

5. AGENDA ITEMS

5.1. GRANT STREET, PORT DOUGLAS - WATER MAIN RENEWAL

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DEPARTMENT	Project Office

RECOMMENDATION

That Council:

- 1. Resolves to award Contract WO5667 - Grant Street, Port Douglas Water Main Replacement to FGF Developments Pty Ltd (ABN 67 102 951 039) for \$453,457.03 (GST exclusive).**
- 2. Delegates authority under s 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contract.**

EXECUTIVE SUMMARY

Douglas Shire Council requires a contractor to replace the water main located on Grant Street, Port Douglas. The aging infrastructure has reached its useful life and in recent times has incurred continuous repairs to keep the asset operational.

The pipeline replacement will also provide opportunity for a robust system and improve maintenance over the next 50 years.

Douglas Shire Council will be undertaking this upgrade under the 2021/22 Capital Works Budget. The project budget is \$550,000 (exclusive of GST) and there are no grants from external funding bodies to support this upgrade.

The primary challenges with the scope are constructing the works with minimal impact to businesses and residents, particularly when cutover from the old service to the new occurs. It is noted that access to Grant Street, Port Douglas will be restricted to services vehicles only, such as deliveries, tradesmen and emergency services.

Council issued an open tender invitation through Vendor Panel for the WO5351 - Grant Street, Port Douglas Water Main Replacement. At the time of the tender close, six contractors submitted six submissions.

The submissions received are outlined in Table 1 - Received Submissions Summary below. It is noted that one submission was received after the tender close. This late submission was deemed non-conforming following review from the evaluation panel.

Table 1 - Received Submissions Summary

Tenderer	Price	Offer	Status
FGF Developments Pty Ltd	\$453,457.03	Comparative	Conforming
2	\$462,997.00	Comparative	Conforming
3	\$960,287.00	Comparative	Conforming
4	\$569,899.73	Comparative	Conforming
5	\$451,026.00	Comparative	Conforming
6	-	Not Assessed	Non-Conforming

All submissions were assessed by the evaluation committee. This evaluation process was weighted with 40% price criteria and 60% weighting for the non-price criteria.

Based on the results of the evaluation, FGF Developments Pty Ltd is the recommended tenderer for the contract. FGF Developments Pty Ltd provided a comprehensive submission in terms of strong understanding of the scope with experience to handle cutovers and detailed risk mitigation for work activities.

The submission also highlighted the contractor's capacity and experience to take on the scope.

The offer from FGF Developments Pty Ltd was the second cheapest from the competing submissions, with a difference of \$2,431.03 from the cheapest submission received.

BACKGROUND

Douglas Shire Council requires a contractor to replace the water main located on Grant Street, Port Douglas. The works location on Grant Street intersects with Mowbray Street and Warner Street, Port Douglas. The aging infrastructure has reached its useful life and in recent times has incurred continuous repairs to keep the asset operational.

The pipeline replacement will also provide opportunity for a robust system and improve maintenance over the next 50 years.

The primary challenges with the scope of works are but not limited to, constructing the works with minimal impact to businesses and residents, particularly when cutover works occur. It is noted that access to Grant Street, Port Douglas will be restricted to services vehicles only, such as deliveries, tradesmen and emergency services.

Submissions were required to demonstrate experience in undertaking works with existing infrastructure along with conducting multiple pipe crossings at the Mowbray Street and Warner Street Intersection.

Council issued an open tender invitation through Vendor Panel for the 5351-Grant Street Port Douglas Water Main Replacement. The Vendor panel reference number is VP282213.

Table 2 indicates the submissions received.

Table 2 - Received Submissions Summary

Tenderer	Located
GNM Group (QLD) Pty Ltd	Townsville QLD
MC Group (QLD) Pty Ltd	Mossman QLD
FGF Developments Pty Ltd	Cairns QLD
Relining Solutions Pty Ltd	Cairns QLD
Sudi Investments Pty Ltd	Cairns QLD
Terranovus	Cairns QLD

COMMENTS

Evaluation of the received submissions was conducted by:

Table 3 - Evaluation Panel Members

Position	Department
Project Manager	Project Office
Project Manager	Project Office
Team Leader – Water Reticulation	Water Department

An initial compliance check was conducted on received submissions to determine non-conforming and alternative offers from the requirements of the Request for Tender (RFT). This included compliance with the contractual requirements and provision of requested information.

It is noted that one submission was received after the tender close. This late submission was deemed non-conforming following review from the evaluation panel and was excluded from further evaluation.

A summary of the compliance check is shown in Table 4.

Table 4 - Tender Submission Conformance

Tenderer	Price	Offer	Status
FGF Developments Pty Ltd	\$453,457.03	Comparative	Conforming
2	\$462,997.00	Comparative	Conforming
3	\$960,287.00	Comparative	Conforming
4	\$569,899.73	Comparative	Conforming
5	\$451,026.00	Comparative	Conforming

The remaining five submissions received were accepted by the evaluation panel for assessment on the basis that all terms, conditions, and mandatory requirements of the RFT had been substantively met.

During the evaluation process, submissions were assessed against the evaluation criteria detailed in the RFT documentation. Specific criteria were weighted according to their importance in delivering the project successfully and providing the best overall value for money solution in accordance with Council's procurement policies.

The weighting attributed to each criterion was:

Table 5 - Evaluation Criteria

Criteria	Weighting
Technical Capacity of Tenderer	15%
Business Profile (Local, Social and Sustainability)	20%
Program of Works	10%
Works Procedures and Methodology	15%
Price	40%

Each Tenderers score and rankings are shown in Table 6.

Table 6 - Tenderer's Ranking and Scoring

Tenderer	Weighted Score					Total Score	Ranking
	Price (40%)	Technical Capacity (15%)	Business Profile (20%)	Program (10%)	Methodology (15%)		
FGF Developments	39.9	13.8	17.3	8.3	13.5	92.8	1
2	39.3	12	17	7.2	11	86.5	2
3	33.3	9.8	17.7	8.3	9	78.1	3
4	40	8	8.7	4.5	5.8	67.0	4
5	11.2	13.5	12.3	6	11.5	54.5	5

The green shading in the above table indicates the highest score for the criteria and the red shading indicates the lowest score for the criteria.

Based on the results of the evaluation, FGF Developments Pty Ltd is the recommended tenderer for the contract. FGF Developments Pty Ltd provided a comprehensive submission in terms identifying an innovative solution that supports and improves logistics and timeframes so that businesses and residents are least impacted as practicable as possible.

The submission also highlighted the contractor's capacity and experience to take on the scope.

The offer from FGF Developments Pty Ltd was the second cheapest from the competing submissions.

PROPOSAL

It is proposed that Council adopts to accept the evaluation panels award recommendations.

That Council:

1. Resolves to award Contract WO5667 - Grant Street, Port Douglas Water Main Replacement to FGF Developments Pty Ltd (ABN 67 102 951 039) for \$453,457.03 (GST exclusive).
2. Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contract.

FINANCIAL/RESOURCE IMPLICATIONS

Council has allocated the following amounts in the capital budget 21/22.

Table 7 - Budget and Expenditure

Financial Year Budget 21/22	Amount (excl. GST)
Project Budget	\$550,000.00
Expended to Date (as at 25/02/2022)	\$9,179.21
Budget Available	\$540,820.79
Recommended Tender Price (RTP)	\$453,457.03
Project Management	\$14,000.00
Project Inspector	\$12,800.00
Administration Costs	\$4,900.00
Additional Design Support Costs	\$3,500.00
Contingency (10% of RTP)	\$45,345.70
Total Project Costs Estimated	\$534,002.73
Net Position (Surplus)	\$6,818.06

RISK MANAGEMENT IMPLICATIONS

The selection of FGF Developments Pty Ltd provides some reduced risk by:.

- Engaging a Cairns based contractor who will be utilising subcontractors from the Douglas Shire area.
- Contractor has significant understanding of the scope of works and have undertaken similar high impact works previously.
- The contractor has provided a detailed risk Mitigation for work activities.

- The program consists of a 55-day construction timeline that is both reasonable and realistic.

SUSTAINABILITY IMPLICATIONS

- Economic:** Local suppliers, cafes and at times hotel accommodation will be utilised during construction.
- Environmental:** The project is located on Grant Street, Port Douglas. There are no impacts to Environment. Construction is not nearby water ways.
- Social:** The upgrade will provide an upgraded and reliable water network for the community and will save costs long term upon completion of the project.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 2 - Fostering Sustainable Economic Growth

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector. Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

Goal 1 - We will build appropriate infrastructure and deliver services that connect and support businesses.

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

Operational Plan 2021-2022 Actions:

1.3.2 - Consultation with community, businesses, police. Prepare a plan to enable to secure grant funding, enhance safety.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Builder/Owner Council makes a significant investment every year in the infrastructure that underpins the Shire through its capital works program. Council will manage its assets with appropriate frameworks and deliver its projects through robust project management.

CONSULTATION

Internal: Consultation has occurred with Officers across all required departments during the preparation of the tender

External: Tenders were received through public advertising of the project.

ATTACHMENTS

Nil