



11.1 **CONTRACT - MIDDLE PARK BEACH RENOURISHMENT WORKS**

EXECUTIVE MEMBER: LACHLAN JOHNSON, GENERAL MANAGER, INFRASTRUCTURE AND AMENITY

PREPARED BY: ATILIO NUMA, COORDINATOR INFRASTRUCTURE DEVELOPMENT

ELENA SAN ROMAN, SENIOR INFRASTRUCTURE PROJECT MANAGER

1. PURPOSE

- 1.1 To seek Council's approval to enter into contract number 2228 between the City of Port Phillip and MC Dredging & Port Development Pty Ltd for the renourishment works at Middle Park Beach.

2. EXECUTIVE SUMMARY

- 2.1 Middle Park Beach is managed by the City of Port Phillip as delegated Crown Land managers for the Department of Environment, Land, Water and Planning (DELWP) under the Crown Land Reserves Act (1978).
- 2.2 The proposed beach renourishment work will be funded by a grant received in 2009 from the State Government for ongoing maintenance and repair of Middle Park Beach for a period of 15 years. Under this agreement Council is required to fund any associated project management cost.
- 2.3 The 2020 renourishment of Middle Park Beach as defined in the scope of works is considered by DELWP and Council a necessary intervention to mitigate the effects of erosion on significant coastal assets and infrastructure.
- 2.4 This project is aimed at renourishing Middle Park Beach, between Mills Street and Langridge Street, to restore the beach to a minimum width of 25 metres from the seawall at high water mark.
- 2.5 This project will benefit the community with increased beach area and improved amenity. It will improve protection to the Sandbar cafe building and heritage beach shelter from storm surges. It will also increase the buffer to the seawall and Beaconsfield Parade.
- 2.6 A public procurement process has been undertaken to identify a suitable contractor for the renourishment works, in accordance with Council's procurement policy and the agreed evaluation plan.
- 2.7 The Tender Evaluation Panel (TEP) recommends Council enter into Contract 2228 with MC Dredging & Port Development Pty Ltd for the renourishment works at Middle Park Beach, for the lump sum price of \$1,065,218 inclusive of GST.



3. RECOMMENDATION

That Council:

- 3.1 Enter into Contract 2228 with MC Dredging & Port Development Pty Ltd for the renourishment works at Middle Park Beach.
- 3.2 Notes that the contract value is \$1,065,218 inclusive of GST (\$968,380 excluding GST) and is a fixed lump sum.
- 3.3 Notes that the works are estimated to take approximately eight (8) weeks but that the unpredictability of weather and wave conditions may impact the overall timeline.
- 3.4 Affixes the Common Seal of the Port Phillip City Council to Contract 2228 between the Council and MC Dredging & Port Development Pty Ltd.

4. KEY POINTS/ISSUES

Background

- 4.1 Middle Park Beach has been maintained by renourishment programs since the 1970's. The previous State Department of Sustainability and Environment (DSE now DELWP) managed the renourishment of the beach prior to 2008/09 in which the State invested \$3 Million.
- 4.2 In 2009 the State granted funds to Council for the renourishment of Middle Park Beach to maintain the beach and achieve a minimum sand beach width for 15 years.
- 4.3 The artificially-made beach progressively loses beach sand and requires regular renourishment campaigns. Middle Park Beach has not been renourished since 2016 when the last renourishment campaign occurred.
- 4.4 Council also has an obligation to meet the requirements of the deed with the State Government. These requirements are to maintain a 25 m width beach (from the high watermark to the seawall) and to monitor the beach width every two years.
- 4.5 Based on the specialist coastal engineering investigations and State Government advice, sand will be sourced from an offshore borrow area located at approximately 750 m from the beach, using a dredge to recover the sand and pump it onto the beach.
- 4.6 This project is aimed at renourishing Middle Park Beach, between Mills Street and Langridge Street, to restore the beach to a minimum width of 25 metres from the seawall at high water mark.
- 4.7 This contract is for beach renourishment works of Middle Park Beach with sand sourced via a dredging operation from an offshore borrow within Port Phillip Bay.

Procurement

- 4.8 In accordance with the provision of the Local Government Act, a public procurement process (i.e. an open tender) has been conducted for the proposed works.
- 4.9 The composition of the Tender Evaluation Panel (TEP) is shown in Table One (1) below.



Table 1: Composition of TEP

Name	Title
Elena San Roman	Senior Infrastructure Project Manager, (TEP Chairperson)
Atilio Numa	Coordinator Civil Infrastructure, (TEP member)
David Hehir	Coordinator Foreshore, (TEP member)
Jeanene Simmons	Senior Contracts Advisor, (TEP member)

- 4.10 All TEP members indicated they had no conflict of interests to declare and that they would keep the tender information confidential.
- 4.11 Prior to the tenders being advertised, the evaluation criteria and weightings were established. The details are shown in Table Two (2).

Table 2: Tender Evaluation Criteria

Filter Criteria (delete if not applicable)	Pass/fail
Tenderer must have a detailed OH&S system in place with sound monitoring and reporting. Third party certification preferred but not essential if the provided OH&S documentation is of a suitable standard	Pass/ fail
Experience in dredging or beach renourishment projects	Pass / fail
Criteria	% Weighting
Price	30%
Capacity to meet the requirements of the specification	25%
Relevant experience and track record	25%
Environmental Management	10%
OH&S System	10%

- 4.12 The Request for Tender (RFT) was advertised in The Age on 22 February 2020 and closed on 20 March 2020. Four (4) submissions were received.

Tenderers quoted on two options as requested in the tender documents:

- Option A – Works to be carried out during normal working hours (From 7am to 6pm Monday to Friday).



- Option B – If night works allowed (Contractor allowed to work 24 hours – Monday to Friday). Subject to permits being granted, Council reserves the right to grant permission to work additional hours (From 6pm to 7am Monday to Friday). When working at night, pumping of sand to be allowed but no mechanical spreading of the sand.

4.13 The received lump sum prices are set in Table Three (3)

Table 3: Tenders Received			
No.	Tenderer's name	Option A *\$ Price (Inc. GST)	Option B *\$ Price (Inc. GST)
1	Tenderer 1	\$1,377,180.00	\$1,134,740.00
2	Tenderer 2	\$1,318,720.91	\$1,236,309.47
3	MC Dredging & Port Development Pty Ltd	\$1,505,548.00	\$1,211,793.00
4	Tenderer 4	\$732,600.00	\$732,600.00

4.14 Assessment was undertaken by the TEP in accordance with the predetermined assessment criteria in Table Two (2).

All tenders were deemed to be conforming by the TEP. After an initial evaluation by the TEP, the scoring (out of 1,000) was as shown in Table Four (4).

Table 4: Initial Evaluation - Tender Scoring	
Tenderer's Name	Score (Out of 1,000)
Tenderer 1	751.18
Tenderer 2	679.02
MC Dredging & Port Development Pty Ltd	750.12
Tenderer 4	711.25

4.15 The TEP shortlisted two tenderers (Tenderer 1, and MC Dredging & Port Development Pty Ltd) for interview. It was noted that even though these two companies didn't offer the most advantageous price to Council, they did prove to have more capacity and relevant experience to deliver the works as specified in the tender documents. In reviewing the lowest priced tender (Tenderer 4), it became apparent that this submission presented an unacceptable risk to Council given that the tenderer did not demonstrate any previous experience in the delivery of beach renourishment projects.



- 4.16 When reviewing the submissions, it became evident that further cost savings could be made, less impact to the community could be achieved and risk of delays could be minimised if the Contractor was allowed to work 24 hours, 7 days a week (Option C).
- 4.17 Further written clarifications were sought and a lump sum price for an Option C was requested from the shortlisted companies. Option C allows works to be carried out 24 hours a day, 7 days a week. This option is subject to permits being granted. Details are shown in Table Five (5).

Tenderer's name	Option C *\$ Price (Inc. GST)
Tenderer 1	\$1,115,380.20
Tenderer 2	Not shortlisted
MC Dredging & Port Development Pty Ltd	\$1,080,425.50
Tenderer 4	Not shortlisted

- 4.18 The TEP interviewed the shortlisted tenderers (Tenderer 1, and MC Dredging & Port Development Pty Ltd) on the 16 April 2020.
- 4.19 Both tenderers demonstrated an understanding of the proposed works. The TEP noted that MC Dredging & Port Development Pty Ltd presented a more detailed and comprehensive approach to the beach renourishment works.
- 4.20 In accordance with best practice probity principles, a best and final offer (BAFO) for Option C was requested from all four companies that tendered for the works. Details are shown in Table Six (6).



Table 6: Option C Pricing – BAFO All Tenderers	
Tenderer's name	Option C *\$ Price (Inc. GST)
Tenderer 1	\$1,115,380.00
Tenderer 2	\$1,173,190.80
MC Dredging & Port Development Pty Ltd	\$1,065,218.00
Tenderer 4	\$688,600.00

4.21 The final post interview scoring was as shown in Table Seven (7). No changes were made to existing non-price scoring.

Table 7: Tender Scoring – Option C		
No.	Tenderer's Name	Score (Out of 1,000)
1	Tenderer 1	742.71
2	Tenderer 2	677.33
3	MC Dredging & Port Development Pty Ltd	762.68
4	Tenderer 4	711.25

4.22 Accordingly, the tender from MC Dredging & Port Development Pty Ltd is considered to offer best value to Council.

The TEP recommended option is to award the contract to MC Dredging & Port Development Pty Ltd to carry out the works as per Best and Final Offer Option C for a contract period of eight (8) weeks.

The TEP agrees that Option C offers best value for money for Council. It allows for a shorter duration of the works that would reduce the effect of potential weather delays that are critical in such an exposed environment. This option would also minimise impact to the community due to the shorter construction period.

4.23 Based on the previous renourishment campaign experience, the community is open to a continuous work schedule (Option C). Effective noise barriers were previously used, and minimal community complaints were received. The same noise mitigation measures will be put in place as part of the current renourishment campaign.



- 4.24 The financial viability of MC Dredging & Port Development Pty Ltd was checked through an Illion Direct Risk of Failure report. The report confirmed that the company has a 0.94% probability of failure in the next 12 months.
- 4.25 Referee checks were conducted following evaluation of the tender. Referee checks confirmed that MC Dredging & Port Development Pty Ltd have the expertise, resources and proven track record to successfully deliver the proposed works.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 DELWP have been consulted throughout the design process and have provided feedback to ensure the design met their expectations.
- 5.2 Parks Victoria have been consulted and information has been provided to accelerate the permit process once the contractor is engaged.
- 5.3 The community will be informed through multiple communication channels, such as;
- On-site signage
 - Letters
 - City of Port Phillip Website and social media

6. LEGAL AND RISK IMPLICATIONS

- 6.1 The recommended tenderer holds WorkCover insurance and \$20M public liability insurance, equal to that specified in the contract terms and conditions.
- 6.2 Performance security: bank guarantees equivalent to 10% of the contract sum must be provided.
- 6.3 Additional COVID-19 outbreak clauses will be included in the contract and have been agreed to by the preferred contractor.
- 6.4 Council has submitted application for a Marine and Coastal Management Act Consent and a Parks Victoria Works Permit. Approval is pending subject to additional information to be provided by the successful contractor.

7. FINANCIAL IMPACT

- 7.1 The estimated contract sum of \$1,065,218.00 (Including GST) falls within the projected budget allocation for this service.
- 7.2 DELWP have provided Council with the funding that is in a trust to manage the beach renourishment. As of July 2019, the balance in the trust was \$1,279,836.90 (excluding GST) and that was re-invested. This will mature on 30 June 2020 increasing the balance to \$1,303,021.23 (excluding GST). Any accumulated interest must remain in the trust and be invested in the on-ground works. Any unspent funds need to be returned to DELWP at the agreement completion date (31 July 2024).
- 7.3 Council cannot use the State funds grant on its operating or project management costs. Project management costs are to be funded by Council.

8. ENVIRONMENTAL IMPACT

- 8.1 The contractor is required to manage all activities on site in accordance with the Environmental Protection Act and all other legislation.



9. COMMUNITY IMPACT

- 9.1 The renourishment of Middle Park Beach will benefit the community with increased beach area and improved amenity.
- 9.2 Occasionally, residents may be affected by construction activities including noise, limited beach access and temporary smell from sand organics.
- 9.3 Noise: Council will ensure the works are only undertaken in accordance with Council and Environmental Protection Authority noise restrictions. Dredging noise will be reduced as the machine is located offshore. There will be low-level construction noise on the beach such as machine engines from the booster pump sitting on the beach. There will be no pile driving or high impact noise. Noise barriers will be put in place to mitigate noise impacts to residents when working at night. The night works will be restricted to pumping of sand from the dredge to the beach but no mechanical spreading of sand on the beach.
- 9.4 Limited beach access: The beach will be closed in stages to minimise the construction area while ensuring public and worker safety. The construction site will be fenced throughout the construction period. Every effort will be made to ensure the safety of the community and workers throughout the construction. Access along the Beaconsfield Parade footpaths will be maintained.
- 9.5 Traffic and parking: A traffic management plan will be prepared to assist the safe movement of vehicles, pedestrians and cyclist. No changes to car parking spaces or peak hour clearway are anticipated.
- 9.6 Sand odour: Initially, the new sand will be darker in colour and may have an unpleasant smell, however, this will be temporary. Naturally occurring organic matter found in the sand exposed to the air causes the odour. The sand will naturally bleach with the changing tides and sunshine over a few days.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 This project relates to the following Council Plan objectives:
 - Strategic Direction 3 - We have smart solutions for a sustainable future
 - Outcome 3.3 - A City that is adapting and resilient to climate change

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 Subject to Council's decision, the following will occur:
 - Contract finalisation and execution as soon as possible.
 - Mobilisation works will commence upon notification to successful contractor, with construction works to start on site in July 2020.
 - Construction commencement date is subject to obtaining the relevant permits as follows: Marine and Coastal Management Act Consent and a Parks Victoria Works Permit

11.2 COMMUNICATION

- 11.2.1 Subject to Council's decision, the following will occur:



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- Contract documentation will be prepared and forwarded to MC Dredging & Port Development Pty Ltd within 10 business days.
- All unsuccessful tenderers will be notified in writing and offered a telephone debrief with the TEP chairperson.
- A letter to residents informing of the upcoming works will be sent, a website with regular updates about the project progress will go live, on-site signage will be installed, and social media will also be used to inform the community.

12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

TRIM FILE NO: F20/1
ATTACHMENTS Nil