

## **5.7. CONTRACT WO5288 - MACROSSAN AND OWEN STREET INTERSECTION UPGRADE - CONSTRUCTION**

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**DEPARTMENT** Infrastructure

### **RECOMMENDATION**

**That Council resolves to:**

- 1. Award the Contract WO5288 – Construction of the Macrossan and Owen Street Intersection Upgrade to Durack Civil Pty Ltd (ABN 35 633 665 380) for \$358,561.77 (GST exclusive); and**
- 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.**

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### **EXECUTIVE SUMMARY**

Douglas Shire Council requires a civil contractor to construct the upgrade of the Macrossan and Owen Street, Port Douglas intersection.

Civil Construction and Landscaping Plans of this intersection were completed during the Financial Year 2019/20, with the purpose of improving pedestrian and vehicle safety and accessibility as well as continuing Council's efforts to beautify Macrossan Street through landscaping.

The Department of Transport and Main Roads (the 'Department') has made a commitment to fund the construction costs to a value of \$410,000.00 through the Federal Road Safety Stimulus Package. Officers are currently liaising with the Department to finalise this contract.

The project has construction schedule of approximately 3 months (1.5 months for procurement of materials and 1.5 months construction), during which there will be some disruptions to the surrounding properties. Whilst Macrossan Street will remain open there will be traffic and pedestrian diversions in place for a section of Owen Street.

The works have been scheduled to commence in the dry season. Officers had hoped that this project could have been awarded earlier to avoid construction in June/July, however these delays were due to Council budget constraints.

Officers will work closely with the successful contractor to inform the community of any disruptions.

Council released a Request for Quote through Vendor Panel to 13 Local Buy Prequalified Suppliers, which closed on the 9 December 2020. At the time of the tender close, 2 contractors had made submissions. The submissions received are outlined in Table 1 - Received Submissions Summary below.

**Table 1. Submissions Summary**

Tenderer	Price (GST exclusive)	Offer	Status	Located
HEH Civil Pty Ltd	\$564,818.00	Comparative	Conforming	Cairns QLD
Durack Civil Pty Ltd	\$358,561.77	Comparative	Conforming	Cairns QLD

The submissions were assessed by the evaluation committee. This evaluation process was weighted with 45% price criteria and 55% weighting for the non-price criteria.

Based on the results of the evaluation, Durack Civil Pty Ltd is the recommended contractor for this project. Durack Civil Pty Ltd provided a comprehensive submission in terms identifying the methodology, program, capacity and experience to take on the scope. The offer from Durack Civil Pty Ltd was also the cheapest from the competing submissions.

Both submissions scored comparatively across the non-price criteria, however Durack Civil Pty Ltd scored marginally higher.

## BACKGROUND

Under the 2019/20 Capital Works Program, Douglas Shire Council coordinated a civil design and landscaping plan for the upgrade of the Macrossan and Owen Street, Port Douglas intersection, with the purpose of improving pedestrian and vehicle safety and accessibility as well as continuing Council's efforts to beautify Macrossan Street through landscaping.

Main design features include:

- Traffic Improvements:
  - Narrowing of the intersection across opening of Owen Street preventing illegal u-turns and cutting of corners;
  - Straightening of the Owen Street centreline through the intersection to improve vehicle movement and safety;
- Pedestrian Improvements:
  - Removal of the north western stairs leading to Macrossan Street and replacement with a ramp, improving all abilities access;
  - Narrowing of the intersection across the opening of Owen Street providing greater protection to pedestrians and a shorter distance on road to cross;
  - Installation of a concrete kerb ramp on Macrossan Street to align with the receiving kerb ramp on the opposite side of Macrossan Street;
- Landscaping Improvements:
  - New garden beds with tropical landscaping generally mirroring the existing landscaping on the opposite side of the intersection; and
- Drainage Improvements.

Macrossan Street is a State Controlled Road, which is managed by the Department of Transport and Main Roads (the 'Department'). Council Officers have been in discussion with the Department, which has made a commitment to fund the construction costs to a value of \$410,000 through the Federal Road Safety Stimulus Package. Officers are currently liaising with the Department to finalise this contract.

Council released a Request for Quote through Vendor Panel to 13 Local Buy Prequalified Suppliers, which closed on the 9 December 2020. At the time of the tender close, only 2 contractors had made a submission.

Table 2 indicates the submissions received.

**Table 2. Submissions Summary**

Tenderer	Located
HEH Civil Pty Ltd	Cairns QLD
Durack Civil Pty Ltd	Cairns QLD

**COMMENT**

Evaluation of the received submissions was conducted by:

**Table 3. Evaluation Panel Members**

Position	Department
Coordinator – Civil	Infrastructure
Coordinator – Public Spaces	Infrastructure
Project Manager – Open Space	Infrastructure

All submissions were accepted by the Evaluation Panel for assessment on the basis that all terms, conditions and mandatory requirements of the Request for Quote had been substantively met.

During the evaluation process, submissions were assessed against the evaluation criteria. 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 4. Evaluation Panel Members**

Criteria	Weighting
Price	45%
Technical Capacity	15%
Business Profile	20%
Experience	20%

The responses were received within the requested timeframes and were considered by the evaluation panel in their assessment. Each Tenderers score and rankings are shown in Table 5. Durack Civil Pty Ltd ranked higher across all of the criteria.

**Table 5.**

Tenderer	Weighted Scores					Ranking
	Price	Technical Capacity	Business Profile	Experience	Total Score	
Durack Civil Pty Ltd	45	12.3	17	16.4	90.7	1
HEH Civil Pty Ltd	28.35	11.7	16.4	16	72.45	2

Based on the results of the evaluation, Durack Civil Pty Ltd is the recommended tenderer for the contract. Durack Civil Pty Ltd provided a comprehensive submission in terms identifying the methodology, program, capacity and experience to take on the scope.

If the project is awarded to Durack Civil Pty Ltd, there would be no (or minimal) cost to Douglas Shire Council, due to the commitment from the Department to fund the project.

## PROPOSAL

It is recommended that Council review and consider the Evaluations Panel's assessment and recommendation.

If Council is in agreement, it is recommended that Council resolves to:

1. Award the Contract WO5288 – Construction of the Macrossan and Owen Street Intersection Upgrade to Durack Civil Pty Ltd (ABN 35 633 665 380) for \$358,561.77 (GST exclusive); and
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

The Department has committed to fund the construction costs for this project to a value of \$410,000.00. Any amount over this would need to be funded by Douglas Shire Council.

**Table 6.**

Budget	Amount (GST exclusive)
Department of Transport and Main Roads Funding	\$410,000.00
<b>Budget Available</b>	<b>\$410,000.00</b>
Recommended Tender Price (RTP)	\$358,561.77
Project Management and Administration Costs (5%)	\$17,928.09
Contingency (10%)	\$35,856.18
<b>Total Project Costs Estimates</b>	<b>\$412,346.04</b>
<b>Net Position (Overrun)</b>	<b>(\$2,346.04)</b>

It is noted that as the budget is externally funded and there is no opportunity to increase funding. It is considered that this is only minor overrun, and may be absorbed within the budget where Project Management, Administration and Contingency allowances are not exhausted.

As the project will extend into the next financial year, any minor shortfalls can be funded through an appropriate infrastructure renewal program.

## RISK MANAGEMENT IMPLICATIONS

The selection of Durack Civil Pty Ltd provides some reduced risk.

- Utilisation of subcontractors from the Douglas Shire area, as detailed within their submission;
- Experienced contractor who is familiar with Douglas Shire Council requirements and the applicable legislative requirements, such as Department of Transport and Main Roads (State Controlled Road Corridor);
- Understanding of communication management, to mitigate risk with public concern should they arise;
- Understanding the weather environment and the uncertain whether periods with potential natural disaster impacts; and
- Understanding of the local tourist season and school holiday periods and need to minimize disruption.

## SUSTAINABILITY IMPLICATIONS

**Economic:** Local suppliers, cafes and at times hotel accommodation will be utilized during construction.

**Environmental:** Nil. Works are contained within the road reserve. If a rain event is experienced during construction, issues including sediment runoff will be managed through the contractors Environmental Management Plan.

**Social:** Positive outcome for vehicle and pedestrian safety and accessibility. Improved streetscape and aesthetics through landscaping.

## CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

### Corporate Plan 2019-2024 Initiatives:

#### Theme 1 - Celebrating Our Communities

Douglas Shire Council embraces the diversity of our communities and values the contribution that all people make to the Shire. We recognise that it is a core strength of the region. We acknowledge our past so that it may guide us in the future.

We recognise the wrongs done to our Indigenous community and we actively seek to reconcile so that we may all benefit from and enjoy our Shire. We acknowledge early European settlers who forged an agricultural base for our economy and we welcome all new arrivals as part of our broader community.

**Goal 1 - We will celebrate the diversity of our community and ensure that all infrastructure, programs, and services are underpinned with inclusiveness and accessibility.**

**Goal 2 - We will deliver programs and services that protect and enhance the liveability of our beautiful Shire.**

## 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.*

### 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 Civil Design Phase.

**External:** Businesses within the vicinity of the project area were also notified of Council's intention during the Civil Design Phase.

### COMMUNITY ENGAGEMENT

There have been two letter drops to businesses within the vicinity of the project area during the Civil Design Phase. Once the contractor has been engaged, and the commencement date for construction is confirmed, it is proposed to release further communications with businesses and residents within the vicinity of the project area.

### ATTACHMENTS

Nil