



- 8.5** **MONTAGUE PARK CONSTRUCTION TENDER EVALUATION**
- WARD:** **GATEWAY**
- GENERAL MANAGER:** **FIONA BLAIR, INFRASTRUCTURE & AMENITY**
- PREPARED BY:** **MIKE COULTAS, SENIOR PROJECT MANAGER**
JONATHAN KAMBOURIS, COORDINATOR PROJECT SERVICES
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LACHLAN JOHNSON, MANAGER PROJECT SERVICES
- TRIM FILE NO:** **66/18/33-02**
- ATTACHMENTS:**
- 1. Attachment 1 – Montague Community Park – Concept Plan**
 - 2. Attachment 2 – Changes to 10Y Financial Plan**

PURPOSE

To seek Council’s approval to award the construction contract for the Stage 1 – Montague Community Park Construction.

I. RECOMMENDATION

That Council:

- 1.1** Awards Contract 2104 to PTA Landscapes Pty Ltd for the Stage 1 – Montague Community Park Construction.
- 1.2** Notes that the contract value is based upon a lump sum price of \$3,022,930.38 including GST. The proposed contract commencement date is 08 January 2018.
- 1.3** Affixes the Common Seal of the Port Phillip City Council to Contract 2104 between Council and PTA Landscapes Pty Ltd.
- 1.4** Notes the changes to the 10-Year Financial Plan:
 - (a)** A net overall reduction in gross capital expenditure by \$2.0 million - primarily due to the reduction in the capping layer approved by the independent environmental auditor - compared to the 10-Year Financial plan;
 - (b)** A net overall reduction of Council’s contribution of \$0.7 million.
 - (c)** Revised phasing of Stage 1: \$0.3 million in 2016/17; \$4.3 million in 2017/18; \$0.9 million in 2018/19.



2. BACKGROUND

- 2.1 Council and the Victorian Government jointly purchased the land at 2-4 Buckhurst Street on 1 July 2016.
- 2.2 Council have approved budget to remediate the site up to \$2.0 million. This is supported through the signed funding agreement with State in November 2015 which committed Council to remediate the site on a 2:1 basis.
- 2.3 The funding agreement also provides the funding structure to develop the park on a 1:1 cost sharing ratio up to a total cost of \$6.0 million.
- 2.4 The Victorian State Government and Fishermans Bend Taskforce have approved the costing for the Stage 1 development of the park.
- 2.5 In August 2017, Council and the Victorian Government released the concept design for Stage 1 of Montague Community Park. The concept design includes a paved entrance area, featuring landscaping and terraced areas for people to relax under shady trees or run around. See Attachment 1.
- 2.6 In August 2017, demolition of the industrial office building was completed at 2-4 Buckhurst Street.
- 2.7 On 18 September 2017, the Minister for Planning approved the Planning Scheme Amendment C135 to the Port Phillip Planning Scheme. The amendment rezones land known as 2-4 Buckhurst Street, Ferrars Street (between Douglas and Gladstone Streets) and Gladstone Street (from Ferrars Street to Kerr Street) and part of Kerr Street, from a Capital City Zone to a Public Park and Recreation Zone (PPRZ).
- 2.8 The amendment also updates the Schedule to Clause 52.03 — 'Specific Sites and Exclusions' and the Schedule to Clause 81.01 — 'Documents Incorporated in this Scheme' to insert a new Incorporated Document titled Montague Community Park and associated Streetscape Works, August 2017.
- 2.9 On 19 September 2017, Council resolved to proceed with the statutory process for a permanent road closure of Ferrars Street, (between Buckhurst Street and Gladstone Street) and Gladstone Street, (between Ferrars Street and Kerr Street) maintaining access to properties in Surveyors Place; in accordance section 207, schedule 11, clause 9 of the Local Government Act 1989.
- 2.10 On 06 December 2017, Council resolved to permanent close Ferrars Street, (between Buckhurst Street and Gladstone Street) and Gladstone Street, (between Ferrars Street and Kerr Street) maintaining access to properties in Surveyors Place; in accordance section 207, schedule 11, clause 9 of the Local Government Act 1989.

3. KEY INFORMATION - PROCUREMENT

- 3.1 The procurement process for the Montague Community Park project consisted of two stages: an Expression of interest (EOI) to short list contractors, followed by a Request for Tender (RFT) issued to the shortlisted applicants.
- 3.2 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
Manager Open Space & Recreation Services	Anthony Traill
Contracts & Procurement Advisor	Scott Thompson
Panel Member representing Fisherman’s Bend Taskforce (Non-Voting)	Luke Morrison

- 3.3 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.

Stage 1 – Expression of Interest (EOI)

- 3.4 Prior to the EOI, evaluation criteria and weightings were established.
- 3.5 Table two below outlines the individual phase criteria and their weightings as per the approved Procurement Plan set out in Table two (2) below.

Table 2: Phase 1 - Criteria Weightings	
Description:	Weighting
Capacity to meet the requirements of the technical specification	20%
Relevant Experience	20%
Occupational Health and Safety	5%
Environmental	5%
VIPP Local Content	10%
Phase 2 - Criteria Weightings	
Description:	Weighting
Phase 1 Score	60%
Price	40%

- 3.6 This project has been registered as a Victorian Industry Participation Policy (VIPPP) project which ensures that small and medium size enterprises (SMEs) are given a full and fair opportunity to compete for government contracts, such as hospitals, schools and road projects, while still achieving value for money.
- 3.7 VIPPP requires government departments and agencies to consider competitive local suppliers, including SMEs, when awarding contracts valued at:
- \$1 million or more in regional Victoria, or
 - \$3 million or more in metropolitan Melbourne or for state-wide activities;



- 3.8 The EOI was advertised via The Age and Tenderlink online on 30 September 2017 and closed on 20 October 2017. Four (4) submissions were received.
- 3.9 After an initial assessment by the TEP, scores for each tenderer were determined against each Phase I selection criteria. The weighted scores are set out below in Table three (3).

Table 3: Phase I – Weighted Scores		
No.	Tenderer:	Score (Out of 600)
1	Tenderer 1	309
2	Tenderer 2	339
3	PTA Landscapes Pty Ltd	483
4	Tenderer 4	462

- 3.10 The TEP resolved to interview the top two scored tenderers.
- 3.11 Following interviews with the top two scoring candidates a shortlist was confirmed by the TEP which comprised of the two tenderers interviewed.

Request for Tender (RFT)

- 3.12 The RFT for shortlisted candidates was issued via Tenderlink on 03 November 2017 and closed on 29 November 2017 with all parties submitting a lump sum price.
- 3.13 Assessments were undertaken by the TEP in accordance with the agreed predetermined selection criteria.
- 3.14 The TEP considered the lump sum totals of each tenderer and detailed price breakdown as part of their pricing analysis.
- 3.15 Following tender clarifications, financial and reference checks and a request for the Best and Final Offer, the evaluated prices are set out in Table four (4).

Table 4: Phase 2 - Lump Sum Pricing		
No.	Tenderer:	Price (inc GST):
1	PTA Landscapes Pty Ltd	\$3,022,930.38
2	Tenderer 4	\$3,589,619.00

- 3.16 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.

Table 5: Collation of Results		
No.	Tenderer:	Score (Out of 1,000)
1	PTA Landscapes Pty Ltd	875
2	Tenderer 4	757

- 3.17 The TEP agreed that the PTA Landscapes Pty Ltd represented best value to Council.



Capacity and Methodology

3.18 PTA Landscapes Pty Ltd rating is underpinned by the following factors:

- They detailed their sound understanding of the project and their ability to address issues surrounding the project including minimising disruption to the public and local residents.
- 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.
- They provided detail of their proven ability to tailor the sequence of activities to ensure the desired project outcomes relating to quality, time and budget.
- They provided a detailed Gantt chart which was within the desired project timeframe and details of their history of timely delivery.
- They understood the environmental sensitivities of the site and working within close proximity to a school, and will adopt strategies to reduce impacts on the surroundings.
- They demonstrated a high level of understand of the site based risks, including contaminated soil, and demonstrated sound methodology on how mitigate the risk and manage the issues.
- PTA Landscapes PTY Ltd demonstrated an understanding of limiting the impact on local businesses as well as recognising that this was a significant community experience which would demand a high level of engagement from the contracted team.

Relevant Experience

3.19 PTA Landscapes Pty Ltd rating was derived from the following factors:

- 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.
- They demonstrated extensive experience in performing works in a sensitive environmental and populated area.
- They demonstrated extensive experience in managing sites with contaminated soil.

Occupational Health and Safety Systems and Environmental

3.20 PTA Landscapes Pty Ltd rating is underpinned by the following factors:

- They completed the OH&S Management system questionnaire in full and submitted all requested documentation.
- They recognise their responsibility for the health and safety of all employees in the workplace.

Environmental

3.21 PTA Landscapes Pty Ltd rating is derived from the following factors:

- They completed the Environmental Management system questionnaire in full and submitted all requested documentation.



- They recognise their responsibility for environmental management of the work site and surrounding areas.
- They provided a detailed Environmental management approach that was specific to the site and its conditions.

Financial Evaluation

- 3.22 The financial viability of PTA Landscapes Pty Ltd was checked by Council’s Financial Compliance Accountant. The detailed financial and performance assessment report showed a Sound rating and a Pass verdict.
- 3.23 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

- 3.24 Referee checks were conducted following evaluation of the tender response. The reference check affirmed the following information.
- Workmanship was of a high quality and the met both specifications and client expectations;
 - Very confident with a proven track record. PTA Landscapes Pty Ltd 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;
 - PTA Landscapes Pty Ltd OH & S is a high priority on all projects;
 - PTA Landscapes Pty Ltd demonstrated high level of experience and ability to overcome site issues and constraints;
 - The workmanship of PTA Landscapes Pty Ltd was of a high quality that met the Principals expectations;
 - PTA Landscapes Pty Ltd had successfully worked within a ‘live’ environment that included occupied buildings, students and administration staff;
 - OH &S was managed to high standard, both within the works zone, and for surrounding public.

Summary of Procurement Process and Value Outcome

- 3.25 The TEP agreed that the PTA Landscapes Pty Ltd represented best value to Council.



FURTHER SUPPORTING INFORMATION

4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 4.1 This project is identified in the Council Plan and aligns with **Directions 4 – We are growing and keeping our character:-**
- 4.1.1 Outcome 4.1 – Liveability in a high density City
 - 4.1.2 Outcome B – Designing, activating and managing public spaces that are safe and inviting places for people to enjoy
 - 4.1.3 Outcome C – Extending, connecting and diversifying our open space network to cater for increased demand
 - 4.1.4 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.
This project is the first of a series of major investments in FBURA by Council and State.
 - 4.1.5 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.

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 overlay 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 will continue to provide updates to the community throughout the park construction process.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 The recommended tenderer holds:
 - Public Liability Insurance of \$20M.



6.1.1 Professional Indemnity Insurance of \$10M.

6.1.2 WorkCover Insurance equal to the specified in the contract terms and conditions.

6.2 Two bank guarantees 5% each, as security for the City of Port Phillip for the total of 10% of the contract lump sum will be required.

7. SUSTAINABILITY – Triple Bottom Line

7.1 ENVIRONMENTAL IMPLICATIONS

- The proposed Montague Community Park will have no negative environmental impacts.
- The new park will introduce approx. 9056m² of new open space and introduce new trees and shrubs.
- The new park also includes a network of raingardens that have applied Water Sensitive Urban Design (WSUD) to treat stormwater run-off. The use of WSUD Raingardens will also ensure better management of water flows through an area that is frequently flooded.

7.2 SOCIAL & CULTURAL IMPLICATIONS

- The construction of the Montague Community Park will create a large community open space that will provide further opportunity for relaxation and recreational activity. The value that urban open space provides the community is well understood and is of three basic forms: recreational, ecological and aesthetic value.
- 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.
- The aesthetic value of urban open space is self-evident. People enjoy viewing nature, especially when it is otherwise extensively deprived, as is the case in urban environments. Therefore, open space offers the value of substituting grey infrastructure.
- Attractive neighborhoods 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.
- 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.

7.3 ECONOMIC IMPLICATIONS

- This project has been registered as a Victorian Industry Participation Policy (VIPP) project which ensures that small and medium size enterprises (SMEs) are given a full and fair opportunity to compete for government contracts, such as hospitals, schools and road projects, while still achieving value for money



- Based on the information provided, the Industry Capability Network (Victoria) Ltd (ICN) considered the achievement of PTA Landscapes Pty Ltd VIPP Plan to be of medium risk. The TEP scored PTA Landscapes PTY Ltd 6 out of 10.
- PTA Landscapes Pty Ltd has made a commitment to employ only local resources including local apprentices and trainees.

7.4 FINANCIAL IMPLICATIONS

Overall budget

- All works associated with Montague Community Park and Streetscape are being funded by Council and the Victorian State Government.
- The budget for this project has been reflected in the Council Plan, which totals \$16.1 million (2016/17 to 2020/21). The funding for the park and streetscape works is based on:
 - (a) Remediation budget of \$6.0 million which is funded at a ratio of 2:1 (State : Council) and is associated with the remediation of the groundworks and site infrastructure.
 - (b) Development budget of \$6.0 million which is funded at a ratio of 1:1 (State : Council) and is associated with the development of the park.
 - (c) Streetscape budget of \$4.1 which is funded at a ratio of 2:1 (State : Council).

Financial implications – 2017/18 & 2018/19

- The outcome for the tendering process has resulted in a cost reduction of \$2.0 million.
- The updated cost of Phase I of the construction works is expected to be \$5.5 million (2017/18 \$4.6m, 2018/19 \$0.9m), comprising of:
 - (a) Remediation cost of \$4.0 million, a saving of \$2.0 million compared to the Council Plan;
 - (b) Early development works of \$1.0 million, brought forward from 2020/21; and
 - (c) Streetscape costs of \$0.5 million, related to early works associated with the development of the Buckhurst St component of the park.

Funding implications (Council investment)

- As a result of the \$2.0 million reduction in cost for the remediation works, the financial benefits will be proportioned according to agreed funding ratios, State \$1.3 million and Council \$0.7 million.
- See Attachment 2 for a fuller understanding of the changes to the 10Y Financial Plan.

8. IMPLEMENTATION STRATEGY

8.1 TIMELINE

It is recommended that Council awards the proposed contract as soon as possible to the recommended tenderer.

- Construction Commencement: 08 January 2018;
- Anticipated Project Completion: July 2018.

8.2 COMMUNICATION

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



- Contract documentation will be prepared and forwarded to PTA Landscapes Pty Ltd 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.

9. INTEREST

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