



**14.1 FERRARS STREET EDUCATION AND COMMUNITY
PROJECT STREETScape - TENDER AWARD**

EXECUTIVE MEMBER: FIONA BLAIR, GENERAL MANAGER, INFRASTRUCTURE AND AMENITY

**PREPARED BY: JONATHAN KAMBOURIS, COORDINATOR PROJECT SERVICES
LACHLAN JOHNSON, MANAGER PROJECT SERVICES
ANDREW FARRELL, PROJECT MANAGER**

1. PURPOSE

- 1.1 To seek Council's approval to award Contract 2136 for the construction of the Ferrars Street Education and Community Precinct (FSECP) Streetscape.

2. EXECUTIVE SUMMARY

- 2.1 The City of Port Phillip has invited tenderers for the construction of the Ferrars Street Education and Community Precinct (FSECP) Streetscape.
- 2.2 A tender process has been conducted in accordance with Council's procurement policy and the agreed evaluation plan.
- 2.3 The Tender Evaluation Panel (TEP) recommends Council award the contract for the construction of the FSECP Streetscape.
- 2.4 The total cost of the contract is \$2,776,029.50 inclusive of GST.



3. RECOMMENDATION

That Council:

- 3.1 Awards Contract 2136 to ACE Landscape Services Pty Ltd for the construction of the Ferrars Street Educational and Community Precinct (FSECP) Streetscape.
- 3.2 Notes that the contract value is \$2,776,029.50 inclusive of GST and is made up of the following:
 - 3.2.1 a fixed lump sum price of \$1,980,964.79 including GST
 - 3.2.2 a provisional sum price of \$795,064.71 including GST
- 3.3 Notes that the proposed contract commencement date is 2 August 2018 and construction is anticipated to take 18 weeks, subject to favourable weather and construction conditions.
- 3.4 Affixes the Common Seal of the Port Phillip City Council to Contract 2136 between Port Phillip City Council and ACE Landscape Services Pty Ltd.
- 3.5 Notes that the works exceed the streetscape project budget by \$500,000 but it is expected sufficient funds are available within the FSECP program of works, including:
 - 3.5.1 Reallocating savings realised during the construction of Kirrip Park;
 - 3.5.2 Reducing the contingency for the streetscape project; and
 - 3.5.3 If required, Officers will report back to Council for any budget adjustments.
- 3.6 Notes the revised phasing of expenditure of \$0.3 million in 2017/18 and \$3.5 million in 2018/19.

4. KEY POINTS/ISSUES

- 4.1 The FSECP Streetscape is a part of the Montague Precinct development.
- 4.2 The FSECP Streetscape is a critical element, forming the link between the recently completed South Melbourne Primary School and Kirrip Park which is currently under construction.
- 4.3 Council's aspiration is for the school and adjacent Railway Place to be an integrated and shared community facility. The key aim of the FSECP Streetscape is to provide a quality streetscape which embraces the new tram stop, park and new school and community facility.

KEY INFORMATION - PROCUREMENT

- 4.4 The procurement process for the Contract 2136 FSECP Streetscape project consisted of two stages:
 - 4.4.1 an Expression of Interest (EOI) to short list potential contractors, followed by
 - 4.4.2 a Request for Tender (RFT) issued to the shortlisted applicants.



- 4.5 A Tender Evaluation Panel (TEP) was convened. The composition of the TEP is set out in Table One (1) below:

Table 1: EOI / Tender Panel Members	
Position	Name
Co-ordinator Capital Projects (TEP Chair)	Jonathan Kambouris
Senior Project Manager	Mike Coultas
Manager Project Services	Lachlan Johnson
Project Manager	Andrew Farrell
Contracts & Procurement Advisor (Non-Voting Member)	Scott Thompson
Panel Member representing Fisherman's Bend Taskforce (Non-Voting Member)	Luke Morrison

- 4.6 All TEP members signed the standard form indicating they had no conflict of interest to declare and that they would keep the tender information confidential.

PHASE 1 – EXPRESSION OF INTEREST (EOI)

- 4.7 Prior to the EOI, evaluation criteria and weightings were established.
- 4.8 Table Two (2) below outlines the individual criteria and their weightings for each phase of the tender as per the approved Procurement Plan.

Table 2: Phase 1 - Criteria Weightings	
Description:	Weighting
Capacity to meet the requirements of the technical specification	35%
Relevant Experience	35%
Occupational Health and Safety	15%
Environmental	15%
Phase 2 - Criteria Weightings	
Description:	Weighting
Phase 1 Score	60%
Price	40%

- 4.9 The EOI was advertised via The Age and Tenderlink online on 3 March 2018 and closed on 23 March 2018. Four (4) submissions were received.
- 4.10 After an initial assessment by the TEP, scores for each tenderer were determined against each Phase 1 selection criteria. The weighted scores are set out below in Table Three (3).

Table 3: Phase 1 – Weighted Scores		
No.	Tenderer:	Score (Out of 1000)
1	Tenderer 1	660.00
2	ACE Landscape Services	771.25
3	Tenderer 3	525.00
4	Tenderer 4	638.75

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4.11 The TEP resolved to shortlist the top three scored tenderers.

PHASE 2 – REQUEST FOR TENDER (RFT)

4.12 The RFT for shortlisted candidates was issued via Tenderlink online on 1 May 2018 and closed on 17 May 2018 with two of the three parties submitting a lump sum price.

4.13 Assessments were undertaken by the TEP in accordance with the agreed predetermined selection criteria.

4.14 The TEP considered the lump sum totals of each tenderer and detailed price breakdown as part of their pricing analysis.

4.15 Tender clarifications were sought from each tenderer on 23 May 2018 and closed on 29 May 2018.

4.16 Financial checks were undertaken by Council's Financial Compliance Accountant.

4.17 Tender Interviews were undertaken with both tenderers on 4 June 2018.

4.18 Further clarifications were sought from each tenderer on 7 June 2018 and closed on 12 June 2018.

4.19 The TEP considered the further clarifications provided by the tenderers and determined to undertake a Best and Final Offer.

4.20 Best and Final Offers were sought from tenders on 14 June 2018 and closed on 18 June 2018.

4.21 A final clarification of the Best and Final Offer was undertaken on 20 June 2018 and closed on 21 June 2018.

4.22 The TEP undertook an evaluation of the tender responses and Best and Final Offers, the evaluated prices are set out in Table Four (4).

No.	Tenderer:	Initial Tender Response	Best and Final Offer
1	Tenderer 1	Did not respond	Did not respond
2	ACE Landscape Services	\$1,997,554.81 inc. GST	\$2,776,029.50 inc. GST
4	Tenderer 4	\$2,420,777.19 inc. GST	\$3,479,531.17 inc. GST

Note: Tender clarifications and Best and Final Offers introduced substantial contaminated soil provisional sums in addition to minor costs resulting from clarifications (i.e. clarifying Council's expectations re: pedestrian and traffic management, etc.).

4.23 The final weighted scores are set out below in Table five (5) which are the collated results out of 1000 points for both phases of the project procurement process.

No.	Tenderer:	Score (Out of 1,000)
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1	Tenderer 1	Did not respond (Phase 2)
2	ACE Landscape Services	862.75
3	Tenderer 3	Was not shortlisted (Phase 1)
4	Tenderer 4	702.37

4.24 The TEP agreed that the submission from ACE Landscape Services represented best value to Council.

CAPACITY AND METHODOLOGY

4.25 ACE Landscape Services rating is underpinned by the following factors:

- 4.25.1 They detailed a sound understanding of the project and their ability to address issues surrounding the project including minimising disruption to the public and residents.
- 4.25.2 They provided details of subcontractors and head contract staff to be engaged in the works, along with their experience on projects of a similar nature.
- 4.25.3 They provided details of their proven ability to tailor the sequence of activities to ensure the desired project outcomes relating to quality, time and budget.
- 4.25.4 They provided a detailed Gantt chart which was within the desired project timeframe and details of their history of timely delivery.
- 4.25.5 They understood the environmental sensitivities of the site and working within close proximity to a school, and have committed to adopt strategies to reduce impacts on the surroundings.
- 4.25.6 They demonstrated a high level of understand of the site risks, including contaminated soil, and demonstrated a sound methodology on how to mitigate the risk and manage the issues.
- 4.25.7 They demonstrated an understanding of limiting the impact on local businesses as well as recognising that this was a significant community project which would demand a high level of engagement from the contracted team.

RELEVANT EXPERIENCE

4.26 ACE Landscape Services rating is underpinned by the following factors:

- 4.26.1 They provided details of their experience and track record of construction projects of a similar scope and nature, including information regarding their ability to meet client expectations of quality workmanship, time and budget.
- 4.26.2 They demonstrated extensive experience in performing works in a sensitive environmental and populated area.

OCCUPATIONAL HEALTH AND SAFETY SYSTEMS

4.27 ACE Landscape Services rating is underpinned by the following factors:



- 4.27.1 They completed the OH&S Management questionnaire in full and submitted all requested documentation.
- 4.27.2 They recognise their responsibility for the health and safety of all employees in the workplace.
- 4.27.3 They operate and maintain a recognised, pre-qualified OH&S Management System.

ENVIRONMENTAL

4.28 ACE Landscape Services rating is derived from the following factors:

- 4.28.1 They completed the Environmental Management questionnaire in full and submitted all requested documentation.
- 4.28.2 They recognise their responsibility for environmental management of the work site and surrounding areas.
- 4.28.3 They provided a detailed Environmental management approach that was specific to the site and its conditions.
- 4.28.4 They operate and maintain a recognised, pre-qualified Environmental Management System.

FINANCIAL EVALUATION

- 4.29 The financial viability of ACE Landscape Services was checked by Council's Financial Compliance Accountant. The detailed financial and performance assessment report showed a very strong rating and a pass verdict.
- 4.30 Given the size and nature of the contract, the contract requirements for Bank Guarantees (Two x 5% bank guarantees totalling 10%) will be in place before any works commence.

REFERENCE CHECKS

- 4.31 Referee checks were conducted following evaluation of Best and Final Offers by the tenderers. The reference check affirmed the following information.
 - 4.31.1 Workmanship was of a high quality and the met both specifications and client expectations;
 - 4.31.2 Very confident with a proven track record. ACE Landscape Services have undertaken many projects for private and government agencies and are consistently nominated as a preferred contractor based on their experience and final project outcomes;
 - 4.31.3 ACE Landscape Services OH&S is a high priority on all projects;



- 4.31.4 ACE Landscape Services demonstrated a high level of experience and ability to overcome site issues and constraints;
- 4.31.5 ACE Landscape Services had successfully worked within a 'live' environment that included occupied buildings, students and administration staff;
- 4.31.6 OH&S was managed to high standard, both within the works zone, and for surrounding public.

SUMMARY OF PROCUREMENT PROCESS AND VALUE OUTCOME

4.32 The TEP agreed that ACE Landscape Services represented best value to Council.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Council carried out community consultation between 26 September and 23 October 2017 on the proposed closures of Ferrars Street (between Douglas Street and Gladstone Street), Gladstone Street (between Kerr Street and Ferrars Street) and Railway Place (northern section).
- 5.2 This consultation followed three phases of community consultation during 2016 and early 2017 on the proposed planning scheme amendment to rezone the land at 2-4 Buckhurst Street and apply the road closure to legally close Ferrars Street (between Douglas and Gladstone Streets) and Gladstone Street (between Kerr and Ferrars Streets) and narrow Kerr Street.
- 5.3 Council has been providing updates to the community on the park planning process since 2016. Key communications methods have included website updates, Have Your Say online engagement pages with feedback forms, advertisements in the Port Phillip Leader, emails to our stakeholder database, corflute noticeboards displayed in precinct and social media posts.
- 5.4 Council has continued to provide updates to the community throughout the park construction process which continue to date.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 The recommended tenderer holds:
 - 6.1.1 Public Liability Insurance of \$20M
 - 6.1.2 Professional Indemnity Insurance of \$10M
 - 6.1.3 WorkCover Insurance equal to the specified in the contract terms and conditions.
- 6.2 Two bank guarantees of 5% each, as security for the City of Port Phillip for the total of 10% of the contract lump sum will be required.



7. FINANCIAL IMPACT

7.1 Cost Implications

- 7.1.1 The outcome of the tendering process has resulted in a cost increase of \$0.5 million. This is primarily associated with the treatment and disposal of contaminated soil and maintaining an appropriate contingency to ensure the works completion. It was initially estimated that spoil could have been reused onsite but the methodology identified by the tenderers has confirmed that this is unfeasible and as such offsite disposal is necessary.
- 7.1.2 The Ferrars Street precinct is a 'catalyst project' for the Fishermans Bend Renewal Area, as such it is important that the constructed project delivers on the original design intent.
- 7.1.3 Officers have examined reducing the scope of works to be within the existing project budget but ultimately recommend that doing so would not be in Council's best interest. It is likely that Council would seek to implement the full design intent in the future but doing so now as part of the streetscape works presents significant economies of scale. This will also ensure that construction impacts to local stakeholders, the primary school and PTV users are minimised.
- 7.1.4 Moving forward, Council Officers have identified likely savings and strategies to reduce costs for both Kirrip Park & the FSECP Streetscape project in construction which may be realised upon the conclusion of each project.
- 7.1.5 On a precinct level, this increase is off-set by a previous \$2.0m reduction in cost (of which \$0.7 million was Council funded) identified upon the award of the Kirrip Park construction tender and noted by Council at its meeting of 13 December 2017.
- 7.1.6 The updated total project cost of the FSECP Streetscape is expected to be \$4.2 million (excluding \$0.5 million related to early works associated with the development of the Buckhurst St component of the park).
- 7.1.7 The revised phasing of the expenditure is \$0.3 million in 2017/18 and \$3.5 million in 2018/19. An increase on Budget 2018/19 of \$1.1 million as a result of the \$0.5 million cost increase and \$0.6 million deferral from 2017/18.

7.2 Funding Implications

- 7.2.1 This cost increase is not currently subject to Councils' funding agreement with State in relation to the Ferrars St Educational and Community Precinct, however discussions will be undertaken regarding the inclusion of these additional costs within the funding agreement.

8. ENVIRONMENTAL IMPACT

- 8.1 The proposed FSECP Streetscape will have a net positive impact on the local environment.



- 8.2 The new streetscape will:
- 8.2.1 Replace 1,420m² of existing hard landscape area (paving, footpaths, etc.)
 - 8.2.2 Introduce 353m² of soft landscaping (garden beds), including 7 new Water Sensitive Urban Design (WSUD) garden beds to treat storm water run-off. The use of WSUD raingardens will also ensure better management of water flows through an area that is frequently flooded.
 - 8.2.3 Introduce 39 new trees (to replace the existing 9 in this area).
 - 8.2.4 Include an additional 2,578 other plantings (shrubs, climbers, grasses and rain garden plants).
- 8.3 The contractor is required to manage all activities onsite in accordance with the Environmental Protection Act.

9. COMMUNITY IMPACT

- 9.1 The construction of the FSECP Streetscape will create a link between the newly completed South Melbourne Primary School and Kirrip Park. The value that this facility and open space provides to the community is well understood and is of three basic forms: recreational, ecological and aesthetic.
- 9.2 Urban open space is often appreciated for the recreational opportunities it provides. Recreation in urban open space may include active recreation (such as organised sports and individual exercise) or passive recreation, which may simply entail being in the open space. Time spent in urban open space for recreation offers a reprieve from the urban environment.
- 9.3 The aesthetic value of urban open space is commonly accepted. This project aims to contribute to the broader precinct works to create a green open and inviting space within the urban environment.
- 9.4 Attractive neighbourhoods contribute to the positive attitudes and social norms that encourage walking, while having close access to recreational facilities such as parks increases the likelihood that people will translate walking intentions into actual action.
- 9.5 Studies show that there is a correlation between community development / community safety and natural open space within the community. Open areas allow community members to engage in highly social activities and facilitate community growth.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 This project is identified in the Council Plan and aligns with Directions 4 – We are growing and keeping our character:-
- 10.1.1 Outcome 4.1 – Liveability in a high-density City
 - 10.1.2 Outcome B – Designing, activating and managing public spaces that are safe and inviting places for people to enjoy



- 10.1.3 Outcome C – Extending, connecting and diversifying our open space network to cater for increased demand
- 10.1.4 Priority dot point 1 – Partner with the Victorian Government to ensure the Fishermans Bend Framework and precinct plans maximise outcomes for current and future Port Phillip residents, including employment, housing choice, quality public space and community facilities, and early delivery of fast, frequent public transport.
- 10.1.5 This project is the one of a series of major investments in Fishermans Bend Urban Renewal Area (FBURA) by Council and State.
- 10.1.6 Priority dot point 2 – Deliver open space streetscape works in Fishermans Bend, particularly in the Montague Precinct and at the Ferrars Street Education and Community Precinct.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 It is recommended that Council awards the proposed contract as soon as possible to the recommended tenderer.
 - Construction Commencement: 30 August 2018
 - Construction is estimated to be completed 18 weeks following construction commencement, this is subject to favourable weather and construction conditions.

11.2 COMMUNICATION

- 11.2.1 Subject to Council's decision, the following will occur:
 - Contract documentation will be prepared and forwarded to ACE Landscape Services within five business days.
 - An update to local residents, local businesses and relevant stakeholders will be distributed leading up to the commencement of the construction period.

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: 36/01/216

ATTACHMENTS 1. FSECP Streetscape Scope of Works