

Engineering & Works Committee AGENDA



Members Crs van de Ven (Chairperson), D Betteridge, G Docksey, A Glachan (Ex Officio), P Gould, R Jackson, K Mack and D Thurley.

Staff Acting General Manager.

Members are advised that the next **Engineering & Works Committee Meeting** will be held in the **Council Chambers**, AlburyCity Administration Building, 553 Kiewa Street, Albury on **Monday 10 December 2012**, immediately following the Planning & Development Committee Meeting.

EWC 1 – CONFLICT OF INTEREST DECLARATIONS RECEIVED BY THE CHAIR

- 1A Conflict of Interest Declarations
- 1B Chairperson to advise that the meeting is being recorded

EWC 2 – APOLOGIES

- 2A Apologies of Committee Members
- 2B Apologies of non-Committee Members

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- 3A Minutes of the Engineering & Works Committee Meeting held on Monday 12 November 2012 at 7.42pm2

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Note *A light meal will be served at 5.15pm, at ‘Charlies on Kiewa’, for Councillors and staff required to attend the meeting.*

Michael Keys
Acting General Manager
6 December 2012

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EWC 3 – CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

3A Minutes of the Engineering & Works Committee Meeting held on Monday 12 November 2012 at 7.42pm

- Present** Crs van de Ven (Chairperson), D Betteridge, G Docksey, A Glachan (Ex Officio), P Gould, R Jackson and K Mack.
- Apologies** Cr D Thurley.
- In Attendance** Cr D Cameron.
- Staff** Acting General Manager, Director Community & Recreation, Director Economic Development & Tourism, Director Engineering, Acting Director Corporate Services, Acting Director Planning & Environment, Group Leader Water & Wastewater, Acting Team Leader Governance, IT Officer and Governance Officer.

EWC 1 CONFLICT OF INTEREST DECLARATIONS RECEIVED BY THE CHAIR

1A Conflict of Interest Declarations

There were no Conflict of Interest Declarations Received by the Chair.

1B Recording of Meeting

The Chairperson advised those present that the meeting is being recorded.

EWC 2 APOLOGIES

2A Apologies of Committee Members

Cr Glachan Moved, Cr Mack Seconded

That the Committee receive, note and accept the apology of Committee Member Cr Thurley, and grant leave of absence for the meeting.

CARRIED

EWC 3 CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING

3A Minutes of the Engineering & Works Committee Meeting held on Monday 8 October 2012 at 6.25pm

Cr Glachan Moved, Cr Mack Seconded

That the Committee recommends to Council that Minutes of the Engineering & Works Committee Meeting held on Monday 8 October 2012 at 6.25pm, be adopted.

CARRIED

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EWC 4 MATTERS ARISING FROM PREVIOUS MINUTES

There were no Matters Arising from Previous Minutes.

EWC 5 MINUTES OF ADVISORY COMMITTEES AND WORKING PARTIES

There were no Minutes of Advisory Committees and Working Parties.

EWC 6 REPORTS FOR DISCUSSION

6A 2012-2013 Works Program – September Quarterly Update (DOC12/102252)

Cr Gould Moved, Cr Betteridge Seconded

That the Committee recommends to Council that the report on the status of the 2012-2013 Works Program as at 30 September 2012 be received and noted.

CARRIED

6B Contract No. 12/02476 – Reconstruction of Mitchell Road (DOC12/102831)

Cr Docksey Moved, Cr Jackson Seconded

That the Committee recommends to Council that Council accepts the tender provided by C & K Cartwright Civil Contracting Pty Ltd under Contract No. 12/02476 for the reconstruction of Mitchell Road, Table Top, in the sum of \$507,303.00 (excluding GST).

CARRIED

EWC 7 GENERAL BUSINESS

There was no General Business.

Meeting closed at 7.49 pm.

EWC 4 – MATTERS ARISING FROM THE MINUTES

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EWC 5 – MINUTES OF ADVISORY COMMITTEES & WORKING PARTIES

At the time of this Agenda preparation there were no Minutes of Advisory Committees & Working Parties.

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EWC 6 – REPORTS FOR DISCUSSION

6A Proposed Road Names – Former Charles Sturt University Site Subdivision, Albury (DOC12/111608)

DATE 7 November 2012

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

MEETING DATE Monday 10 December 2012

FURTHER ENQUIRIES TO Chris Newman PHONE 6023 8158
Engineering

Background

It is proposed to subdivide the former Charles Sturt University (CSU) site bounded by David, Guinea, Olive and Wilson Streets, Albury. This proposed subdivision will create three new public roads on alignments shown on the attached diagram. Names for these proposed roads must be approved by the NSW Geographical Names Board and various service authorities before Council certifies the plan of subdivision that will create them. In addition, the Roads Regulation 2008 specifies that Council is to advertise the proposed road names and accept submissions on them from the public.

Issues

The attached diagram shows the three road names proposed by the developer as:

- Fernhurst Court;
- Maryland Way; and
- Irvington Court.

These proposed names are sourced from historic house names in the road block bounded by David, Guinea, Olive and Wilson Streets. The NSW Geographical Names Board (GNB) and services authorities have consented to these road names, however two submissions have been received from the public.

A submission has come from Dr Bruce Pennay who is associated with CSU and proposes the road names:

- George Adams (or Adamshurst);
- Banner; and
- Boldrewood.

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A copy of Dr Pennay's e-mail submission (*Attachment 2*) does not allocate specific names to the proposed road alignments or provide suffixes for the road names. Dr Pennay's attached e-mail details the history of these proposed road names and their connection with the area. George Adams as a road name does not comply with the GNB's *Guidelines For The Naming Of Roads* which basically states that a road name should consist of a single word and a suffix such as street.

A submission was also received from Mr Peter Jack (*Attachment 3*). Mr Peter Jack is related to the McDonalds who owned a house named Iolanthe. This house was situated where the demolished squash courts in David Street were located. Mr Jack's submission asks for one of the roads in the proposed subdivision to be named after the McDonalds; however McDonald cannot be used as a road name because Lavington already has a McDonald Road on the southern boundary of the Lavington Oval. In these circumstances the GNB would veto the use of McDonald for a proposed road name. As an alternative proposed road name Mr Jack has suggested Iolanthe as the name for the proposed northern court.

Conclusion

The developer has suggested the road names Fernhurst Court, Irvington Court and Maryland Way for the proposed roads in the former Albury CSU site subdivision. These names have a historical connection to the area and have been approved by the GNB and other service authorities.

The alternative proposed road names suggested in the attached public submissions also have historic connections to the area but would need to be approved by the GNB, other service authorities and be subject to another call for public submissions before any could be used as road names for the proposed former Albury CSU site subdivision.

It is concluded that the proposed road names submitted by the developer are appropriate for the former Albury CSU site subdivision.

Recommendation

That the Committee recommends to Council that Council:

- a. adopt the proposed road names of Fernhurst Court, Irvington Court and Maryland Way for the proposed roads in the former Albury Charles Sturt University site subdivision; and
- b. advise the NSW Geographical Names Board, other service authorities, and the public, of the adoption of the proposed road names Fernhurst Court, Irvington Court and Maryland Way for the proposed roads in the former Albury Charles Sturt University site subdivision.

• Attachments

1. Marylands Estate Diagram.
2. Dr Bruce Pennay's Submission.
3. Mr Peter Jack's Submission.

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6B Compulsory Acquisition of David Street Lane (DOC12/112901)

DATE 3 December 2012

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

MEETING DATE Monday 10 December 2012

FURTHER ENQUIRIES TO Chris Newnan PHONE 6023 8158
Engineering

Background

Council regularly receives requests to maintain and upgrade a lane off the west side of David Street. This is the lane that abuts the rear boundaries of the shops at 461- 475A Dean Street. In this location the lane also forms part of the northern boundary of the Albury Public School. The land is described as Lot 1 DP 1175969 and a plan is attached for information.

This lane was created in Old System subdivisions that occurred after 1869 when Mr Hugh Stewart from Albury purchased land that this lane partly occupies. At that time, the ownership of roads and private lanes created in private subdivisions remained in the subdivider's name/ownership. This is in contrast to the current process, where the ownership of roads/lanes in subdivisions transfers into Council's ownership upon registration of the plan of subdivision at the titles office.

In 1869 Mr Hugh Stewart from Albury purchased the land that this lane occupies, all of the land between it and Dean Street to the north and the land from the western end of the lane to Westpac Lane. He then proceeded to subdivide his land and sell, ultimately retaining ownership of only the laneway which the lots he sold have easement rights over.

Currently this lane has a gravel surface which is in very poor condition. The community generally regards the lane as a Council public road which results in a steady stream of requests for Council to maintain it.

As this lane is in the Albury central business area it is preferable for Council to acquire the lane as a public road and construct it when funding permits.

Issues

Mr Stewart owned the land in 1869 and with the passage of time is likely to be now deceased. Council has no contact details for his heirs. In these circumstances it has not been able to negotiate the transfer of the lane to Council. As required by sections of the Land Acquisition (Just Terms Compensation) Act 1991, a search for Mr Stewart's heirs has been done which included notices in the Sydney Morning Herald, the Border Mail and letters to all Telstra White Pages entries with the name Stewart within an approximate 100km radius. Should Mr Stewart's heirs contact Council then compensation may need to be paid to them based on a Valuer General's determination.

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This compensation is not expected to exceed \$2,500 (excluding GST) based on a valuation of the lane provided. The easements over the lane make the value of this parcel marginal. At the conclusion of the consultation process, as detailed above, no heirs of Mr Stewart contacted Council.

The properties in Dean Street have easements over the lane as previously stated. Even though Council intends to eventually construct the lane as a public road, it may be liable to pay compensation for the compulsory acquisition of the existing Dean Street properties' rights over this lane.

To minimise any compensation payable, staff have liaised with owners and lessees of the abutting Dean Street shops. As a consequence, with the exception of two lessees, all parties with an interest in the lane have signed deeds effectively foregoing any compensation payable.

There are 11 property owners whose properties have easement rights over the lane. All of these owners have signed deeds foregoing compensation. In addition there are 15 lessees leasing sections of the 11 properties. Of these lessees, 13 have signed deeds foregoing compensation. With a total acquisition valuation of \$2,500 for the lane, the value of the interests of the two lessees who have not signed deeds represent a very small proportion, payable by Council if sought.

Options

1. Council compulsorily acquire the parcel of land comprising the lane and convert its status to public road, which is consistent with the majority of lanes throughout the city. This will allow appropriate maintenance, upgrading and compliance activities to be scheduled.

OR

2. Council not compulsorily acquire the relevant parcel of land and therefore the lane would remain in private ownership.

Conclusion

The lane off David Street remains in private ownership due to the subdivisional process used at the end of the 19th Century. To legally enable use of it by the wider community, and to allow implementation of appropriate maintenance, upgrade and compliance regimes, it is proposed Council compulsorily acquire the lane owned by Mr Stewart and amend the status of it to public ownership, which is consistent with current practices.

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Recommendation

That the Committee recommends to Council that Council:

- a. resolve to use its compulsory acquisition powers to compulsorily acquire, for the purpose of a public road, the land described as Lot 1 DP1175969;
- b. lodge an application seeking the consent of the Minister for Local Government to Council publishing a Proposed Acquisition Notice to support compulsory acquisition of Lot 1 DP1175969; and
- c. lodge an application with the Minister for Local Government requesting his office obtain the Governor's approval for Council to publish an Acquisition Notice in the NSW Government Gazette, compulsorily acquiring Lot 1 DP1175969.

- **Attachments**

1. "Stewart Right of Way" Plan.
2. Deposited Plan - DP1175969.

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6C Contract No.12/02998 – Albury Airport RPT Apron and Taxiway Upgrade Construction – Stages One and Two (DOC12/113038)

DATE 4 December 2012

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

MEETING DATE Monday 10 December 2012

FURTHER ENQUIRIES TO Mauro Dei Agnoli PHONE 6023 8133
Engineering

Background

Council has recently completed a detailed design for the future upgrade of the Albury Airport apron and taxiways which provides for a five stage development of the aircraft manoeuvring infrastructure to cater for the increasing air traffic at this facility.

Currently the existing Regular Public Transport (RPT) apron can only accommodate four RPT aircraft which causes delays during peak periods. Also, the current parallel taxiway does not extend the full length of the runway and only approximately 40% of the taxiway that exists can accommodate the RPT aircraft. Other portions are too narrow and the pavement is not strong enough and therefore restricted to general aviation traffic only.

The apron and taxiway upgrades reflect the strategic requirements identified in the Albury Airport Development Strategy 2005, which includes, "In order to minimise delays and to increase runway capacity by avoiding backtracking and/or queuing, planning for the airport should allow for the construction of a parallel taxiway to the 07/25 Runway. The parallel taxiway could be constructed incrementally as dictated by traffic, but ultimately would link to both runway ends". At that time, the passenger volume at the airport was 200K p.a. In 2011-2012 the volume was 280K passengers.

The staged upgrade of the apron and taxiways is identified in Council's airport forward capital expenditure program and \$2.4M is allocated to undertake this work in the current financial year.

The five planned stages cover the following works as shown in the attached concept drawing:

- Stage 1** The extension of the RPT apron to the west to accommodate another RPT aircraft and the widening and strengthening of Taxiway F and part of Taxiway A.
- Stage 2** The strengthening of the eastern half of the RPT apron, the widening and strengthening of Taxiway C and the construction of the air ambulance apron over the redundant temporary car park at the northern end of Uiver Rd.
- Stage 3** The 420m of extension of Taxiway C to the east and the creation of a new Taxiway H within the flight strip to allow access onto the runway.

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Stage 4 The 320m extension of Taxiway A to the west to allow direct access onto the western runway threshold.

Stage 5 The 400m extension of Taxiway C to the east to allow direct access onto the eastern runway threshold.

To test the market, this tender called for pricing of both Stage 1; Stage 2 and both Stage 1 and 2 combined.

Tender Assessment

Tenders for this project were invited via Council's eTender portal Tenderlink and advertisements were placed in both the Border Mail (Saturday 20 October 2012) and the Sydney Morning Herald (Tuesday 23 October 2012). The advertisements also stated that tenderers were to attend a mandatory site inspection on Tuesday 30 October 2012. The closing date for tenders was Tuesday 20 November 2012.

Six tenders were received which were subsequently assessed in terms of conformity, qualitative and quantitative criteria. The assessment was undertaken by a Tender Evaluation Panel consisting of Mauro Dei Agnoli, Group Leader Projects, Andrew Lawson, Group Leader Engineering Services and Leon Baker, Finance Supervisor.

Conformity

Each tender was assessed for conformity to ensure that the submissions supplied the following required information;

Contractor	Attendance at mandatory site meeting	Pricing Information	WHS Compliance	Supporting Information	Conformity
A P Delaney & Co.	Yes	Yes	Yes	Yes	Yes
Downer EDI Works	Yes	Yes	Yes	Part	Yes
Hewatt Earthworks	Yes	Yes	Yes	Yes	Yes
Fulton Hogan	Yes	Yes	Yes	Part	Yes
Ertech	Yes	Yes	Yes	Part	Yes
Civil Team	Yes	Yes	Yes	Part	Yes

As indicated in the above table, all tenderers provided adequate information and thus were deemed conforming tenders.

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Qualitative Assessment

This assessment was based on the following criteria which seeks to define the tenderer's capacity to deliver the project in accordance with specifications:

- Criteria #1 Demonstrated capacity and experience to undertake the work under the contract:
- Previous similar projects undertaken.
 - Supporting information provided, for both the Tenderer and proposed sub-contractors.
- Criteria #2 Referee information:
- Responses in relation to previous projects undertaken.
 - Responses to outcomes.
- Criteria #3 The Projected Works Program:
- Demonstrated practical allocation of time to identified activities to achieve project completion for either Stage 1 alone and Stages 1 and 2 together.
- Criteria #4 Financial capacity:
- Satisfactory accounts.
 - Financier's reference.

Based on the above criteria, the tenderers rated as follows:

Tenderer	Qualitative Rating %				
	Criteria # 1 (25%)	Criteria # 2 (25%)	Criteria # 3 (25%)	Criteria # 4 (25%)	Total (100%)
A P Delaney & Co.	20.00	20.00	17.50	22.50	80.00
Downer EDI Works	20.00	17.50	17.50	20.00	75.00
Hewatt Earthworks	22.50	22.50	22.50	22.50	90.00
Fulton Hogan	17.50	20.00	15.00	17.50	70.00
Ertech	10.00	0.00	20.00	20.00	50.00
Civil Team Engineering	22.50	10.00	20.00	2.50	55.00

The above ratings were established from the following observations in relation to each tender:

A P Delaney & Co.

This is the only locally based company to submit a tender and has recently successfully completed a large drainage construction project at the airport for Council.

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This tenderer has undertaken extensive civil works in the local area, including much for Council. This has mainly involved roadworks, drainage works and subdivision development up to \$3.2M. A P Delaney & Co. was also heavily involved in the Wodonga Rail Bypass project which required quality assurance management similar to the requirements sought for this airport project.

Direct contact with referees provided very positive responses and this also reflects Council's experience with this company.

The works program submitted is basic but realistic and is stretched to the end of June to allow for significant float if required due to adverse weather for example.

The audited statements provided appear sound and the banker's statement is positive.

A P Delaney & Co. is a significant local company and is very well resourced. It will be reliant on the use of local companies to fulfil the peripheral works in the project such as the lighting, pavement markings and specifically using Downer EDI (Wodonga) for the asphaltting.

Downer EDI Works

This company has its head office in Rosehill NSW but it runs a substantial asphaltting and bitumen sealing operation from Wodonga. It has been involved in numerous airport projects around Australia and most of the other tenderers would rely on this company as a sub-contractor for the asphaltting services.

However, the tender came with extensive qualifications which included:

- no level correction course for the apron area to be overlaid;
- their right to claim for extra if the nominated quantities in the Bill of Quantities is exceeded (in contravention of the warranty to abide by the lump sum contract); and
- the retention of all excavated material on site, in contravention to the specification.

Two referees were contacted and the responses were positive.

The works program was realistic in terms of time but was based on closing Taxiway E which logistically cannot be done.

The company made reference to their audited financial statements online which appear sound, but there was no accompanying banker's statement as required.

Hewatt Earthworks

This tender was submitted conforming with completed schedules in every respect. This company is based in Murrumbateman NSW and has demonstrated relevant experience with construction work at Canberra airport and the referees consulted have all responded with positive references.

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The works program is realistic, demonstrating completion of Stage 1 by mid May if commenced by mid January. Financial reports were available for the 2010 and 2011 and appeared sound. The company also submitted a recent banker's statement as required which again was positive. The high quality of the submission is reflected in the highest qualitative score attained out of all the tenderers.

Fulton Hogan

Fulton Hogan is a large civil construction company based in South Australia and having its origins in New Zealand. The company is vertically integrated and well resourced to deliver a full complement of construction services ranging from earthworks to asphalt paving.

It therefore comes as some surprise that this tender was submitted with the qualification that the company was in negotiation, "with two sub-contractors for the earthworks and those negotiations will continue post tender award". This suggests that the company's own resources are currently stretched and/or the scale of this job does not justify mobilising them to Albury.

Having another layer of management over the sub-contracted earthworks, a critical part of the project would further complicate the quality control over the job. Also, a Project Quality Representative was not nominated as required.

Despite this, direct contact with referees provided positive responses although there were some pavement issues at one location requiring rectification which was followed up on.

The works program was based on starting on site on Tuesday 22 January 2013 with completion of Stage 1 by late April, which seems tight given the electrical works included in the project.

Financial Reports were not submitted as required, although a banker's statement (dated in March 2012) was and this was positive.

Ertech

Ertech Pty Ltd is a subsidiary of privately owned Ertech Holdings Pty Ltd, incorporated in Perth, Western Australia but having its office in Mitcham, Victoria. It has been involved in a multitude of projects ranging in value from \$1M to \$250M including airport runway and taxiway projects.

This tender came with qualifications which included:

- that this price was based on supplied amounts in the Bill of Quantities with the implication that they would claim for extra if the quantities are exceeded (in contravention of the warranty that this is a lump sum contract);
- the placement of foundation in thicker layers than what is specified; and
- reserve their right "to negotiate further in relation to issues raised in the contract and potential issues raised by our insurance department".

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This tender did not acknowledge the receipt of all eight addenda issued and no referees were nominated.

The works program provided for commencement on site in mid January with Stage 1 completed by 24 May which is realistic.

Audited financial statements were provided and appeared sound. A banker's statement was not provided.

Civil Team Engineering (CTE)

CTE is based in Murwillumbah, NSW and the company cites quite a number of relevant airport projects up to \$7.7M including a current upgrade at Wagga Airport. Their representatives at the site meeting asked a lot of questions and made a point of highlighting the logistical difficulties in working within the flight strip.

Although 14 previous projects were nominated, only five different referees were provided. Some referees nominated concerns with regards to the administration of the Quality Assurance regime being followed under their own contract.

The works program indicated that Stage 1 would be undertaken in 25 weeks but if Stage 1 and 2 were undertaken concurrently this would extend the duration by only an extra week. This would be difficult to achieve.

Importantly, the CTE tender is submitted on the basis that the price for Stage 2 is only applicable if undertaken with Stage 1. No price was included as required for undertaking Stage 2 as an independent and separate project, (refer below to quantitative assessment).

Even though the tender submission refers to financial reports and a bank letter attached, neither was provided.

Quantitative Assessment

Council has allocated \$2.4M in the 2012-2013 budget to commence this project which is estimated as follows:

- Stage 1 alone, \$2,447,980
- Stage 2 alone, \$2,637,310

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The following table sets out the tendered lump sums for Stage 1 and 2 alone and also the price for the undertaking the two stages as a continuum, with the percentage difference relative to the lowest sum tendered for Stage 1 only:

Tenderer	Stage 1 alone \$ ex GST	Stage 2 alone \$ ex GST	Price for Stage 1 + 2 \$ ex GST (*)	Rating Stage 1 only
A P Delaney & Co.	2,101,031	2,148,615	4,224,646	100.00%
Downer EDI Works	2,463,949	2,400,835	4,792,263	85.27%
Hewatt Earthworks	2,530,381	2,562,293	5,042,674	83.03%
Fulton Hogan	2,714,561	2,692,504	4,827,065	77.40%
Ertech	2,922,991	3,088,674	5,720,555	71.88%
Civil Team Engineering	5,152,846	N/A	9,251,465	40.77%

(*) Includes discounts offered for undertaking Stages 1+2 as a continuum.

Firstly, it is clear from the prices reviewed that only Stage 1 can be undertaken now. Both Downer EDI Works and AP Delaney & Co. have come in below Council's estimated price but only A P Delaney & Co. has come in below the available budget of \$2.4M.

The significant difference in the pricing is with the item called, "Preliminaries" which covers a multitude of associated activities including establishment (which can be significant for non-locally based contractors), traffic control, supervision, testing, environmental management, quality assurance etc. During an interview with the company representative, he acknowledged the provision of the requirements sought in the specification.

The tender for Stage 1 from A P Delaney & Co. represents a saving of almost \$299K in the allocated budget. However, there is a component of Stage 2 that could be considered to be undertaken as part of Stage 1. This is the construction of the dedicated air ambulance apron at the redundant temporary car park adjacent to the eastern end of the RPT apron (off the northern end of Uiver Road).

The construction of the dedicated air ambulance apron will have a significant benefit to the airport operations which will allow direct access to the aircraft by the local ambulance vehicles. Currently, ambulance vehicles are required to be escorted by airport officers across the taxiways to reach the parked aircraft but the construction of the new air ambulance apron will eliminate any crossing of taxiways from the northern end of Uiver Road.

A P Delaney & Co. was asked to supply a quote for the separable portion of the air ambulance apron and this was submitted as a cost of \$172,905 (excl. GST) which is consistent with the rates included in their tender. The inclusion of this separable portion with Stage 1 will bring the project cost to \$2,273,936.

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Summary

The following table summarises the qualitative and quantitative scoring, for Stage 1 only, corresponding to each tender:

Tenderer	Rating %	
	Qualitative	Quantitative
A P Delaney & Co.	80.00	100.00
Downer EDI Works	75.00	85.27
Hewatt Earthworks	90.00	83.03
Fulton Hogan	70.00	77.40
Ertech	50.00	71.88
Civil Team Engineering	55.00	40.77

The qualitative assessment indicated that all tenderers have the capacity to undertake the project; however Hewatt Earthworks and A P Delaney & Co. rated the best placed for this part of the assessment.

The quantitative assessment indicated that A P Delaney & Co. is the best offer, being \$363K, (15%) more favourable to Downer EDI Works and \$429K, (17%) more favourable to Hewatt Earthworks.

Conclusion

Tenders were invited for the upgrade of the Albury Airport RPT Apron and associated taxiways. Following the qualitative and quantitative assessment of the submissions received, A P Delaney & Co. provided the most favourable option to undertake the works. They have demonstrated the necessary capacity, experience and management systems to successfully undertake this project.

The current funding allocation only allows for Stage 1 of the development to be completed. However, the completion of the new air ambulance apron is desirable to improve operational efficiencies. This task can be added to Stage 1 and accommodated within the budget allocation.

Recommendation

That the Committee recommends to Council that Council accept the tender for the Albury Airport RPT Apron and Taxiway Upgrade - Stage 1 including the additional works for the air ambulance apron from A P Delaney & Co. for the amount of \$2,273,936, excluding GST.

- **Attachment**
 1. Staging Plan.

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6D Contract No. 12/02633 – Lavington Library Fit Out (DOC12/112439)

DATE 30 November 2012

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

MEETING DATE Monday 10 December 2012

FURTHER ENQUIRIES TO Mauro Dei Agnoli PHONE 6023 8133
Engineering

Background

Council entered into an Agreement for Lease with Zauner Construction Group Investments in September 2011 for the lease of part of the ground floor of the Northpoint Tower currently under construction at 366 Griffith Road in Lavington, for the purposes of accommodating the new Lavington Library and Customer Service Centre. The area of lease is 450m² and the initial term runs for a period of five years with an option of a further term of five years thereafter.

This tender is for the construction of the Library Fit Out in accordance with the design undertaken by Leffler Simes Architects who are also responsible for overall building design. It is required that the fit out be completed at the same time as the building and no later than 30 June 2013.

Council has allocated \$480,000 to establish the new library made up as follows;

Item	Description	Estimate, \$ ex GST
1	Fit Out Construction	316,602
2	Purchase of loose furniture	83,709
3	Purchase of new library shelving	36,000
4	IT/Comms installation by Council	27,000
5	Security installation by Council	16,689
	Total	480,000

The fit out construction will involve the installation of internal walls and partitions, doors, feature lighting, joinery, service desks, painting, floor finishes, white goods and window treatments. In the Agreement for Lease, Council is allowed 45 business days to undertake this work.

Tender Assessment

Tenders for this project were called via Council's e-Tender portal, Tenderlink and advertisements were placed in both the Border Mail, (Saturday 20 and 27 October 2012), and the Sydney Morning Herald (Tuesday 23 October 2012).

Four tenders were received by the closing date of Tuesday 13 November 2012, which were subsequently assessed in terms of conformity, qualitative and quantitative criteria. The assessment was undertaken by a Tender Evaluation Panel consisting of Mauro Dei Agnoli, Group Leader Projects, Carina Clement, Libraries and Museum Programs Team Leader, and Leon Baker, Finance Supervisor.

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Conformity

The tenders were initially assessed to ensure that the submissions included the following required schedules:

Tenderer	Pricing information	Works Program	WHS compliance	Supporting Information	Conforming
Zauner Construction	Yes	Yes	Yes	Yes	Yes
Elite Commercial Solutions	Yes	Yes	Yes	Part	Yes
Ultra Project Services	Yes	Yes	Yes	Part	Yes
Magi-Build Building Contractors	Yes	Yes	Yes	Part	Yes

As indicated in the above table, all tenderers provided sufficient documentation to be deemed conforming with the essential requirements of the tender submission.

Qualitative Assessment

This assessment was based on the following criteria, which seeks to define the tenderer's capacity to deliver the project in accordance with the specifications.

Criteria #1 Demonstrated capacity and experience to undertake the work under the contract:

- Previous similar projects undertaken.
- Supporting information provided.

Criteria #2 Referee information:

- Responses in relation to previous projects undertaken.
- Responses to outcomes.

Criteria #3 The projected works program:

- Demonstrated practical allocation of time to identified activities to achieve project completion within the fit out period of 45 business days.

Criteria #4 Financial capacity:

- Satisfactory accounts.
- Financier's reference.

Based on the above criteria, the tenders rated as follows:

Tenderer	Qualitative Rating %				
	Criteria #1	Criteria #2	Criteria #3	Criteria #4	Total
Zauner Construction	22.50	22.50	22.50	22.50	90.00
Elite Commercial Solutions	17.50	22.50	15.00	2.50	57.50
Ultra Project Services	20.00	17.50	22.50	10.00	70.00
Magi-Build Building Contractors	17.50	22.50	20.00	2.50	62.50

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In assessing Demonstrated Capacity & Experience, consideration was given to the scale and type of previous work undertaken with involvement in high profile and high value works attracting a higher rating. The Zauner Construction tender was enhanced with projects including Council's own construction of the Albury Library/Museum undertaken by the company in 2006-2007 as well as the recently completed "The Cube" project for Wodonga City Council. Magi-Build Building Contractors cited projects like Albury's new airport terminal and a number of school refurbishments and retirement villages. Similarly, Elite Commercial Solutions and Ultra Project Services cited projects relating to community and administrative office facilities in various NSW regional centres.

For the first criteria tenderers were also required to submit the names of proposed trade sub-contractors to be used and an incomplete schedule would tend to reduce the rating. This was the case for Magi-Build Building Contractors and Elite Commercial Solutions.

Direct referee checks were undertaken for all the tenderers using people nominated in the corresponding projects recently completed. The responses reflect the feedback received on the experience of the client with the contractor concerned and importantly whether they would use the same contractor again. The referee checks undertaken were generally positive with all referees stating they would use the respective contractor again. However, two referees for Ultra Project Services nominated some minor issues with slow progress and the time taken to get their WHS documentation in order, but these matters were subsequently resolved.

The rating for the Projected Works Program was an assessment of the tenderer's works program in ensuring that the project can be completed on time, with a realistic allocation for the various activities. Site time varied amongst tenderers between 38 and 44 days, all of which satisfy the requirement to meet the nominated timeframe of 45 business days.

The works program submitted by Elite Commercial Solutions was submitted on a daily timeline and with an absence of a summary roll-up which made it difficult to assess and this had a negative impact on this score.

To assess Financial Capacity tenderers were required to submit:

- Financial Reports for the last two years, and
- a signed statement from the Contractor's banker certifying that it does not have any reservations with the Contractor engaging in a construction contract involving this scope of work.

In this regard the Zauner Construction tender complied in both respects and the information provided was assessed as highly favourable and therefore scored well for this criteria.

Ultra Project Services provided the financial reports but not the banker's statement and both Magi-Build Building Contractors and Elite Commercial Solutions neglected to provide any information to address Criteria #4. These omissions are reflected in their score for this criteria.

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Zauner Construction also has the significant benefit of being best placed to undertake this contract because they are already established on site undertaking the base building and can undertake the fit out contract as a continuum to their current work. Also, the integration of building services can be undertaken seamlessly.

Quantitative Assessment

The following table sets out the tendered lump sum for each of the submissions along with the percentage difference relative to the lowest tendered sum:

Tenderer	Amount, \$ ex GST	Quantitative Rating %
Zauner Construction	368,700	100.00
Elite Commercial Solutions	386,248	95.46
Ultra Project Services	390,986	94.30
Magi-Build Building Contractors	442,660	83.29

Zauner Construction and Ultra Project Services valued all of the items in the trade breakdown schedule to derive the lump sum as required, whereas Magi-Build Building Contractors and Elite Commercial Solutions consolidated several items together.

Because even the lowest tender by Zauner Construction results in the overall budget being exceeded by \$52,098, the evaluation panel, along with the architect met with representatives of Zauner Construction to clarify items in the tender and look for options to reduce the contract cost. By modifying the scope of the works, the following deductions can be achieved with the Zauner Construction tender:

Item	Description	Achievable savings, \$ ex GST
1	Removal of feature ceilings	35,148
2	Removal of down lights in lieu of standard lights	3,220
3	Removal of feature lighting details	5,880
4	Deletion of a wall feature graphic and retain painted finish	9,000
5	Deletion of security system coordination	5,353
TOTAL SAVINGS		58,601

These deductions will allow the shortfall between the available funds and the tender price to be made up allowing the contract price from Zauner Construction to be reduced to \$310,099.

Summary

The following table summarises the quantitative and qualitative scoring corresponding to each tenderer:

Tenderer	Rating %	
	Qualitative	Quantitative
Zauner Construction	90.00	100.00
Elite Commercial Solutions	57.50	95.46
Ultra Project Services	70.00	94.30
Magi-Build Building Contractors	62.50	83.29

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Zauner Construction has scored the highest in terms of both quantitative (cost) assessment and qualitative rating and this reflects the standard of the submission made and the company's track record in undertaking successful projects in the local area. This includes Council's own construction of the Albury Library/Museum undertaken by Zauner Construction in 2006-2007 as well as the recently completed "The Cube" project for Wodonga City Council.

Conclusion

Based on the tender assessment process undertaken as detailed above and in further consideration of the complementary (but incidental), benefit in having the fit out contract undertaken by the head building contractor as a continuum, the Zauner Construction tender is the most beneficial to Council.

Further, given Zauner Construction's demonstrated previous experience in successfully undertaking high profile projects and the fact that they have submitted the lowest cost tender, it is recommended that Zauner Construction be awarded the contract for the new Lavington Library Fit Out.

Although the lowest tendered price is higher than the initial estimate, some minor adjustments to the scope of the fit out work will allow the overall project to be delivered within the allocated funding.

Recommendation

That the Committee recommends to Council that Council accept the tender for the new Lavington Library Fit Out, Contract No. 12/02633, from Zauner Construction Pty Ltd for the contract sum of \$310,099, excluding GST.

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6E Contract No. 12/02980 – Hume Street Extension and Car Park Construction (DOC12/112886)

DATE 3 December 2012

CONFIDENTIAL YES NO If yes please tick one of the following reasons
Personnel Matters Commercial Legal Security Personal Hardship

MEETING DATE Monday 10 December 2012

FURTHER ENQUIRIES TO Bryan Clyde PHONE 6023 8185
Engineering

Introduction

Tenders were invited for Contract No. 12/02980 – Hume Street Extension and Car Park Construction, and advertised in the Border Mail, Sydney Morning Herald, Melbourne Age and on Tenderlink. Tenders closed at 12 noon on Tuesday 20 November 2012.

The scope of the contract includes the reconstruction of approximately 200 metres of pavement with kerb and gutter, medians and islands and the provision of 81 car parks and the installation of street lighting.

The contract duration is 16 weeks and will be completed in the current budget year.

A locality plan and concept plans are attached for information.

Background

As part of the Council's ongoing commitment to improving the standard and safety of Council's road network, extension of Hume Street between Wodonga Place and the Murray River has been identified for improvement. This improvement is the reconstruction of the roadway approximately 200m in length including angle parking on both the south and north sides, and centre aisle parking.

This project will improve the connectivity to the Murray River, and improve the car parking and park area by enhancing the appearance and useability while minimising the environmental impact through appropriate tree and understory planting.

This contract is for the reconstruction of roadway and construction of car parking in the extension of Hume Street between Wodonga Place and the Murray River Albury, which includes roadworks, drainage and the installation of street lighting conduits.

Council's budget allocation for this project is \$400K.

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Tender Evaluation

At the close of tenders, a total of three submissions were received from the following companies:

- A P Delaney & Co Pty Ltd;
- Hurst Earthmoving Pty Ltd; and
- Douglas Earthmoving.

All tenders were evaluated in accordance with Procurement Policy and Guidelines. The assessment panel for the tender comprised of Bryan Clyde (Engineering), Leon Baker (Finance) and Andrew Craig (Engineering).

The tender evaluation process was undertaken in three stages being conformity check, quantitative assessment and qualitative assessment.

1. Conformity Check

A conformity assessment was undertaken to ensure all submissions received were in accordance with the contract documentation and specification.

Company	Pricing Details	Supporting Information	WHS Documentation	Comment
A P Delaney & Co.	✓	✓	✓	Fully Complies
Hurst Earthmoving Pty Ltd	✓	✓	✓	Fully Complies
Douglas Earthmoving	✓	✓	Part	Partly Complies

As indicated above, A P Delaney & Co. and Hurst Earthmoving Pty Ltd were assessed as being compliant with the requirements of the tender documentation. Douglas Earthmoving was assessed as being partly compliant as they were unaware their WHS registration expired in 2011. However Douglas Earthmoving indicated that should their submission be successful they would be able to comply with Council's requirements.

2. Qualitative Assessment

A qualitative assessment considered a range of issues including:

- Experience
- Reference Checks and Comments
- WHS Compliance (including past record)
- Resources (ability to complete projects within timeframes)
- Methodology Proposed

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Tenderer	Experience (max 20)	Referees Checks & Comments (max 20)	WHS Compliance (including past record) (max 30)	Resources (complete projects within timeframes) (max 20)	Methodology Proposed (max 10)	Total (max 100)
A P Delaney & Co.	20	18	24	20	10	92
Hurst Earthmoving	20	16	24	20	10	90
Douglas Earthmoving	20	14	24	20	10	88

A P Delaney & Co., Hurst Earthmoving Pty Ltd and Douglas Earthmoving have extensive civil construction experience. All tenderers are locally based companies, and have successfully undertaken a number of similar projects throughout Victoria and New South Wales.

A P Delaney & Co. completed the Thurgoona Industrial Estate for the AWC/Council joint venture, Stage 1 of the airport security car park and the Railway Place reconstruction and associated car parking for Council. The contractor's performance on these projects was good, they are well resourced and provided a fair and reasonable approach to contract issues. Referee information confirmed their suitability to undertake this contract.

Hurst Earthmoving Pty Ltd has recently completed a 38-lot subdivision and is currently engaged in the construction of two more subdivisions. Referee information indicated they are well resourced and confirmed their suitability to undertake this contract.

Douglas Earthmoving has recently completed two residential subdivisions and is currently engaged in work for the Doma Group. Referee information indicated they are well resourced and confirmed their suitability to undertake this contract.

A P Delaney & Co. and Hurst Earthmoving Pty Ltd are registered as WHS compliant with AlburyCity under Council's Contractor Management System. Douglas Earthmoving's WHS registration expired in 2011, but the company has provided a commitment to update their registration. The tender documentation clearly outlines the WHS requirements with regard to full compliance with the New South Wales Work Health and Safety Act 2011, New South Wales Work Health and Safety Regulations 2011 and Council's Work Health, Safety and Rehabilitation Policy and Procedures. It also identifies the Contractor as the Principal Contractor as defined in the Regulation.

As part of the contract submission, tenderers were required to submit a detailed construction plan nominating significant tasks and their respective scheduling. All tenderers have indicated the work can be completed within the 16 week contract period.

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From the information provided, all companies have the required management systems, experience, construction plant, resources and availability to provide AlburyCity with a quality product.

3. Quantitative Assessment

The quantitative assessment considered the financial aspects of the tender and is tabulated below:

Tenderer	Tendered Price (ex GST)	Rating (max 100)
A P Delaney & Co.	\$ 505,995.00	100
Hurst Earthmoving Pty Ltd	\$ 519,105.00	97
Douglas Earthmoving	\$ 531,131.00	95

As detailed above, the submission from A P Delaney & Co. was rated as the most cost effective, being \$13K (2.5%) more favourable than the submission from Hurst Earthmoving Pty Ltd and \$25K (5.0%) more favourable than the submission from Douglas Earthmoving.

4. Summary

Tenderer	Quantitative Assessment	Qualitative Assessment
A P Delaney & Co.	100	92
Hurst Earthmoving Pty Ltd	97	90
Douglas Earthmoving	95	88

Conclusion

As a result of the evaluation process, it can be concluded that A P Delaney & Co. is the preferred contractor based on the evaluation analysis and scoring. A P Delaney & Co. has the necessary experience, expertise, resources and management systems to successfully undertake this project. The submission from A P Delaney & Co. provides Council with the most advantageous proposal.

Council's budget allocation for this project is \$400K. Since the initial concept design and estimate of the project the scope has been varied with the addition of the centre aisle angle parking, street lighting augmentation and improvements to landscaping of the works.

Additional funding required to complete this project will be accommodated from savings in the overall works program. The recently approved contract for the reconstruction of Mitchell Road was for the sum of \$507K, with the budget allocation for this project being \$690K.

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Recommendation

That the Committee recommends to Council that Council accepts the tender from A P Delaney & Co. for Contract No. 12/02980 - Hume Street Extension and Car Park Construction, in the lump sum amount of \$505,995.00 (ex GST).

- **Attachments**

1. Locality Plan.
2. Concept Plans.

EWC 7 – GENERAL BUSINESS