



City of Whitehorse

MINUTES

Special Council Meeting

Held in the
Council Chamber
Nunawading Civic Centre

379 Whitehorse Road Nunawading
on

Monday 10 September 2018

at 7.30pm

Members: Cr Andrew Davenport (Mayor), Cr Blair Barker, Cr Bill Bennett,
Cr Raylene Carr, Cr Prue Cutts, Cr Sharon Ellis, Cr Tina Liu,
Cr Denise Massoud, Cr Andrew Munroe, Cr Ben Stennett

Ms Noelene Duff
Chief Executive Officer

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Meeting opened at 7.30pm

Present: Cr Davenport (Mayor), Cr Barker, Cr Bennett, Cr Cutts, Cr Liu, Cr Massoud,
Cr Munroe, Cr Stennett

1 WELCOME AND APOLOGIES

Cr Carr and Cr Ellis have sought a leave of absence for tonight's Special Council Meeting 10 September 2018.

SPECIAL COUNCIL RESOLUTION

Moved by Cr Bennett, Seconded by Cr Cutts

That the apology from Cr Carr and Cr Ellis be received and leave of absence be granted for tonight's Special Council Meeting 10 September 2018.

CARRIED UNANIMOUSLY

2 DISCLOSURE OF CONFLICT OF INTERESTS

None disclosed

3 COUNCIL REPORTS

3.1 INFRASTRUCTURE

3.1.1 Tender Evaluation Report (Contract 30020) Construction of Nunawading Community Hub

FILE NUMBER: SF17/667

SUMMARY

To inform Council of the tender submissions received and the evaluation process that was undertaken to reach a final decision for the construction of the Nunawading Community Hub. To recommend the acceptance of the tender submission received from Buxton Constructions (Vic) Pty Ltd for the amount of \$26,256,349 including GST and to further advise on the total project cost.

MOTION

Moved by Cr Stennett, Seconded by Cr Cutts

That Council:

- 1. Appoint Buxton Constructions (Vic) Pty Ltd, trading as Buxton Constructions (Vic) Pty Ltd ABN 93 141 994 425, Level 1, 262 Lorimer Street, Port Melbourne, Vic 3207 as the successful contractor, and sign the formal contract document for Contract 30020 for the construction of the Nunawading Community Hub for the amount of \$26,256,349 including GST.**
- 2. Approve an additional \$2,237,878 in funding over the approved budget of \$28M to accommodate for new costs largely associated with the existing heritage building and the incorporation of Environmentally Sustainable Design (ESD) components to achieve a 5 Star Green Star rating.**

Lost on the casting vote of the Mayor

A Division was called.

Division

For	Against
Cr Cutts	Cr Barker
Cr Massoud	Cr Bennett
Cr Munroe	Cr Davenport
Cr Stennett	Cr Liu

On the results of the Division the motion was declared

Lost on the casting vote of the Mayor

The Special Council Meeting was adjourned by the Mayor at 7.50pm.

The Special Council Meeting resumed at 7.51pm

3.1.1 (cont)

MOTION

Moved by Cr Bennett, Seconded by Cr Barker

That Council:

- 1. Appoint Ireland Brown Construction Pty Ltd as the successful contractor and sign the formal contract document for Contract 30020 for the construction of the Nunawading Community Hub for the amount of \$24,666,433.00 including GST.***
- 2. Approve an additional amount in the funding over the approved budget of \$28M to accommodate for new costs largely associated with the existing heritage building and the incorporation of Environmentally Sustainable Design (ESD) components to achieve a 5 Star Green Star Rating.***

The Special Council Meeting was adjourned by the Mayor at 8.00pm

The Special Council Meeting resumed at 8.01pm

The Motion Moved by Cr Bennett, Seconded by Cr Barker was then put and **CARRIED**

A Division was called.

Division

For	Against
Cr Barker	Cr Massoud
Cr Bennett	Cr Munroe
Cr Cutts	
Cr Davenport	
Cr Liu	
Cr Stennett	

On the results of the Division the Motion was declared CARRIED

BACKGROUND

The former Nunawading Primary School site was purchased in 2015 by Whitehorse City Council. Funding has been allocated in Council's forward capital works program for the construction of a new Community Hub facility at the former Nunawading Primary School site to replace two main buildings and seven outbuildings currently situated on the nearby Silver Grove site located next to the Nunawading Railway Station. The existing primary school site buildings have been demolished, with the exception of the main school building, which is subject to a municipal heritage overlay.

DISCUSSION

The new Community Hub building will be owned, managed and operated directly by Whitehorse City Council. There will be a number of user groups that will make use of the new facility and the wider community of the City of Whitehorse will have access to the various events held at the Community Hub. Extensive consultation has taken place with all existing user groups throughout the design development phases of the project and community input and consultation has also been gathered through various media channels and a Community Information Day. This information has provided valuable input to the appointed architects with regards to design requirements for current and future users of the new Community Hub.

3.1.1 (cont)

The selection of head contractors for construction of the Community Hub has been structured as a two stage, competitively tested, open market process. The first stage involved the receipt of Expressions of Interest (EOI's) from suitably qualified and experienced builders. The second stage resulted in a shortlist of five respondents progressing to the Request for Tender (RFT) stage of the project.

After being pre-selected to tender for the project, two tenderers withdrew from the RFT process due to existing workload commitments. An invitation was then extended to the next two tenderers with the highest rated scores obtained in the EOI process. Only one of these two tenderers accepted the RFT and no more parties were invited from the EOI list as their EOI submissions did not fully satisfy the expectations set out in the EOI documents. This resulted in four respondents being invited to tender on 30 May 2018. All four tenders were lodged on Council's e-tender portal by the specified closing time of 3.00pm on Monday 9 July 2018.

The successful tenderer will be appointed as the head contractor who will engage, coordinate and manage relevant sub-contractors from other disciplines to deliver the various services necessary for the construction of the project.

The Tenders were evaluated against the following criteria:

- Project Methodology (Weighted Points Score)
- Financial Benefit (Weighted Points Score)
- Resources, Key Personnel and Relevant Experience (Weighted Points Score)
- Relevant Green Star Experience and Compliance Management (Weighted Points Score)
- Capacity (Weighted Points Score)
- Nominated Subcontractors and Relevant Experience (Weighted Points Score)
- Business Viability (Risk Based)
- Insurances (Risk Based)
- Conflict of Interest (Risk Based)
- Occupational Health & Safety (Assessed at EOI stage and re-assessed for any changes in RFT submission)
- Equal Employment Opportunity (Assessed at EOI stage and re-assessed for any changes in RFT submission)
- Compliance with Contract and Specification (Risk Based)
- Proposed Contractor's representative, proposed Key Personnel and proposed Senior Executive for dispute resolution purposes (Risk Based)
- Warranties to be provided by the Contractor (Risk Based)
- Principal's Design Requirements (Risk Based)
- Authority Approvals (Risk Based)
- Professional Referees for Tenderer (Risk Based)

A comprehensive evaluation of all tender submissions was conducted by a four member Tender Evaluation Panel (TEP) together with expert advice received from appointed Architects fjmt, Services Engineer WSP, ESD Consultant WSP and Quantity Surveyor Slattery Australia Pty Ltd. All tender submissions were evaluated by the TEP and scored against the designated evaluation criteria. Three evaluation sessions were held with the TEP and appointed consultants to evaluate the tender submissions. Council's probity advisor, CT Alliance was present as required.

The TEP analysed all criteria, including the lump sum prices, to arrive at a pre-interview consensus score. The evaluation determined that three tenderers scored significantly higher in all criteria. Based on this evaluation result, these three tenderers were invited to attend the interview stage. Due to the significant difference relating to the tenderer with the lowest score, the TEP agreed that this tenderer would no longer be considered as a preferred contractor for this project.

3.1.1 (cont)

The TEP invited to interview Buxton Constructions (Vic) Pty Ltd, Ireland Brown Constructions Pty Ltd, and Devco Project and Construction Management Pty Ltd as the next stage of the evaluation process.

The individual TEP scores were averaged and a final consensus score and ranking was recorded for each tender submission. Occupational Health and Safety (OH&S) was assessed on the responses submitted by each contractor for the essential OH&S requirements provided on Council's Tender Questionnaire and considered by the Evaluation Panel to be relevant to this construction contract. Equal Employment Opportunity was assessed on responses submitted by each contractor. Confirmation reference checks were conducted on all respondents. Business Viability of tenderers was assessed by Council's agent, Corporate ScoreCard, taking into account the current financial position and recent trading history of tenderers.

Following the interviews, a third and final meeting was held by the TEP to discuss the outcome and scores were re-evaluated and confirmed and finalised. At the conclusion of the evaluation process the preferred tenderer that offered the best value for money outcome, with an acceptable level of risk to Council for this contract was Buxton Constructions (Vic) Pty Ltd.

Further to the above, a Best and Final Offer (BAFO) was requested from all three tenderers Buxton Constructions (Vic) Pty Ltd, Ireland Brown Constructions Pty Ltd and Devco Project & Construction Management Pty Ltd on 22 August 2018. The BAFO responses closed on 27 August 2018 and all three tenderers responded with a BAFO. All tenderers responded with amendments to their original tender prices. There were no other potential cost savings submitted that were not included in the original tender offers.

The BAFO responses were circulated to all tender evaluation panel members. The evaluation team unanimously agreed that the Best and Final Offer responses did not warrant any changes in scoring against criteria, other than for core price. The final post BAFO total weighted score for each bidder was endorsed by the full evaluation team.

The new prices received marginally amended the previous tender price criteria scores resulting in no changes to the current ranking and therefore no changes to the final recommendation to appoint Buxton Constructions (Vic) Pty Ltd, trading as Buxton Constructions (Vic) Pty Ltd ABN 93 141 994 425, Level 1, 262 Lorimer Street, Port Melbourne, Vic 3207 as the successful contractor for the construction of the Nunawading Community Hub for the amount of \$26,256,349 including GST.

CONSULTATION

The Tender Evaluation Panel (TEP) included the following Whitehorse City Council officers:

- Siobhan Belmore, Head Major Projects and Buildings
- Rohan Prathapasinghe, Senior Project Manager - Nunawading Community Hub
- Leo Pegoli, Buildings Co-ordinator, Major Projects and Buildings
- Louise Goodman, Principal Architect fjmt

Various Council departments were consulted during this tender process. All tender documents and the process adopted for awarding the contract to the preferred contractor has been discussed with Council's Procurement and Contracts Department. The Finance Department has been consulted on contractor financial viability matters.

The tender evaluation process has been overseen by probity advisor Matt Tubb from CT Alliance, who has provided a signoff statement attesting to the fairness and impartiality of the tender process.

Contractual matters have been negotiated with the recommended respondent in consultation with Maddocks Lawyers (Maddocks) and reviewed by the TEP. Maddocks has confirmed the negotiated outcome is consistent with Council's requirements and the achievement of project objectives.

3.1.1 (cont)

All tenderers have confirmed there are no current legal or financial matters that would impede their ability to deliver the project.

FINANCIAL IMPLICATIONS

The total project cost of \$28 million was agreed in 14 December 2015 for the design and construction of the Nunawading Community Hub project including a CPI allowance of 3 per cent per annum for an anticipated build date in 2017. As at the date of this report, we have now designed and documented the building in accordance with Council requirements and re-evaluated the total project costs to \$30,237,878, some \$2,237,878 over the agreed budget.

The additional costs of \$2,237,878 are largely made up of remedial and refurbishment works to the existing heritage building and the incorporate of ESD components into the overall building design in order to achieve a 5 Star Green Star rating.

The landscaping and site improvement works include developing a linkage to Tunstall Park creating a larger, continuous public open area. The costs of these works are estimated to be \$1,079,126. We recommend consideration be given to fund this component of the works from the Council Public Open Space Reserve, in particular from the reserve that houses 40% of contributions received that are required to be used only for development and improvement of public open areas. If adopted, this will not constrain other planned uses of this reserve.

In addition to the above, we recommend consideration be given to fund the remaining \$1,158,752 from the Council Development Reserve.

We note there is a significant amount of building construction activity in Melbourne that is challenging the capacity of the construction companies to deliver the projects in the required timeframes. The limited capacity of the building construction companies has resulted in an increase in construction costs of Council projects.

The project team have undertaken various value engineering sessions throughout the design development and documentation phases to look at alternative finishes, fixtures and fittings to achieve a more cost effective outcome without compromising the quality and efficiency of the building.

4 CLOSE MEETING

Meeting closed at 8.10pm

Confirmed this 17th day of September 2018

CHAIRPERSON