

5.10. CONTRACT 2021-048 KILLALOE TRANSFER STATION - RESOURCE RECOVERY CENTRE

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DEPARTMENT	Project Office

RECOMMENDATION

That Council: -

- 1. Resolves to award Contract Number 2021-048 Killaloe Transfer Station Resource Recovery Centre to Byrant Builders Pty Ltd (ABN 25 076 958 453) for \$1,029,360.00 exclusive of GST.**
- 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.**

EXECUTIVE SUMMARY

Council requires a contractor to complete the construction activities for the New Resource Recovery Centre at Killaloe Transfer Station.

The Resource Recovery Centre was adopted by council to construct after the State Government announced the introduction of the new waste levy, effective as at 1 July 2019. The works are an approved project which is part of the Works for Queensland 2019 - 2021 Program and Douglas Shire Council will receive \$565,000.00 in funding.

Council issued a Request for Tender with the objectives of engaging a Builder who will:

- Supervise the construction works.
- Ensure safety standards for staff/contractors/public during construction
- Coordinate with Transfer Station staff to ensure existing operations are upheld.
- Successfully complete the scope to the quality standards required
- Complete the project within the program timelines and at the agreed cost.
- Mitigate the projects risks successfully
- Provide the technical skills and experience necessary for the project

On 23 October 2020, Council invited submissions via an open tender process through the Vendor Panel website which closed on 19 November 2020.

At the time of the tender close, five contractors submitted five submissions. Post tender clarifications were had with each contractor and amendments were made to the tender prices, revised tender prices are outlined in Table 1 - Received Submissions As Adjusted Summary.

Table 1. Received Submissions As Adjusted Summary

Tenderer's Name	Price Ex GST	Offer	Status	Location
Bryant Builders Pty Ltd	\$1,029,360.00	Comparative	Conforming	Cairns, QLD
H.C. Builders Pty Ltd	\$1,072,667.90	Comparative	Conforming	Cairns, QLD
Lanmac Builders Pty Ltd	\$1,185,200.00	Comparative	Conforming	Mossman, QLD
Neater Constructions Pty Ltd	\$1,312,750.00	Comparative	Conforming	Cairns, QLD
Novar Group Pty Ltd	\$1,480,392.00	Comparative	Non-Conforming	Brisbane, QLD

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, Bryant Builders Pty Ltd is the recommended tenderer for the contract. Bryant Builders Pty Ltd provided the best overall submission in terms of price, safety, local busines, program and technical capability.

Note that there is still external pavement works that are required to be completed after construction activities for this project to be deemed complete. These works will occur in next year's financial budget and will include the overrun of the construction works.

BACKGROUND

Douglas Shire Council issued tender documents seeking suitability experienced and qualified contractors for the construction of a new Resource Recovery Centre at Killaloe Transfer Stations.

The Resource Recovery Centre was adopted by council to construct after the State Government announced the introduction of the new waste levy, effective as at 1 July 2019. The works are an approved project which is part of the Works for Queensland 2019 - 2021 Program and Douglas Shire Council will receive \$565,000.00 in funding.

On 23 October 2020 Council invited submissions via an open tender process through the VendorPanel website which closed on 19 November 2020

The submissions received are outlined in Table 2 - Received Submissions.

Table 2. Received Submissions

Tenderer's Name	Location
Bryant Builders	Cairns, QLD
H.C. Builders	Cairns, QLD
Lanmac Builders	Mossman, QLD
Neater Construction	Cairns, QLD
Novar Group	Brisbane, QLD

COMMENT

Evaluation of the tender was conducted by:

Table 3. Evaluation Panel Members

Position	Department
Project Manager	Project Office
Project Manager	Project Office
Manager	Project Office

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.

Table 4 – Tender submission conformance summarises the results of this compliance check.

Table 4. Tender submission conformance

Tenderer's Name	Price (GST excl)	Offer	Status
Bryant Builders Pty Ltd	\$1,029,360.00	Comparative	Conforming
H.C. Builders Pty Ltd	\$1,072,667.00	Comparative	Conforming
Lanmac Builders Pty Ltd	\$1,185,200.00	Comparative	Conforming
Neater Construction Pty Ltd	\$1,312,750.00	Comparative	Conforming
Novar Group Pty Ltd	\$1,480,392.00	Comparative	Non-Conforming

Four out of the five submissions 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. The one submission that was deemed none compliant did not have the adequate builders license to complete the works.

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.

The weighting attributed to each criterion was:

Table 5. Evaluation Weighting

Criterion	Weighting
Price	40%
WHS Management Systems	10%
Local Business	20%
Experience & Technical Capability	10%
Program	10%
Work Procedures and Methodology	10%

The responses were received within the requested timeframes and were considered by the evaluation panel in their assessment.

Based on the results of the evaluation, Bryant Builders Pty Ltd is the recommended tenderer for the contract. Bryant Builders Pty Ltd provided the best overall submission in terms of price, safety, local business, program, work procedures and technical capability.

A graphical summary of the evaluation outcomes is contained within Attachment 1.

The graph shows the results for the individual criteria from Table 5 evaluation weightings for all submissions considered.

The recommended submission result for each criterion is shown as a black diamond. The mean or average result is shown as a black line within the coloured box. The “T” and inverted “T” represent the upper and lower range for the criterion. The rectangular box represents the interquartile range or the middle 50% of results.

PROPOSAL

That Council:

1. Resolves to award Contract Number 2021-048 Killaloe Transer Station Resource Recovery Centre to Bryant Builders Pty Ltd (ABN 25 076 958 453) for \$1,029,360.00 exclusive of GST.
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 2019/20

Table 6. Budget/Expenditure

Description	Amount	Notes
CURRENT COMMITMENTS		
Expenditure to date (3/12/2020)	\$225,172.89	
Other Commitments	\$188,452.24	
FUTURE COMMITMENTS		
Proposed Contract Price	\$1,029,360.00	
Project Management	\$15,000.00	
Contingency	\$50,000.00	
Estimated Cost of Project	\$1,507,985.13	
BUDGET		
Current budget	\$1,435,000.00	
BALANCE	-\$72,985.13	Shortfall

Note that there is still external pavement works that are required to be completed after construction activities for this project to be deemed complete. These works will occur in next year's financial budget and will include the overrun of the construction works.

RISK MANAGEMENT IMPLICATIONS

The selection of Bryant Builders is expected to mitigate the construction risks. They are a medium sized builder with significant experience in this type of project.

SUSTAINABILITY IMPLICATIONS

- Economic:** Financial sustainability of the Council would be at risk if capital works programs are not kept within budget or are not undertaken.
- Environmental:** Failing to maintain assets can lead to environmental impacts through the release of materials to the environment outside of licence conditions. Poorly maintained assets can also have impacts on energy and resource use.
- Social:** Communities expect assets such as roads, bridges and water/wastewater systems to be safe and maintained to necessary standards.

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.

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 been undertaken with relevant staff within Resource Management and Project Management Office departments

External: Consultation has been undertaken with structural and hydraulic consultants and with building certifier to engineer and provide construction plans for shed and the fire main.

ATTACHMENTS

1. DS C 2021 048 Resource Recovery Centre Evaluation Graph [5.10.1 - 1 page]

Evaluation Graph

Price WHS System Methodology Program Local Business Experience

