



**11.2 ALMA PARK STORMWATER HARVESTING SCHEME
TENDER AWARD**

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

**PREPARED BY: ALASTAIR MCHARG, SENIOR PROJECT MANAGER
LISA DAVIS, PORTFOLIO DIRECTOR**

1. PURPOSE

- 1.1 To seek Council approval to increase the budget allocation for the Alma Park Storm Water Harvesting Scheme; and recommend the acceptance of a tender for the construction and installation works.

2. EXECUTIVE SUMMARY

- 2.1 The Alma Park Storm Water Harvesting Scheme will capture and treat storm water from the Alma Park drain, store it under the Alma Park sports field and use it to irrigate the sports field and adjacent park areas, including Hank Marvin Markets and Alma Park West.
- 2.2 The scheme is designed to capture and utilise 18 ML of storm water per year. This will result in a saving in potable water costs of \$55,000 per annum. The scheme will also contribute other environmental benefits, including a significant reduction of nitrogen, phosphorous and sediment loads entering Port Phillip Bay and indirect benefits such as reduced heat island effects and supporting resilient green open spaces.
- 2.3 A two-phase procurement process has been conducted to source a construction contractor. The result of this process is that in order to accept the tender and deliver the full scope of work, the project budget needs to be increased by \$324,000.
- 2.4 Subject to the additional budget being approved, the project would be funded by Council (\$2,939,000) and Melbourne Water (\$300,000).
- 2.5 Subject to Council's decisions, works would commence on site in late December, and the scheme would be ready for commissioning in July 2019.

3. RECOMMENDATION

That Council:

- 3.1 Allocates an additional \$324,000 to the total project budget for Alma Park Storm Water Harvesting Scheme, in the 2019/20 financial year.
- 3.2 Subject to 3.1, that Council:
- 3.2.1 Accepts the tender and enters into Contract number 2164 between Port Phillip City Council and Simpson Construction Pty Ltd for the construction of the Alma Park Storm Water Harvesting Scheme for a contract lump sum price of \$2,732,403 (including GST, \$2,484,003 excluding GST).
- 3.2.2 Affixes the Common Seal of the Port Phillip City Council to Contract 2164 between Port Phillip City Council and Simpson Construction Pty Ltd.



- 3.2.3 Notes that the total project cost will be \$3,239,000 to be funded by Port Phillip City Council (\$2,939,000) and Melbourne Water (\$300,000).
- 3.2.4 Notes that works are due to commence on site in late December and that it is planned to complete all works at the Alma Park Oval by 1 April 2019, and for the entire scheme by 28 June 2019.

4. KEY POINTS/ISSUES

Background

- 4.1 Water is one of the four transformation agendas articulated in the Council Plan 2018-2028. The Water Transformation Program seeks to reduce potable water usage, establish alternative water sources, manage catchment concerns and improve the quality of water entering Port Phillip Bay.
- 4.2 Through the Alma Park Storm Water Harvesting Project, Council will take an important step towards achieving its alternative water targets. The project will involve construction of a storm water harvesting scheme that will capture and treat storm water from the Alma Park drain, store it under the Alma Park sports field and use it to irrigate the sports field, Alma Park West and the Hank Marvin market area.
- 4.3 The scheme is designed to capture and utilise 18 ML of storm water per year. This will result in a saving in potable water costs of \$55,000 per annum. The Scheme will result in a significant reduction of nitrogen, phosphorous and sediment loads entering Port Phillip Bay and indirect benefits such as reduced heat island effects and supporting resilient green open spaces.
- 4.4 The above ground parts of the scheme (the bioretention system, treatment shed and fence) have been carefully designed to fit with the aesthetics of the park. The bioretention system is defined by a step edge, that can be also used as seating for spectators at Alma Park oval and a rest area for the Hank Marvin market visitors.

Procurement Process

- 4.5 The procurement process to engage a suitable contractor for the construction works was undertaken in accordance with Section 186 of the Local Government Act 1989, Council's Procurement Policy and the approved Alma Park Storm Water Harvesting Scheme Evaluation Plan.
- 4.6 The procurement process was undertaken in two stages:
- Stage 1: A Public Expression of Interest (EOI) to identify and short-list potential contractors
 - Stage 2: A Request for Tender (RFT) issued to shortlisted tenderers.
- 4.7 A Tender Evaluation Panel (TEP) was convened. The composition of the TEP is shown in Table 1.

Name	Title
Atilio Numa (Chair)	Coordinator Civil Infrastructure
Lachlan Johnson	Manager Project Services
Fionna Moon	Civil Design Engineer & Project Manager



Lucas Blatman	Senior Sport and Recreation Officer
Alastair Mcharg	Senior Project Manager
Scott Thompson	Contracts & Procurement Advisor (non-voting)
Lisa Davis	Portfolio Director (Sponsor & non-voting member)

- 4.8 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

- 4.9 The evaluation criteria and weightings were established. The details are shown in Table 2. Price was not considered in the assessment of Stage 1 submissions.

Table 2: Tender Evaluation Criteria		
	Stage 1	Stage 2
Filter Criteria	Pass/fail	Pass/fail
OH&S	Pass/ Fail	Pass/ Fail
Assessment Criteria	% Weighting	% Weighting
Price	Not assessed	40%
Capacity to meet the requirements of the specification	35%	21%
Relevant experience and track record	35%	21%
Environmental Management/ Sustainability	15%	9%
Program/ Schedule	15%	9%

- 4.10 An Expression of Interest was advertised in The Age and on Tenderlink online on 28 July 2018. The EOI submission period closed on 16 August 2018.
- 4.11 Seven submissions were received in response to the EOI. These submissions were assessed based on OH&S, capacity, experience, environmental management and the construction schedule. A summary of initial scores are presented in Table 3.

Table 3: Tender Scoring		
Tender No.	Initial Score	Shortlisted
Tender 1	763.33	Yes
Tender 2	445.50	No
Tender 3	241.00	No
Tender 4	584.00	No
Tender 5	692.50	Yes
Simpson Construction Pty Ltd	714.00	Yes
Tender 7	Non-Conforming	No

- 4.12 The submission from Tenderer 7 was found to be non-conforming. The tenderer had indicated in their EOI submission that they did not operate an independent third-party accredited OH&S management system. As this was a filter criteria, the TEP deemed the submission to be non-conforming and it was excluded from further consideration.
- 4.13 There was a clear separation in scores from Tenderer 1 (763.33), Tenderer 5 (682.50) and Tenderer 6 (714.00) and the remaining submissions. These three were shortlisted by the TEP.



Stage 2: Request for Tender

- 4.14 A Request for Tender (RFT) was issued to the shortlisted tenderers via Tenderlink online on 17 October 2018 and was open for two weeks.
- 4.15 The TEP considered the lump sum totals of each tenderer and detailed price breakdown as part of their pricing analysis. Tender clarifications were sought from each tenderer, and closed on 2 November 2018.
- 4.16 Tender interviews were undertaken with short listed tenderers on 12 November 2018. Final clarifications and Best and Final Offers (BAFOs) were sought from these tenderers, which closed on 14 November 2018.
- 4.17 The TEP undertook an evaluation of the tender responses and BAFOs. The prices and the associated evaluation score are provided in Table 4.

Table 4: Tender Scoring		
Tender No.	Best and Final Offer (inc GST)	Score (/1000)
Tender 1	\$2,996,272.42	788.27
Tender 5	\$3,281,274.70	789.09
Simpson Construction Pty Ltd	\$2,732,403.00	831.10

- 4.18 Reference checks were conducted following the evaluation of the BAFO.
- 4.19 The TEP considered that based on their submission, interview and reference check, the submission from Simpson Construction Pty Ltd represents the best value to Council.
- 4.20 The financial viability of Simpson Construction Pty Ltd was checked by Council's Financial Compliance Accountant. A standard VEDA report confirmed that the company has satisfactory financial rating for the TEP to recommend Simpson Construction Pty Ltd.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 Community engagement activities about the project have been underway for the past twelve months. These activities have advised the Alma Park community and park users of the upcoming works and have included:
 - On site signage.
 - A letter box drop to local residents with the project fact sheet.
 - A CoPP webpage update.
 - An article in Diversity.
 - Briefing of schools, clubs, Hank Marvin market and other park users.
- 5.2 In consultation with sports clubs and schools, all summer sports have been relocated from Alma Park oval from November 2018 to the start of April 2019.
- 5.3 Community information and engagement activities will increase as the project progresses towards construction. Emphasis will be placed on ensuring that local residents and business understand the extent of the works, including vehicle movement during construction, and what we are doing to minimise noise, dust, and park use interruptions during the works.



6. LEGAL AND RISK IMPLICATIONS

6.1 The recommended tenderer holds:

- Public Liability of \$20M
- Professional Indemnity Insurance of \$10M
- WorkCover Insurance

6.2 City of Port Phillip will require a 10% security by way of two unconditional bank guarantees from Simpson Construction Pty Ltd of 5% each.

7. FINANCIAL IMPACT

7.1 This report recommends that Council increase its budget allocation to the project by \$324,000 to cover the full cost of the proposed construction contract. The increase would be budgeted in the 2019/20 financial year.

7.2 Subject to the additional budget being approved, the total project cost would be \$3,239,000 (excluding GST) and the project would be funded by Council (\$2,939,000) and Melbourne Water (\$300,000).

7.3 The benefit-cost ratio (BCR) of the scheme is 0.6, which includes an allowance for nitrogen offset. Without the nitrogen offset, the BCR is 0.41.

7.4 Over 25 years, the net additional increase in operating costs upon Council's budget, including depreciation, is \$466,000.

8. ENVIRONMENTAL IMPACT

8.1 By capturing 18 ML/yr storm water per year, the scheme will contribute up to 9% of Council's alternative water use targets.

8.2 In addition to the points made in section 4, the scheme will generate community interest in sustainable water management practices and demonstrate Council's commitment to the environment, using less water for irrigation and reducing the amount of pollution going into the bay: 9,903kg/yr in Sediments (4% of Council's targets); 16kg/yr Phosphorus (2% of Council's targets) and 91 kg/yr in Nitrogen (3% of Council's targets).

8.3 It is expected that there will be educational benefits from the scheme with local schools expressing interest in including the project as part of its environmental curriculum.

8.4 There may be an opportunity to re-use timber from Kerferd Road Pier for the fencing material along the boundary of the bioretention system and St Mary's Parish. This will be discussed with Simpson Pty Ltd once Council has made its decisions. Alternatively, recycled Australian hardwood will be used.

9. COMMUNITY IMPACT

9.1 The northern end of Alma Park oval will be closed from late December to 1 April 2019 whilst the underground tanks are constructed and turf reinstated and established.

9.2 Officers are working closely with Alma Park oval users to ensure that any disruptions to oval use are minimised. Oval users, including cricket clubs and schools have been supportive of the project.

9.3 Planning is being undertaken to ensure that there is safe access to the Hank Marvin Market which will be held throughout the construction period.



- 9.4 Communication efforts will be increased as the construction period approaches. Communication material will inform neighbours on what to expect, particularly during high excavation periods, where trucks will move through the parks carrying soil, out onto Dandenong Road.
- 9.5 Three trees will be removed to allow construction of the scheme, these are a small Elm, a small Oak and an established Melaluca. These trees will be replaced like for like where appropriate after the scheme has been constructed.
- 9.6 Three park lights will be disconnected during construction. Temporary lighting will be provided during the construction period. Lights will be returned to use at the end of construction.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 Water is one of the four transformation agendas articulated in the Council Plan 2017-2027.
- 10.2 Strategic Direction 4.3.A of the Council Plan 2017-2027 states that we will work towards reducing potable water consumption by encouraging more efficient water use and establishing alternative water sources.
- 10.3 The Council Plan sets a 2020 target of 138 ML/yr of water use from alternative sources. The Alma Park Storm Water Harvesting Scheme is expected to achieve up to 9% of this target.
- 10.4 This project is identified in the Council Plan 2017-2027. It progresses the following strategic direction:

Strategic Direction 3: We have smart solutions for a sustainable future.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

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

- Contract finalisation and execution by 20 December 2018 and preparatory works will commence.
- Construction will commence early in January 2019. Construction of elements associated with the oval will begin as a priority so that the oval can be returned for regular competitive sports use by 1 April 2019.
- Construction of all works – including the bioretention ponds and the irrigation systems - is expected to be completed by 28 June 2019. The scheme will then be commissioned.

11.2 COMMUNICATION

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

- Contract documents will be prepared and forwarded to Simpson Construction Pty Ltd within five business days.



ORDINARY MEETING OF COUNCIL 5 DECEMBER 2018

- Community information and engagement activities will increase, as outlined in section 5 above.

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: 16/01/820

ATTACHMENTS Nil