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18.1 TOWN CENTRES REVITALISATION PROJECT STAGE 1 TENDER AWARD

Responsible officer: Samuel Wellington, Manager Major Projects Delivery

Attachments: 1. Town Centres Revitalisation Project - Budget & Scope Matrix - Confidential

Section under the Act	The grounds on which part of the Council or Committee may be closed to the public are listed in Section 90(2) & (3) of the <i>Local Government Act 1999</i> .
Sub-clause and Reason:	(k) - tenders for the supply of goods, the provision of services or the carrying out of works.

Executive Summary

The purpose of this report is to enable Council to enter into a contract for the delivery of the Town Centres Revitalisation Project Stage 1 and Stages 2 & 3 (partial).

Council has undertaken a competitive tender process and has identified a preferred tenderer to undertake Stage 1 and part of Stage 2 & 3 of the Town Centres Revitalisation Project. This report enables Council to consider this tender process and award LCS Landscapes the contract for the Town Centres Revitalisation Project Stage 1 and Stage 2 & 3 (partial).

RECOMMENDATION

That Council awards the contract for the delivery of the Town Centres Revitalisation Project Stage 1 (whole) and Stage 2 & 3 (partial) to LCS Landscapes for a contract price of up to \$1,764,000 (excluding GST).

MOVED COUNCILLOR REBECCA BOSELEY
 SECONDED COUNCILLOR PAUL IRELAND

That Council awards the contract for the delivery of the Town Centres Revitalisation Project Stage 1 (whole) and Stage 2 & 3 (partial) to LCS Landscapes for a contract price of up to \$1,865,000 (excluding GST).

CARRIED.

Background

Council previously resolved to develop Masterplans for both the Lameroo Town Centre Project and the Pinnaroo Village Green Project. Council was successful in being awarded grant funding from both the Drought Community Programme Extension (DCPE) for Stage 1 and the Building Better Regions Funding (BBRF) for Stages 2 & 3.

Following a competitive tender process, the design services contracts for each project were awarded to Birdseye Studios (Lameroo) and WAX design (Pinnaroo) respectively. Both firms produced the masterplans and designs for Stage 1 that were endorsed by Council in late 2020.

Following this endorsement, the respective designs were let for tender as one project, which closed in late January 2021. One tender was received for the works (LCS Landscapes), which was evaluated by the evaluation panel. This tender was deemed conforming and became Council's preferred tenderer.

Intensive negotiations with LCS have since followed, and the project team has now concluded the negotiations and present the finalised tender and draft contract to Council for consideration and awarding.

Context

Throughout 2019 and the start of 2020, Masterplans for both for the Lameroo Town Centre Project and the Pinnaroo Village Project were produced by Birdseye Studios (Lameroo) and WAX Design (Pinnaroo) respectively. The masterplans were endorsed by Council and the respective project steering committees, which enabled the designers to move to completing the Stage 1 designs.

The stage 1 designs were endorsed by the steering committees and Council in late 2020. These designs were let to tender as 1 project to encourage maximum interest from the market. The tender closed in late January 2021.

Policy and statutory implications

The Local Government Act 1999 is relevant to this matter.

Council's procurement policy is relevant to this report. The project team has ensured that the tender process meets the required obligations as per Council's procurement policy.

Issues

One tender was received for the project, from LCS Landscapes. Receiving one tender was disappointing and below expectations, however there are a number of reasons for this:

- Saturated market for work, as a result of a record amount of project work available due to record amounts of grant funding available in last 12 months.
- Distance of project from Adelaide, where most contractors of appropriate size to undertake this work come from.
- Uncertainty with potential future border closures with Victoria due to COVID-19 meant Victorian contractors were unwilling to tender.
- Lack of accommodation available in both towns potentially influenced tenderers from applying.

The tender received from LCS was evaluated by the evaluation team (Jason Taylor CEO, Matthew Sherman, Manager Infrastructure Services and Sam Wellington, Manager Major Projects). The tender received was evaluated to be conforming and therefore LCS became our preferred tenderer.

The original price received for the tender was high and above our budget available. As such, the project team entered into a negotiation period with the tenderer to potentially reduce costs and undertook a value management exercise.

The process is now complete with a negotiated tender price settled upon.

It must be noted that this price above is reflective of the scope for this package of works, which incorporates Stage 1 works (whole) and Stage 2 & 3 works (partial). The decision to include some Stage 2 & 3 works in a package with Stage 1 works is to save money on the overall project, as there are cost efficiencies to complete both concurrently due to the similarities of the work.

The funding for the project is broken down as follows:

Stage 1 is \$1million, funded entirely by the Drought Communities Programme Extension. This \$1million is broken up equally between Pinnaroo and Lameroo (\$500k each).

Stage 2 & 3 works is \$3million, funded between the Building Better Regions Fund (\$2.25m) and Southern Mallee District Council (\$750k). This \$3million is split equally between Lameroo and Pinnaroo, with both town projects receiving \$1.5million, comprised of \$375k of Southern Mallee District Council funding and \$1.125m of Building Better Region Funding.

The funding of both the DCPE and BBRF is tied to outcomes in the respective grant agreements. The Stage 1 works, involve the following:

Lameroo – Playspace, Pump track, Dog Park, other civil works.

Pinnaroo – Formalise parking edge, formalise RV / Caravan & large vehicular pull in and turn around area, entry plaza and landscaping to museum.

The Stage 2 & 3 works, involve the following:

Lameroo – Splash pad, new public toilets, public plaza with shelter, paving, new access road, new footpaths, tree plantings, new street furniture, new crossing points

Pinnaroo – North-south access path formalisation, war memorial refurbishment, development of civic square, new shelters, paving, new Playspace area, wetland, large vehicle pull-in with shelter, new recreation path suitable for jogging, bikes, and scooters.

The contract price for this contract to be awarded reflects the scope which includes all stage 1 works in Lameroo and Pinnaroo, and some Stage 2 & 3 works in Pinnaroo. This decision was made as there are significant cost savings to be realised by doing some Stage 2 & 3 works now alongside Stage 1 works in Pinnaroo. This is predominantly around paving and other civil works, which will minimise the duplication of costs for overheads, mobilisation, delivery etc.

The contract sum above is split between the projects as such:

- Lameroo Stage 1 works - approximately \$464k
- Pinnaroo Stage 2 & 3 works - approximately \$1.3m

The Stage 2 & 3 partial works that are being undertaken in this package of works alongside the Stage 1 works include:

- Second RV / Caravan pull in and parking area
- War Memorial and associated works
- North / South Access paths.
- Other associated civil works

The project is not over budget, nor breaking any grant agreements by packaging these additional Stage 2 & 3 partial works with the full Stage 1 works. Council is utilising the process to make savings as opposing to putting these works out separately.

Following completion of this package of works, there will be approximately \$1.5m remaining in the Lameroo project budget and approximately \$700k in the Pinnaroo project budget.

This budget is considered adequate to complete the remaining works to be undertaken under the grant agreements.

Alternate options

Council has the option not to proceed with the award of contract. If this was to occur, due to the timeframes and expiry dates attached to the grants, the grant money would be handed back and no work would be undertaken on the projects.

Financial implications

The cost to complete Stages 1 and to partially complete Stage 2 works would have an overall cost of approximately **\$1,764,000** (excl. GST and construction industry levy). This is within the overall project budget allocation.

Work Health and Safety and Risk implications

A site-specific project safety plan will be developed by LCS prior the construction works. This plan will be reviewed by Council as the project superintendent.

A general work, health and safety management system was included in the LCS submission.

Council faces severe reputational risk and embarrassment if it does not progress this project.

Consultation

Council has undertaken public engagement through its consultants as well as separately. Council has also set up two steering committees – one for each project – which have been involved in the design and development of the Stage 1 designs. The Stage 2 and 3 components of the Pinnaroo Village Green project included in this tender have also been endorsed by the steering committee.

LCS will undertake a planned notification process which includes letter drops and door knocking of directly affected stakeholders.

Budget / Scope Matrix for Town Centres Revitalisation Project – Budget \$4m

Lameroo Town Centre Project		Pinnaroo Village Green Project	
<p>Stage 1 Scope</p> <ul style="list-style-type: none"> - Dog Park - Playground - Shelter - BBQ - Seats - Trees 	<p>Stage 1 Budget - \$500k</p> <p>\$500k from Drought Communities Programme Extension</p>	<p>Stage 1 Scope</p> <ul style="list-style-type: none"> - Caravan / RV Rest Area - Works along street front - Works around museum 	<p>Stage 1 Budget - \$500k</p> <p>\$500k from Drought Communities Programme Extension</p>
<p>Stage 2 / 3 Scope</p> <ul style="list-style-type: none"> - Splash pad - Plaza - Seating - Shelter - New road - Footpath - Parking for caravans, RVs etc - Crossing points - Footpath extension - New trees 	<p>Stage 2/3 Budget - \$1.5m</p> <p>\$1.125m Building Better Regions Fund \$375k Southern Mallee District Council</p>	<p>Stage 2 / 3 Scope</p> <ul style="list-style-type: none"> - North / South Path - War Memorial Refurbishment and associated works - Civic Square - Large vehicle pull in - New Playspace - Recreation path - Wetland 	<p>Stage 2/3 Budget - \$1.5m</p> <p>\$1.125m Building Better Regions Fund \$375k Southern Mallee District Council</p>

Items in red are being delivered alongside Stage 1 works for Pinnaroo Village Green Project