

5 PEET STREET SPECIAL CHARGE SCHEME CONSTRUCTION - CONTRACT 18/17

FILE REFERENCE INT1855541

RESPONSIBLE GENERAL MANAGER Michael Ellis

AUTHOR Cathal O'Loughlin

RECOMMENDATION

That:

- The tender submitted by Streetworks Pty. Ltd. to undertake the works associated with Contract 18/17 Peet Street Special Charge Scheme Construction be accepted for the contract sum of \$6,750,318.59 (Excl. GST);
- The remaining Tenderers be advised accordingly; and
- The common seal of the Council be affixed to the contract documents.

Attachments

- 1 Confidential Memorandum Detailing Tenders received - circulated to councillors only 3 Pages

EXECUTIVE SUMMARY

At the General Council meeting of May 2017, Council resolved to declare the Peet Street industrial area Special Charge Scheme.

This project consists of the construction of Hill, O'Sullivan and Peet Streets and the Peet Street / Koo Wee Rup Road intersection and service road to industrial standards, underground drainage, underground electricity, water, sewerage and communications infrastructure to service this old partly serviced estate.

This report provides consideration for the appointment of a suitably qualified contractor to undertake construction works.

The tender for the Peet Street Special Charge Scheme Construction by Streetworks Pty. Ltd. is the most advantageous for Council, providing the best value for money and excellent service through their experience in the construction of similar projects.

It is therefore recommended that Contract 18/17 for the construction of Peet Street Special Charge Scheme be awarded accordingly.

BACKGROUND

At the General Council meeting of May 2017, Council resolved to declare the Peet Street industrial area Special Charge Scheme.

Since the declaration, the detailed design component has been completed, the land acquisition is underway and the construction works have been tendered.

Tenders were advertised on 12 May 2018 and closed on 12 June 2018 at 2.00pm, a total of nine (9) submissions were received.

The tenders were checked against a range of weighted and non-weighted selection criteria to ensure the viability of the tender submissions. These criteria include: financial viability, risk and insurance, conflict of interest, OHS, quality of previous work, pricing and value for money, current member of the Australian Federation of Civil Contractors (AFCC), Compliance with Conditions of Contract, Compliance with Specifications, Capability and Capacity, Relevant Experience and Past Performance of the Tenderer, Quality Systems & Project Plan / Program.

To provide best value for money, it is recommended that the construction of Peet Street Special Charge Scheme be awarded to Streetworks Pty. Ltd. for a sum of \$6,750,318.59 (Excl. GST).

POLICY IMPLICATIONS

The proposed scheme has been developed in accordance with the provisions of the Local Government Act 1989, Cardinia Shire Council's Special Rate and Charge Scheme Policy and 5 year Special Rate and Charge Scheme Program which is based on community benefit, health, safety, amenity and landowner support.

In particular, this scheme is premised on installation of underground electricity in accordance with Councils policy for servicing of new industrial estates and provides for the full cost of this infrastructure to be met by the benefitting landowners. This reflects the commercial nature of the developments being serviced by this infrastructure and Council's policies providing for developers to meet the full cost of servicing their developments.

RELEVANCE TO COUNCIL PLAN

Development of Special Rate and Charge Schemes directly relates to the Council Plan goal of increasing the use of these schemes to finance road and drainage improvement programs. Additionally, the proposed special charge schemes for design and construction of infrastructure to service the O'Sullivan Road, Hill Street and Peet Street industrial area in Pakenham is referred to as a specific goal.

CONSULTATION/COMMUNICATION

The scheme investigation and development involved considerable consultation with the landowners involved in the scheme. This included questionnaires, surveys and meetings of landowners over a number of years. The formal consultation process to establish the design scheme was also conducted involving notification of landowners and seeking of submissions and objections.

An update on the scheme will be provided to landowners following the consideration of this tender assessment.

FINANCIAL AND RESOURCE IMPLICATIONS

The recommended tender submitted by Streetworks Pty. Ltd. for \$6,750,318.59 (Excl. GST), is within the funding available to deliver this portion of the project.

CONCLUSION

The tender submitted by Streetworks Pty Ltd for the construction of Peet Street Special Charge Scheme is considered to be the most beneficial to Council and it is recommended that Contract 18/17 - Peet Street Special Charge Scheme Construction be awarded to Streetworks Pty. Ltd. for \$6,750,318.59 (Excl. GST).