for the Altona Sports Centre Extension - Design and Construction be awarded to Devco Project and Construction Management Pty Ltd at a fixed lump sum price of [REDACTED]. The panel's decision was based on price, previous experience, project methodology, past performance and capacity to complete the program of works by the required completion date.

[REDACTED] as a key stakeholder and supporter of the project have confirmed a financial contribution to the project of [REDACTED]. It is recommended that Council agree to [REDACTED]. Council's Finance Department have assessed the financial risk [REDACTED].

Background

The Altona Sports Centre is situated at H.D. Graham Reserve in Altona Meadows. The Centre was constructed as a 4 court stadium in 1992, with a further 2 court extension completed in 2008. The current ASC comprises of 3 stadium areas with 6 indoor basketball/netball courts, 2 lit outdoor netball courts, canteen/kiosk area and associated amenities. There are currently 6,500 registered participants playing at the Altona Sports Centre. These participants play in the Altona Basketball Association and the Altona Netball Association. The centre currently operates at capacity during peak times which is

demonstrated by 80-90 bytes per week and significant scheduling issues due to the lack of court space.

A feasibility investigation undertaken in 2017 recommended a 4 court extension to the Centre with associated facilities to meet current and future demands.

In June 2018, Council was looking at a cost estimate of \$18,500,000 for the construction of the Sports Centre with a separate design and separate construction tender.

Consideration was given to implementing an alternative procurement strategy such as a "Design and Construction" (D&C) tender to achieve better value for money, cost savings over the entire project and an optimised design informed by contractor input.

In late 2018 a decision was made to procure a Design and Construction (D & C) contract based on the initial concept plan developed as part of the initial design contract. The recommended tendered sum that has been received through this D & C procurement process is [REDACTED] and represents a saving of [REDACTED] under a D & C contract.

Discussion

Tender Process

A public tender process was conducted between 19 January and 7 March 2019 with sixty two companies downloading the tender documents. An open house information session was conducted at the Centre in February providing interested contractors with the opportunity to view the Centre and gain further project information. Eight tender submissions were received.

The Tender Evaluation Panel met on 13 March 2019 to review and shortlist the tender submissions based on the pre-defined evaluation criteria and determined to interview three tenderers who received a weighted score above 80 per cent. In accordance with Council's Procurement Policy, a probity advisor was engaged to oversee the tender evaluation process.

The three preferred tenderers shortlisted were interviewed on 25 March 2019 with each tenderer presenting their submission and providing responses to pre provided questions from the tender panel. Specifically the panel sought to confirm the tenderer's experience in similar projects, items demonstrating value management, capacity to deliver the project and environmental sustainability outcomes.

Each of the three tenderers demonstrated their experience in delivering similar projects and capacity to deliver the project as detailed in the preliminary designs and specification. Devco presented a 3D model of the project including the phasing of the project elements which demonstrated their thorough understanding of the project.

Devco attributed the underestimation that resulted in revised costs to the design aspects, subcontractor availability and confirmation. The Panel agreed to proceed with reference checks to clarify Devco's performance.

Reference checks were undertaken for Devco which confirmed Devco's ability to manage similar projects within prescribed timeframes, minimal variations and overcome delays from unanticipated events. Referees confirmed Devco has a high standard of workmanship with minimal remedial works been required post construction. No work health safety issues were identified and Devco was recognised for their engagement with the client and site stakeholders. Noting the Altona Sports Centre will continue to operate during construction,

referees also acknowledged Devco’s capacity to ensure continued operations with minimal disruptions. Devco has also successfully delivered few significant Hobsons Bay City Council projects such as the Newport Library and Seniors Centre and the Altona North Library.

The panel recommends awarding the contract to Devco Project and Construction Management Pty. Ltd. This is based on Devco having the highest weighted score for price, project program, methodology, experience, capacity and past performance. It is also noted that Devco will meet the DDA compliance, ESD requirements and working with children check. Devco have confirmed their understanding of a phased approach to this design and construct contract which requires them to achieve defined outcomes before granting approval to proceed to further phases. The agreed hold point phases including separable portions are:

Separable Portion 1 – Car park and Netball Courts

- Hold point 1: Design
- Hold point 2: Construction and Commissioning

Separable Portion 2 – Four Court extension and other facilities

- Hold point 3: Concept Design
- Hold point 4: Detailed Design
- Hold point 5: Construction and commissioning

Financials

The fixed lump sum price for Contract No.2019.02 for the Altona Sports Centre Extension Design and Construction is [REDACTED]

The project is funded from various sources including government grants (\$3M), [REDACTED] contribution [REDACTED], Council capital funds (\$9.7M).

In October 2018, Council was successful in securing a \$3 million grant as part of the State Government’s (Sport and Recreation Victoria) Better Indoor Stadium Funding Program. The grant application was competitive and deemed successful due to the financial contributions toward this project from Council and [REDACTED]

[REDACTED] as a key stakeholder and supporter of the project were engaged in the development of the preliminary plans and have confirmed a financial contribution to the project of [REDACTED]. It is recommended that Council agree to [REDACTED] as their contribution to the project.

[REDACTED]

[REDACTED] A business plan developed as part of the Altona Sports Centre Feasibility Study and [REDACTED] most recent financial statements have been reviewed by Council’s Finance Department. Finance has assessed the financial risk of Council [REDACTED]

Initial investigations and studies have taken legislative requirements into account regarding the project. Ongoing engagement during the design phase with the relevant authorities will be required including (but not limited to), Melbourne Water, Department of Environment, Land, Water, and Planning (DELWP), Environment Protection Authority (EPA), Heritage Victoria. A Cultural Heritage Management Plan has been completed and approved by Aboriginal Victoria.

Geotechnical and environmental soil testing onsite has been completed to isolate areas where contamination has been found. A management plan has been prepared which treats the soil onsite to minimise off-site disposal fees.

Financial and Resource Implications

The fixed lump sum price for Contract No.2019.02 for the Altona Sports Centre Extension Design and Construction is [REDACTED]

The project is funded from various sources including government grants (\$3M), [REDACTED] contribution [REDACTED], Council capital funds [REDACTED]. With the Design and construct approach, the council contribution will be reduced by [REDACTED]. The table below presents a summary of the project funding sources.

Funding Source	Amount (\$) excluding GST
[REDACTED]	[REDACTED]
State Government Grant	\$3,000,000
Council Capital	[REDACTED]
Total	[REDACTED]

Council was successful in securing a \$3 million grant as part of the State Government's Better Indoor Stadium Funding Program.

[REDACTED] as a key stakeholder and supporter of the project have confirmed a financial contribution to the project of [REDACTED]. It is recommended that Council agree to [REDACTED]. Council's Finance Department have assessed the financial risk of Council [REDACTED].

Environmental/Social/Economic Impacts

The design and construction of an expansion to the Altona Sports Centre will provide a fully functional sports facility accessible to the Hobsons Bay community. Through external funding secured, this building will also include female friendly facilities. This project will be a 6 star or equivalent sustainable designed building, measured against the Green Building Council Australia (GBCA) Green Star rating tool and will contribute to Council's Environmental Sustainability objectives.

Consultation and Communication

The Engagement Strategy for the project commenced as part of the Altona Sports Centre Concept Design and Feasibility Project and has progressed with the preliminary design of the expansion project. A variety of consultation methods have been used including:

1. Club Surveys: to obtain technical, user and operational information (completed as part of the feasibility project)
2. Public/User Surveys: an online survey was made available to all participants and attendees to the Altona Sports Centre, and the broader community via Councils project website (completed as part of the feasibility project)
3. Key stakeholder discussions: including the [REDACTED], relevant associations and state sporting bodies (commenced with the feasibility project and continued through the preliminary design phase)

Council will continue to liaise with [REDACTED], tenant associations, State Sporting Associations and Sport and Recreation Victoria throughout the detailed design and delivery phases of the project.

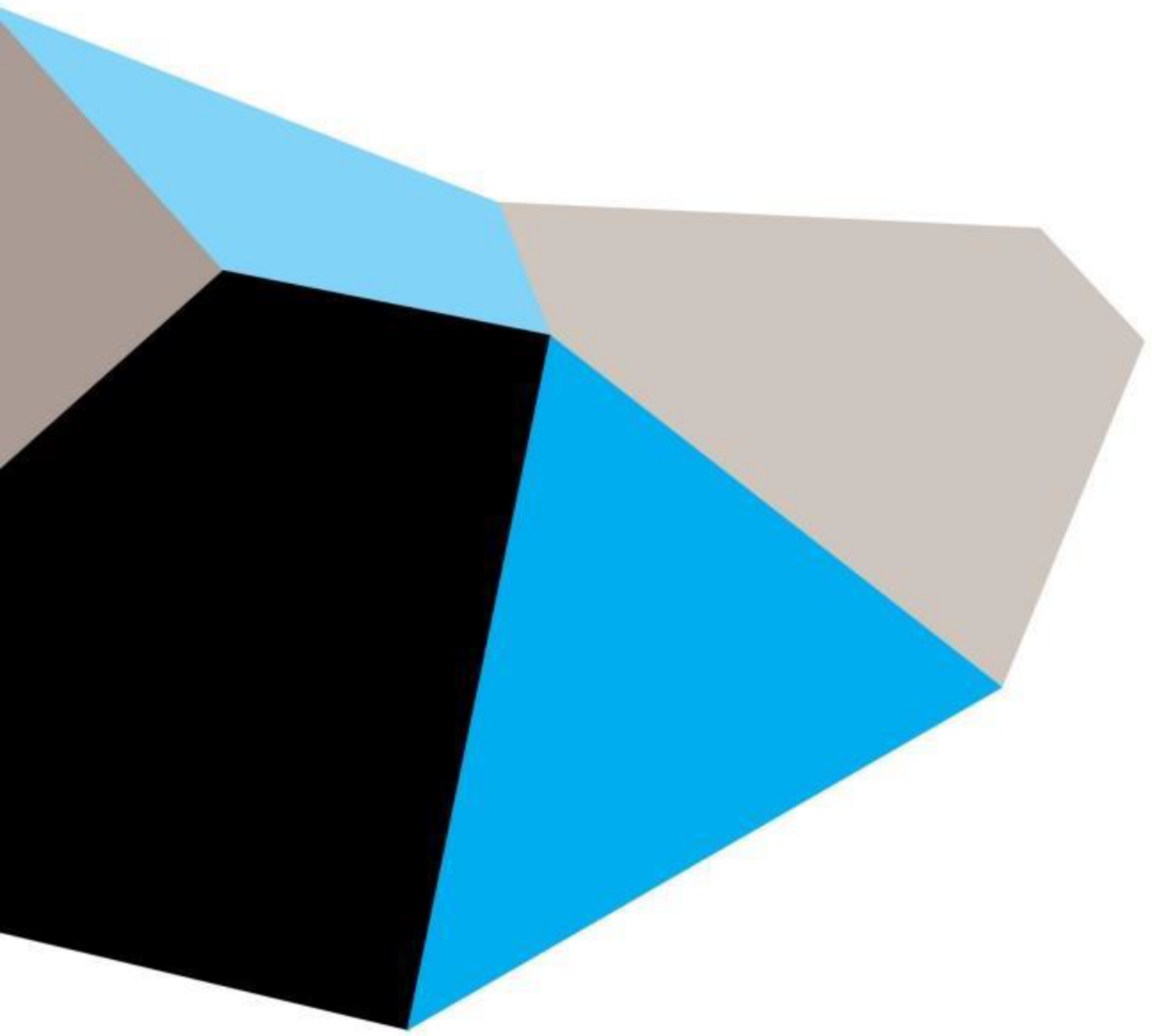
The tender was publicly advertised within The Age on 19 January 2019 and it was closed on the 7 March 2019.

The tender evaluation report for contract 2019.02 was presented to Council's Tender Board on 6 May 2019. The Tender Board agreed with the tender evaluation panel's recommendation to award the contract to Devco Project and Construction Management Pty Ltd subject to Council approval.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.



HOBSONS BAY CITY COUNCIL

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12 In Camera Business

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12.1 Contract No. 2019.02 Altona Sports Centre Extension - Design and Construction

Directorate: Infrastructure and City Services

Councillor Portfolio: Active and Inclusive Communities - Cr Michael Grech and Cr Peter Hemphill

Appendices: Nil

Purpose

To award Contract No.2019.02 for the Altona Sports Centre Extension - Design and Construction to Devco Project and Construction Management Pty Ltd.

Motion

Moved Cr Colleen Gates, seconded Cr Peter Hemphill:

That Council:

1. Award Contract No. 2019.02 Altona Sports Centre Extension - Design and Construction to Devco Project and Construction Management Pty Ltd at a fixed lump sum price of up to [REDACTED]
2. Execute an agreement to [REDACTED] as their contribution to the project.
3. Remove the confidentiality in relation to the name of the successful tenderer immediately.
4. Remove the confidentiality of the report at the earliest possible point in the construction process.

Carried

Summary

It is recommended that Contract No.2019.02 for the Altona Sports Centre Extension - Design and Construction be awarded to Devco Project and Construction Management Pty Ltd at a fixed lump sum price of [REDACTED]. The panel's decision was based on price, previous experience, project methodology, past performance and capacity to complete the program of works by the required completion date.

[REDACTED] as a key stakeholder and supporter of the project have confirmed a financial contribution to the project of [REDACTED]. It is recommended that Council agree to [REDACTED]. Council's Finance Department have assessed the financial risk of Council [REDACTED].

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Financials

The fixed lump sum price for Contract No.2019.02 for the Altona Sports Centre Extension Design and Construction is [REDACTED]

The project is funded from various sources including government grants (\$3M), [REDACTED] contribution [REDACTED], Council capital funds [REDACTED].

In October 2018, Council was successful in securing a \$3 million grant as part of the State Government's (Sport and Recreation Victoria) Better Indoor Stadium Funding Program. The grant application was competitive and deemed successful due to the financial contributions toward this project from Council and [REDACTED]

[REDACTED] as a key stakeholder and supporter of the project were engaged in the development of the preliminary plans and have confirmed a financial contribution to the project of [REDACTED]. It is recommended that Council agree to [REDACTED] as their contribution to the project.

[REDACTED]

[REDACTED] A business plan developed as part of the Altona Sports Centre Feasibility Study and [REDACTED] most recent financial statements have been reviewed by Council's Finance Department. Finance has assessed the financial risk of Council [REDACTED]. With the information provided and [REDACTED], Finance regards [REDACTED] as [REDACTED] and therefore a low risk to Council.

Motion

Moved Cr Peter Hemphill, seconded Cr Sandra Wilson:

That Council reopen the meeting to members of the public.

Carried

The meeting was re-opened to members of the public at 9.05pm.

Chairperson - Cr Jonathon Marsden
Signed and certified as having been confirmed.
25 June 2019