



9.1 JL MURPHY RESERVE PAVILION UPGRADE TENDER AWARD

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

**PREPARED BY: LISA DAVIS, PORTFOLIO DIRECTOR
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1. PURPOSE

- 1.1 To seek Council's approval to enter into contract number 2165 between City of Port Phillip and Ausbuild Pty Ltd for the construction of the JL Murphy Reserve Pavilion Upgrade.

2. EXECUTIVE SUMMARY

- 2.1 The Council Plan identifies the upgrade of JL Murphy Pavilion as a key priority. Through this project Council will support sport participation by providing a high-quality facility that is fit for purpose and meets the demands of increased sport participation.
- 2.2 The upgraded and extended pavilion will include four additional unisex toilet and change facilities, additional storage space, a larger kitchen/kiosk, new public toilets, an extended under cover area, and umpire facilities. The pavilion's multi-purpose space will also be expanded by 120m² and refurbished to enable greater use by the clubs and the community. The building will be made fully compliant with the Disability Discrimination Act and all relevant legislation.
- 2.3 The upgrade will enable greater participation by women and girls by providing suitable toilet and change facilities.
- 2.4 The additional facilities will also enable multiple sports to play competition simultaneously, and therefore optimise Council's previous investment of around \$750,000 in 2012 to 2014 to build a new soccer ground and relocate the baseball diamond.
- 2.5 A two-stage procurement process has been undertaken to identify a suitable contractor for the construction works, in accordance with Council's procurement policy and the agreed evaluation plan.
- 2.6 The Tender Evaluation Panel (TEP) recommends Council enter into Contract 2165 with Ausbuild Constructions Pty Ltd for construction of the JL Murphy Pavilion Upgrade, for the lump sum price of \$3,381,620 inclusive of GST



3. RECOMMENDATION

That Council:

- 3.1 Enter into Contract 2165 with Ausbuild Constructions Pty Ltd for the construction of the JL Murphy Pavilion Upgrade.
- 3.2 Note that the contract value is \$3,381,620 inclusive of GST (\$3,074,200 excluding GST) and is made up of the following:
 - 3.2.1 a fixed lump sum of \$3,326,620 inclusive of GST (\$3,024,200 excluding GST)
 - 3.2.2 a provisional sum price of \$55,000 inclusive of GST (\$50,000 excluding GST)
- 3.3 Notes that works are expected to take approximately 14 months, with the building ready to be reoccupied in February-March 2020.
- 3.4 Affixes the Common Seal of the Port Phillip City Council to Contract 2165 between the Council and Ausbuild Construction Pty Ltd.

4. KEY POINTS/ISSUES

Background

- 4.1 J.L. Murphy Reserve pavilion sits on Williamstown Road within J.L. Murphy Reserve, Port Melbourne. The pavilion services two ovals, one diamond and a rectangular pitch (four playing surfaces). The Reserve plays a vital role in provision of active open space for the current local community, and its importance will be further elevated as the Fisherman's Bend Urban Renewal Area (FBURA) becomes established.
- 4.2 The primary purpose of JL Murphy Pavilion is to support the requirements of sports participation at the Reserve.
- 4.3 Through this project Council will support sport participation by providing a high-quality facility that is fit for purpose and meets the demands of increased sport participation.
- 4.4 The upgraded and extended pavilion will include four additional unisex toilet and change facilities, additional storage space, a larger kitchen/kiosk, new public toilets, an extended under cover area, and umpire facilities.
- 4.5 The pavilion's multi-purpose space will also be expanded by 120m² and refurbished to enable greater use by the clubs and the community. The building will be made fully compliant with the Disability Discrimination Act and all relevant legislation. The upgrade is consistent with the directions in the JL Reserve Master Plan (2012), and Council's Sport and Recreation Strategy (2015). It can be achieved with minimal loss of open space.
- 4.6 The upgrade will enable greater participation by women and girls by providing suitable toilet and change facilities (a key requirement of the State's funding).
- 4.7 The additional facilities will also enable multiple sports to play competition simultaneously, and therefore optimise Council's previous investment of around \$750,000 in 2012 to 2014 to build a new soccer ground and relocate the baseball diamond. (Concurrent competition on these grounds is not currently possible).



- 4.8 After consultation with the five key tenant clubs; Sport and Recreation Victoria (SRV); AFL, Cricket, Soccer and Baseball governing bodies; and two phases of community consultation the concept design was approved by Council on 17 September 2017.
- 4.9 Since that time, Officers have worked with club representatives to develop the detailed designs, including redesign and relocation of the kitchen area to make it more functional for the clubs. A new incorporated body – the JL Murphy Pavilion Committee – has been established as a single governance entity to manage club access to the redeveloped building and contribute funds to the redevelopment.

Procurement

- 4.10 The procurement process to identify a suitable contractor for construction works has been completed.
- 4.10.1 The procurement process consisted of two stages:
- 4.10.2 A Public Expression of Interest (Eoi) to short-list potential contractors (Phase 1);
- 4.10.3 A Request for Tender (RFT) issued to the shortlisted applicants (Phase 2).
- 4.11 A Tender Evaluation Panel (TEP) membership is outlined in Table One (1) below:

Table 1: EOI / Tender Panel Members	
Position	Name
Co-ordinator Building Construction (TEP Chair)* - Phase 1	Jonathan Kambouris
Portfolio Director (Sponsor)	Lisa Davis
Co-ordinator Recreation & Open Space Planning	David Nankervis
Project Manager* - Phase 1	Tony To
Contracts & Procurement Advisor (Non-Voting Member)	Graham Millar
Co-ordinator Building Construction (TEP Chair)* - Phase 2	Chris Paperis
Project Manager* - Phase 2	Andrew Farrell

**Due to staff resignation and long-service leave, it was necessary to substitute two panel members between the first and second phase of the assessment process. This change was made following independent probity advice. Further, the status of Lisa Davis was changed to 'voting' in Phase 2.*

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

Phase 1 – Expression of Interest (Eoi)

- 4.12 Prior to the Eoi, evaluation criteria and weightings were established.
- 4.13 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: Evaluation Weightings	
Filter Criteria	
Description:	Criteria
Commercial Builders license	Pass/Fail
Phase 1 - Criteria Weightings	
Description:	Weighting
Capacity to meet the requirements of the specification	24%
Experience and track record	18%
Occupational Health and Safety	9%
Environmental Management	4.5%
Corporate and Social Responsibility	4.5%
Sub-Total	60% (600 points)
Phase 2 - Criteria Weightings	
Description:	Weighting
Price	40%
Total (Phase 1 and 2)	100% (1,000 points)

- 4.14 The EoI was advertised via The Herald Sun and via Tenderlink online on 8 August 2018 and The Age on the 15 August 2018. The EoI submission period closed on 29 August 2018. Eight (8) submissions were received.
- 4.15 After initial assessment by the TEP, scores for each tenderer were determined against each Phase 1 criteria. The weighted scores are set out below in Table Three (3) below

Table 3: Phase 1 – Weighted Scores		
No.	Tenderer:	Score (Out of 600)
1	Tenderer 1	491.25
2	Tenderer 2	441.00
3	Tenderer 3	413.63
4	Tenderer 4	398.63
5	Tenderer 5	392.25
6	Ausbuid Constructions Pty Ltd	386.25
7	Tenderer 7	272.25
8	Tenderer 8	240.00

The TEP resolved to shortlist the top six scored tenderers.

Phase 2 – Request for Tender (RFT)

- 4.16 The RFT for shortlisted candidates was issued via Tenderlink online on 15 October 2018 and closed on 2 November 2018 with four of the six pre-selected parties submitting lump sum prices.
- 4.17 The two pre-selected contractors who did not submit prices cited lack of capacity (following acceptance of other work) and inability to meet the tender timeline as their reasons.



- 4.18 Assessment was undertaken by the TEP in accordance with the predetermined assessment criteria in Table Two (2).
- 4.19 The TEP considered the lump sum totals of each tenderer and detailed price breakdown during its pricing analysis.
- 4.20 Tender clarifications were sought from each tenderer on 9 November 2018 and closed on 12 November 2018
- 4.21 Interviews were undertaken with tenderers on 12 November and 13 November 2018.
- 4.22 The TEP undertook an evaluation of the tender and interview responses. The evaluated prices are set in Table Four (4).

No.	Tenderer:	Initial Tender Response	Clarification Response
6	Ausbuild Constructions Pty Ltd	\$3,343,945.00 inc. GST	\$3,343,945.00 inc. GST
3	Tenderer 3	\$3,780,943.10 inc. GST	\$3,812,854.10 inc. GST
5	Tenderer 5	\$3,972,015.75 inc. GST	\$3,972,015.75 inc. GST
4	Tenderer 4	\$4,378,220.00 inc. GST	\$4,378,220.00 inc. GST
1	Tenderer 1	Did not submit	Did not submit
2	Tenderer 2	Did not submit	Did not submit

- 4.23 Upon receipt of the tenderer’s clarifications, the evaluation matrix was updated to reflect price changes as submitted by tenderers. No changes were made to existing non-price scoring.

No.	Tenderer:	Score (Out of 1,000)
6	Ausbuild Constructions Pty Ltd	786.25
3	Tenderer 3	764.43
5	Tenderer 5	729.00
4	Tenderer 4	704.13

- 4.24 The TEP concluded that the preferred tenderer was Ausbuild Pty Ltd as they offered best value for money to Council.
 - 4.24.1 A Best and Final Offer (BAFO) was sought from the TEP’s preferred tenderer on 14 November 2018 and closed on 16 November 2018.

Capacity and Methodology

- 4.25 The recommended tenderer’s 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 stakeholders.
 - 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 timeframes and provided detailed evidence of their history of timely delivery.
- 4.25.5 They understood the sensitivities of the site and working within close-proximity to park users, and have committed to adopting strategies to reduce construction impacts on the surrounding area.
- 4.25.6 They demonstrated a high level of understanding of the site risks, including contaminated soil, and have demonstrated a sound methodology on how to mitigate the risk and manage the issues inherent with the site.
- 4.25.7 They demonstrate an understanding of limiting the impact on local residents as well as recognising that this is a significant community project which will require a high level of engagement and visibility

Relevant Experience

- 4.26 The recommended tenderer's rating was underpinned by the following factors:
 - 4.26.1 They provided details of their previous 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 populated area.

Occupational Health and Safety Systems

- 4.27 The recommended tenderer's 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 recognised their responsibility for the health and safety of all employees in the workplace.

Environmental

- 4.28 The recommended tenderer's 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 recognised their responsibility for environmental management of the work site and surrounding area.
 - 4.28.3 They provided a detailed environmental management approach that was specific to the site and its conditions.

Financial Evaluation

- 4.29 Detailed financial and performance assessment checks were undertaken by Council's Financial Compliance Accountant and found that the preferred tenderer:
 - 4.29.1 obtained a pass score on the check
 - 4.29.2 is trading in a profitable manner



4.29.3 has a level of annual revenue that indicates that the proposed contract is within their capacity and risk-based thresholds.

4.30 Given the size and nature of the contract, the contract requires for Bank Guarantees (two 5% bank guarantees totalling 10%) to be in place before possession of site is granted.

Reference Checks

4.31 Reference checks were conducted following the evaluation of BAFOs by the tenderers. The reference checks found that:

4.31.1 Ausbuild's workmanship was of a high quality and met both the specifications and client expectations.

4.31.2 Ausbuild has undertaken many projects for both private and government agencies (including for the City of Port Phillip) and have relevant project experience on pavilion redevelopments.

4.31.3 OH&S is managed by Ausbuild to a high standard, both within the works zone and for public.

4.31.4 Ausbuild had demonstrated its ability and a high level of experience in addressing site issues and constraints

4.31.5 Ausbuild has successfully worked within 'live' environments that include occupied buildings and public spaces.

5. CONSULTATION AND STAKEHOLDERS

5.1 The sports clubs were consulted throughout the 16-month process to develop the concept design, and have provided feedback to ensure the building, change rooms and storage and temporary facilities are reflective of their current and future needs.

5.2 Following Concept Design approval by Council, the clubs have been involved in the detailed design process, including the decisions (at clubs' request) to alter the floorplan layout to relocate the kitchen/kiosk area to better suit club needs.

5.3 AFL Victoria, Football Federation Victoria, Baseball Victoria, Cricket Victoria have been consulted to ensure the facilities meet sporting code requirements, and SRV has been involved throughout to ensure funding objectives are met.

5.4 Two stages of community engagement were undertaken to provide the community ample opportunity to comment on both the draft parameters and the concept design.

Stage 1 – Scope, objective and parameters occurred December 2015 to February 2016.

Stage 2 – Draft Concept Design occurred in July-August 2017.

6. LEGAL AND RISK IMPLICATIONS

6.1 The recommended tenderer holds:

6.1.1 Public Liability of \$20M

6.1.2 Professional Indemnity Insurance of \$10M

6.1.3 WorkCover Insurance



- 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.
- 6.3 There is a formal Agreement in place between Council and SRV for part funding of the project.
- 6.4 There is a formal Agreement in place between City of Port Phillip and the JL Murphy Pavilion Committee for part funding of the project.
- 6.5 At the time of writing, the JL Murphy Pavilion Committee was in the process of setting up new bank accounts for the recently formed entity. The invoice for the Committee's first payment, of \$60,000, is expected to be paid as soon as the bank account is operable.

7. FINANCIAL IMPACT (EXCLUDING GST)

- 7.1 Subject to Council's decision to accept the preferred tender, the total project cost will be \$4,308,200. This includes the expenses incurred over the last three financial years for technical assessments, project management, planning, consultation, design, fees and other pre-construction activities.
- 7.2 The total project cost represents a significantly lower cost than currently indicated in the Council Plan Budget. An adjustment will be made to the Ten Year Plan to reduce the 2019/20 allocation by approximately \$460,000 once a contract is signed.
- 7.3 The project will be funded by Council (\$2,870,200), SRV (\$1,238,000) and the JL Murphy Pavilion Committee (\$200,000).

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 relevant legislation.
- 8.2 The redevelopment achieves an ESD "excellence" rating when assessed against the Building Environment Sustainability Scorecard (BESS). Significant existing components of the building will be retained; water sensitive design and rain water capture; passive elements such as glazing, improved insulation, efficient air conditioning, water efficient fixtures and fittings; 95% of the building's steel will come from "responsible steel makers" and 60% of the fabricated structural steelwork will come from steel fabricators and contractors accredited to the Environmental Sustainability Charter of the Australian Steel Institute.

9. COMMUNITY IMPACT

- 9.1 During construction, the current pavilion site and contractor's compound will be surrounded by fencing to limit access and ensure public safety, whilst allowing passive surveillance of the site.
- 9.2 During the construction period 400 m² of public space will be utilised for the installation of temporary facilities and public toilets to enable the clubs to continue to operate.
- 9.3 At times, there will be truck and equipment movement, and noise emitting during construction. The amenity impacts upon local residents will be minimised, and they will be kept informed through newsletters, letterbox drops, the project website and on-site signage.



10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

This project is identified in the Council Plan and aligns with the following:

10.1 Direction 1 – We embrace difference, and people belong.

- Outcome 1.1 A safe and active community with strong social connections.
- Outcome A – Providing access to flexible, multi-purpose facilities that support participation in community life through sport, recreation and life-long learning.
- Outcome B – Supporting programs that create social connections and strengthen community networks.
- Priority dot-point – Plan and deliver a long-term program of sports field and pavilion upgrades to enhance capacity and broaden community participation in sport and recreation.
- Priority dot-point – Invest in a long-term program of community facility upgrades to ensure they are fit for purpose and meet current and future community needs.

10.2 Direction 2 – We are connected and it's easy to move around.

- Outcome 2.3 – Our streets and places are designed for people
- Outcome B – Pursuing universal accessibility for people with disabilities, children and older people

10.3 Direction 3 – We have smart solutions for a sustainable future

- Outcome 3.1 – A greener, cooler and more liveable City
- Outcome B - Facilitating the greening of our built environment, through green roofs, walls and facades.
- Outcome 3.2 – A City with lower carbon emissions.
- Outcome C – Promoting sustainable and low energy precinct infrastructure
- Priority dot-point – Invest in renewable energy and energy efficiency measures in Council buildings.

10.4 Direction 4 – We are growing and keeping our character.

- Outcome 4.1 – Liveability in a high-density City
- Outcome A – Requiring well-designed buildings that contribute to safe, lively, high amenity places.
- Outcome B – Design, activating and managing public spaces that are safe and inviting places for people to enjoy.
- Sports and Recreation Strategy 2015-2024
- JL Murphy Reserve Management Plan (2012)



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.
- Preparatory works will commence on site in December 2018, with construction works in full swing from mid-January 2019.

11.2 COMMUNICATION

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

11.2.2 Contract document will be prepared and forwarded to Ausbuild Construction Pty Ltd within five business days.

11.2.3 Sports clubs will complete their movement of possessions to temporary storage.

11.2.4 An update to local stakeholders, residents, local businesses and relevant stakeholders will be distributed in the lead up to construction commencement.

11.2.5 SRV and the JL Murphy Pavilion Committee will be advised and kept apprised of construction progress.

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.

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ATTACHMENTS Nil