

6.4.2 Contract 22-025 - Feature Survey Package 20 to 27

Responsible GM: Peter Benazic
Author: David Conomy

Recommendation(s)

That Council:

That approval is given for the variation documented in this memo and for CT22-025 contract sum to be increased by an additional \$58,300.00 incl GST such that the new contract sum is increased to \$350,941.80 incl. GST. It is further requested that approval is given for the purchase order P222300304 to be varied accordingly.

Attachments

1. CONFIDENTIAL - Confidential Memorandum - Circulated to Councillors only [6.4.2.1 - 8 pages]

Executive Summary

Approval is sought for the contract sum of contract number CT22-025 - Feature Survey for Packages 20 to 27 for the [Sealing the Hills](#) project to be increased by an additional \$58,300.00 incl GST to accommodate variation works required to complete feature survey works and for the associated purchase order to be varied accordingly.

Background

As part of the federally funded [Sealing the Hills](#) project within the [Better Local Roads](#) program, a priority list of roads was approved by the Council in March 2020. The project is mainly Federally funded with additional funding received through several Special Charge Scheme processes.

Packages 20 to 27 within the [Sealing the Hills](#) project are eight (8) packages of works located within Emerald, Upper Beaconsfield, and Cockatoo, consisting of approximately 16 kilometers of full road reconstruction works. Most of these works are earmarked for construction in the 2023/2024 financial year. A detailed feature survey and service proving is required prior to the commencement of engineering design for these packages.

Approval was provided by the General Manager Infrastructure and Environment on the 14th of July 2022 to engage Veris under CT22-025 for the amount of \$292,641.80 incl. GST to complete feature survey and service proving works for packages 20 to 27 under this program of works. The approved memo is linked below:

1. [DOCID-235899278-10210](#) - CT22-025 – Feature Survey for Packages 20 to 27 Sealing the Hills Program - RFQ – signed

Veris' proposal utilised mobile laser scanning (MLS) which provided Council with numerous innovations and advantages for project cost, turnaround time as well as construction support, particularly when compared to similar previous works completed. All works received thus far from Veris have been delivered in a timely manner to an extremely high standard.

Details of Variation

While the works have progressed extremely well, a variation has been sought to cover unanticipated costs associated with the following works outside of the original scope of works, which were unable to be anticipated at the time of pricing:

1. Unanticipated issues relating to additional control setup. It was determined that the combination of terrain variability & tree cover necessitated a switch to using total station for the full scope to maintain the construction grade accuracy requirements rather than GNSS control which was assumed at the time of pricing. It also required the interval between control points to substantially exceed the 200m requirement provided in the brief. A proprietary GIS platform for locating control points was also developed for in-construction use. While this will ultimately provide substantial construction benefits for Council it has also substantially increased costs. Variation cost of \$33,000.00 excl. GST.
2. Automated matching of surveyed tree centers was unexpectedly limited and required a revised methodology involving higher proportion of manual matching due to unexpectedly low accuracy of arborist tree center locations. While some allowance was made in their proposal for uncertainties with this, the quantity and complexity of matching substantially exceeded this allowance. The level of additional processing work was unable to be anticipated at the time of pricing. Variation cost of \$10,000.00 excl. GST.
3. Council requested Veris to undertake additional works which was previously expected to be completed by the arborist. These works include mapping the TPZ and SRZ of native and non-native trees on the survey file. It was decided that these works would be more efficiently and accurately completed by the surveyor rather than the arborist and would provide more consistent inputs for engineering design. Expected cost of \$18,000.00 excl. GST.
4. Additional infill survey works are anticipated to be required to complete the works due to numerous areas where dense vegetation has limited MLS data capture. Expected cost of \$27,000.00 excl. GST.

Based on the above, the total variation sum is expected to be \$88,000.00 excl. GST (\$96,800.00 incl. GST). After accounting for the \$38,500.00 incl. GST contingency sum provided in CT22-025 it is expected that an additional \$58,300.00 incl. GST above the original purchase order sum of \$292,641.80 incl GST will be required to complete the works.

Relevance to Council Plan

2.1 We support the creation of liveable spaces and places

2.1.1 Advocate, plan for and deliver accessible community infrastructure and services that address community need.

2.1.5 Upgrade Council's road network to improve safety and connectivity while considering traffic demand and freight transport needs.

3.1 We value our natural assets and support our biodiversity to thrive

3.1.1 Partner with community, business and industry to take action on, and adapt to, climate change.

3.1.3 Work with community to improve and manage our natural assets, biodiversity and cultural heritage.

3.1.5 Facilitate community stewardship to build preparedness for natural threats.

5.1 We practise responsible leadership

5.1.1 Build trust through meaningful community engagement and transparent decision-making.

5.1.2 Manage our finances responsibly and leave a positive legacy for future generations.

Climate Emergency Consideration

Council declared a climate emergency on 16th September 2019 in response to the overwhelming climate science which indicates rising global temperatures are putting our local economy, people, species and ecosystems at risk. This declaration resolved to:

- Give priority to policy and actions that will provide for both mitigation and adaptation in response to accelerating global warming and climate change

The Council Plan acknowledges tackling climate change and its impact on our environment, economy and people. The effects of climate change are already being seen through more warm spells, frequent and intense downpours and longer fire seasons. It's impacting our biodiversity, water supplies, energy demand and health. As outlined in our Sustainable Environment Policy 2018-28, we recognise that every action our community and Council takes influences our environment. We want to make that influence as positive as possible.

Financial and Resource Implications

The [*Sealing the Hills*](#) project is mainly Federally funded with additional funding from Special Charge Schemes.

The total variation sum requested for contract number CT22-025 is \$96,800.00 incl. GST. However, After accounting for the \$38,500.00 incl. GST contingency sum provided, the contract sum for CT22-025 would need to be increased by \$58,300.00 incl. GST above the original purchase order sum of \$292,641.80 incl GST in order to complete the works. This equates to a 20% variation to the original contract, taking the total contract sum to \$350,941.80 incl. GST.

Under Item 5.6 of Cardinia Shire Council's CEO Purchasing Delegations policy adopted on the 25th of August 2022, items with a value over \$300,000 incl GST should be made through a public competitive tender. Additionally, the purchasing delegations restrict General Manager power to approve contract variations to a maximum of 10%, limited to their financial delegation or tender threshold (whichever is the lower), over the life of the contract. As the variation amount sought is greater than 10% and would take the total contract value over the \$300,000 incl. GST threshold, Council approval is required prior to approval of the variation sum.

Conclusion

It is recommended that approval is given for the variation documented in this memo and for CT22-025 contract sum to be increased by an additional \$58,300.00 incl GST such that the new contract sum is increased to \$350,941.80 incl. GST. It is further requested that approval is given for the purchase order P222300304 to be varied accordingly.