

12 CONFIDENTIAL ITEMS**12.1 PINNAROO COMMUNITY WASTEWATER MANAGEMENT SYSTEM PIPEWORK RENEWAL PROJECT STAGE 5 - AWARDING OF CONTRACT****RECOMMENDATION**

That:

- 1. Pursuant to Section 90(2) & (3) of the Local Government Act 1999 the Council orders that the public, with the exception of the Acting Chief Executive Officer, Manager Corporate Services, Acting Manager Infrastructure Services, Manager Property and Development Services, Coordinator Executive Services and the Minute Secretary be excluded from attendance at the meeting held on Wednesday 16 August 2023 for Agenda Item 12.1 Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 5 - Awarding of Contract;**
- 2. The Council is satisfied that pursuant to section 90 (3) (k) of the Local Government Act 1999, the information to be received, discussed or considered in relation to the Agenda Item 12.1 Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 5 - Awarding of Contract is:

tenders for the supply of goods, the provision of services or the carrying out of works.**
- 3. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to discuss this Agenda Item 12.1 in confidence.**

12.1 PINNAROO COMMUNITY WASTEWATER MANAGEMENT SYSTEM PIPEWORK RENEWAL PROJECT STAGE 5 - AWARDING OF CONTRACT

Responsible officer: Matthew Sherman, Manager Infrastructure Services

- Attachments:**
1. Drawing
 2. pricing schedule
 3. pricing part works

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 Pinnaroo Community Wastewater Management System (CWMS) Pipework Renewal Project final Stage-stage 5 [new stage] .

This report enables Council to consider the final value and award SADB Directional Drilling the contract to undertake the final stage -stage 5 [new stage] works for the Pinnaroo CWMS Pipework Renewal Project.

RECOMMENDATION

That Council:

1. **exempts itself from the usual requirement to seek tenders for the delivery of the Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 5, in accordance with the Exceptions Clause 7.3 of the Procurement Policy, on the basis that the pressures of time are such that an open call is not feasible.**
2. **awards the contract for the delivery of the Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 5 to SADB Directional Drilling for a contract price of \$278,570 (ex GST) and that the works are funded by savings in the 2022/2023 Capital Projects (Excluding Carry forwards)**

Background

Council entered into its first contract with SADB Directional Drilling for the delivery of the Pinnaroo CWMS Pipework Renewal Project in early 2020. Stage 1 works (northern residential areas of Pinnaroo) , Stage 2 works (Murrayville Road and Railway Terrace South) and stages 3 and 4 under separate contracts are now complete.

Context

Pinnaroo is serviced by a community wastewater management system, which involves collection, treatment and reuse of wastewater generated in the town. The scheme is one of the oldest in the state, having originally been constructed in 1960's. Consequently, many of the sections of pipe in the collection network are aged, in poor condition and constructed within private property without easements.

To better quantify the condition of the collection network, Council obtained a CCTV survey assessment of the entire gravity scheme. This information was then provided to Wallbridge Gilbert Aztec (WGA) to review and prioritise, with tender documentation prepared for Stage 1 of the works, considered to be highest priority, with SADB awarded the contract to undertake the works. SADB subsequently continued through stages 2,3 and 4 with stage 4 works completed in May 2023.

Through stages 3 & 4 it was brought to council's attention that the CWMS line from Demi's Kitchen corner of Bundy Terrace and Homburg Terrace to Pethick Street has not been replaced due to an assumption this section of line was PVC.

Pethick street heading towards Demi's started out as PVC therefore the assumption was the whole line was PVC , following further investigations it was found that the line was partially PVC with the remaining line old pipe work.

Throughout stages 3 and 4 there were savings made which had anticipated to potentially be used for the renewal of the Pethick St to Demi's CWMS line, however there were variations that occurred that required those savings to be utilized

Which now brings in Stage 5 [new stage] works- cost \$278,570, this was provided in a quote from SADB and received by Acting CEO 27 July 2023. Within the quote an option to just do the worst section from the church carpark to Demi's at a cost of \$113,884 ex GST [as attached] however if the opportunity is there to complete the remaining then it should be done as a whole

Policy and statutory implications

The Local Government Act 1999 is relevant to this matter.

Council's Strategic Plan Goal 3, Sustainable Infrastructure & Services, is relevant to this matter.

Council's procurement policy is relevant to this matter. This policy has an exception clause and it is proposed to use the exception clause to enable this project to proceed in a timely manner.

The exceptions clause states:

Exceptions

Generally, open and fair competition is best achieved by undertaking a full public tender call so all interested parties have an opportunity to bid on the call. However, there may be procurements in which a full public tender will not necessarily deliver best value for money and other market approaches may be more appropriate. Council may be exempt from the requirement to seek tenders or quotations, if:

.....

7.3 The pressures of time are such that an open call is not feasible...

Issues

Council is able to exempt itself from the usual procurement process on the basis that the pressures of time are such that an open call is not feasible. In this case an open procurement process would result in significant time delays and negatively impact the ability to upgrade the CMWS network in a timely manner. It should be noted SADB have left a site office on site in Pinnaroo therefore avoiding any major mobilisation costs to council, if award the contract for stage 5 SADB intend to undertake the works before the end of December 2023

Given there would be extensive delays associated with an open tender process, together with delays associated with any new firm being appointed and developing an understanding of the project. SADB has undertaken previous works and has strong project and local knowledge.

Council has been satisfied with works completed in stage 1,2, 3 and 4 as well as having provided positive and effective communications with the community during all the completed stages.

For the above reasons no other contractors have been asked to submit pricing for the remaining stages and an exemption from this requirement is recommended.

Alternate options

SADB were the only contractor to price the project. The alternative for Council is to undertake a public tender call.

The advantage of this that there will be alternate pricing to evaluate SADB's submission, providing a more comprehensive comparison.

However, there are also several key disadvantages to this option; including the following:

- Delay of project by at least several months due to Request for Tender periods, tenderer interviews and tender assessments.
- Additional administration costs to undertake the tender process.
- Should a new contractor be awarded, there will be additional establishment costs and likely construction delays/issues due to lack of familiarisation with the project and area.
- SADB have developed a strong community relationship, with minimal issues or complaints during construction. There is a risk that a new contractor does not develop the same community relationship.

WGA has assisted Council to undertake an assessment of SADB's proposal and it has been determined that the proposal represents fair value.

Another alternative is to not undertake the works and leave for future budgets, however this is not recommended as there will be mobilization/demobilisation costs as well as an increase in material, labour costs.

Financial implications

Council received firm costings for stage 5 in July this year. The final CWMS stage- stage 5 works can be delivered for a contract price of **\$278,570** (excl. GST). This amount has not been part of the budget process and has no budget allocation. Council has however underspent on capital in 2022/23 to the tune of \$300,000 and therefore these savings can fund stage 5 works.

Work Health and Safety and Risk implications

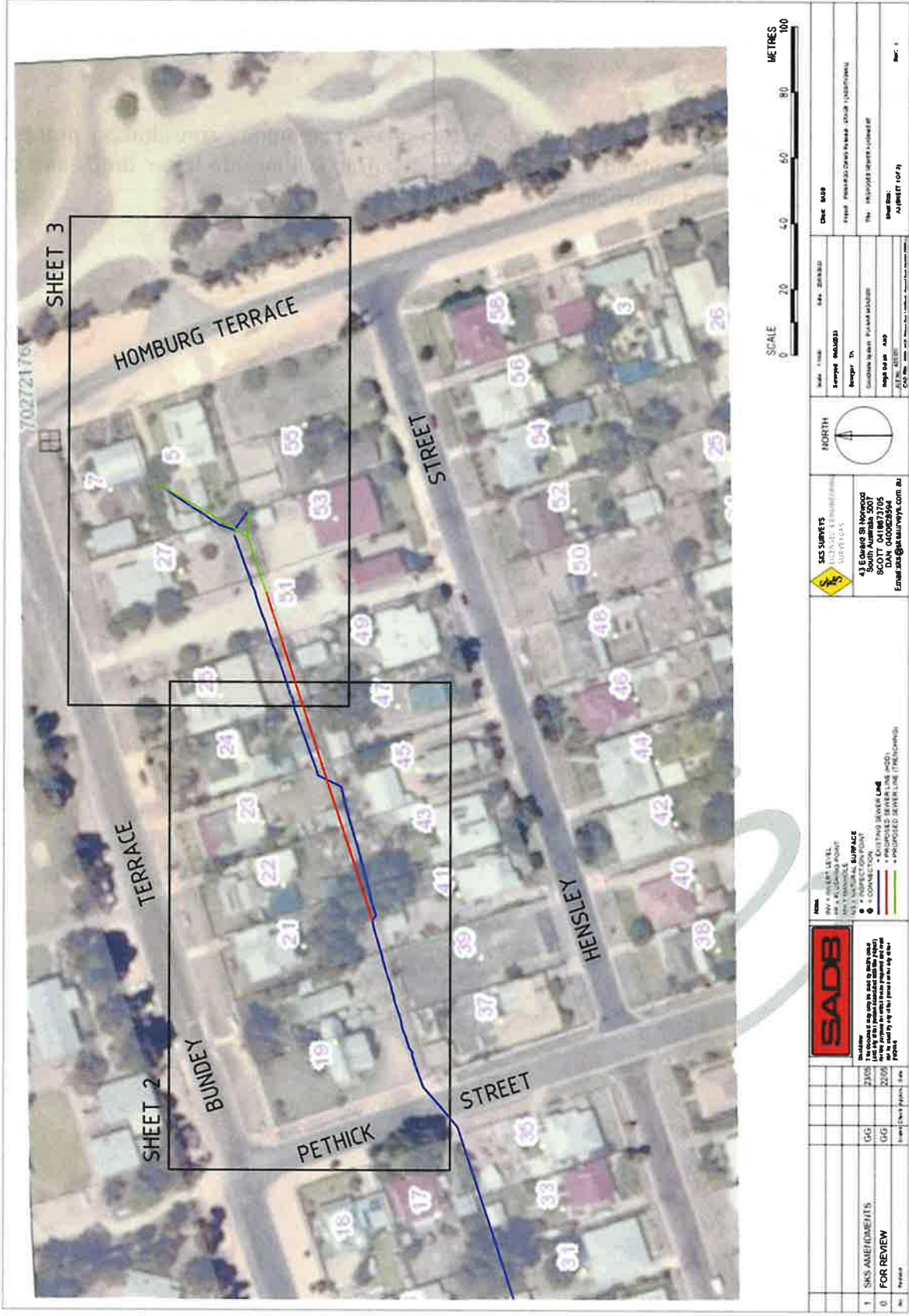
A site-specific project safety plan will be developed by SADB prior the construction works. This plan will be reviewed by Council and WGA as the project superintendent.

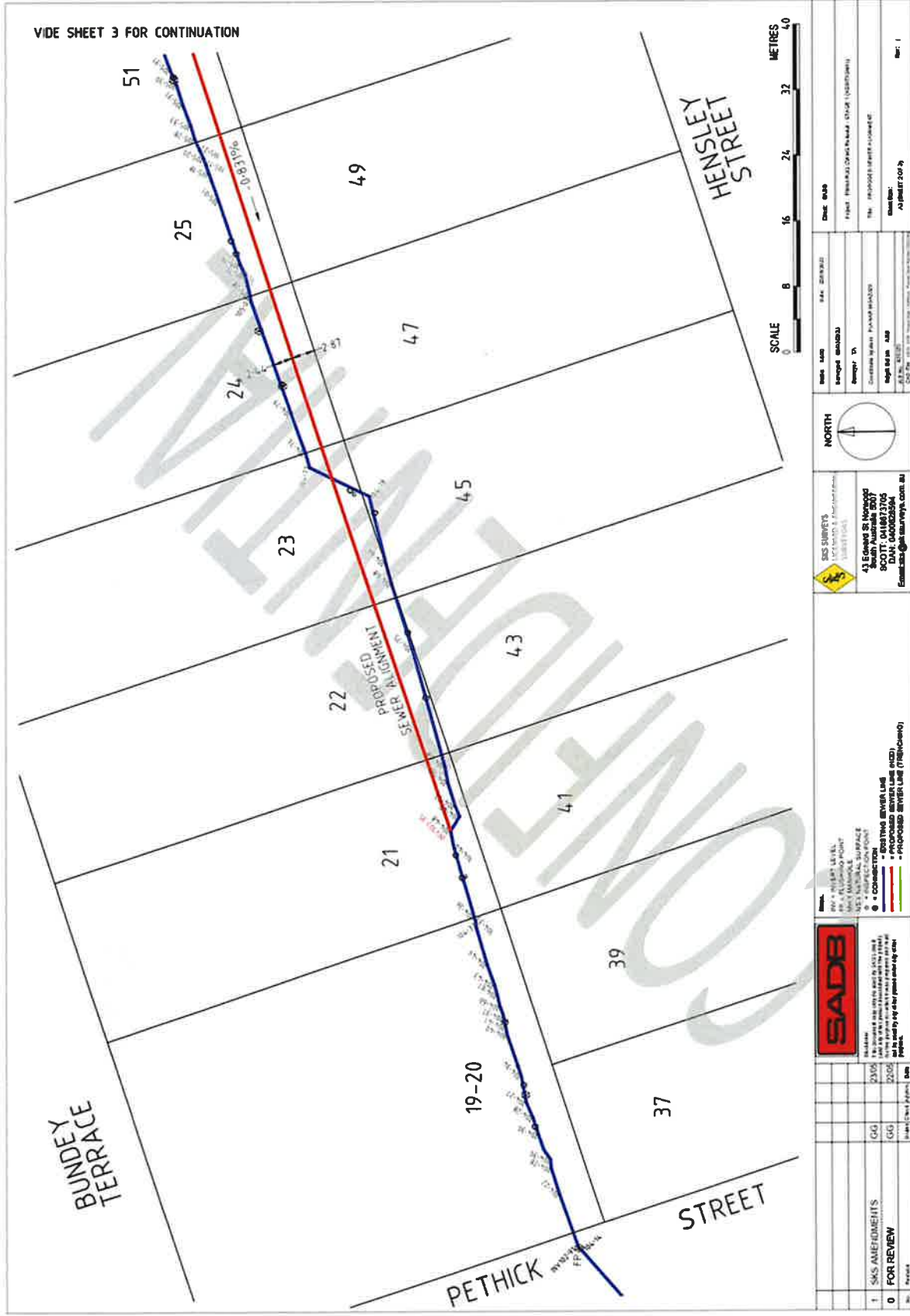
A general work, health and safety management system was included in the SADB submission.

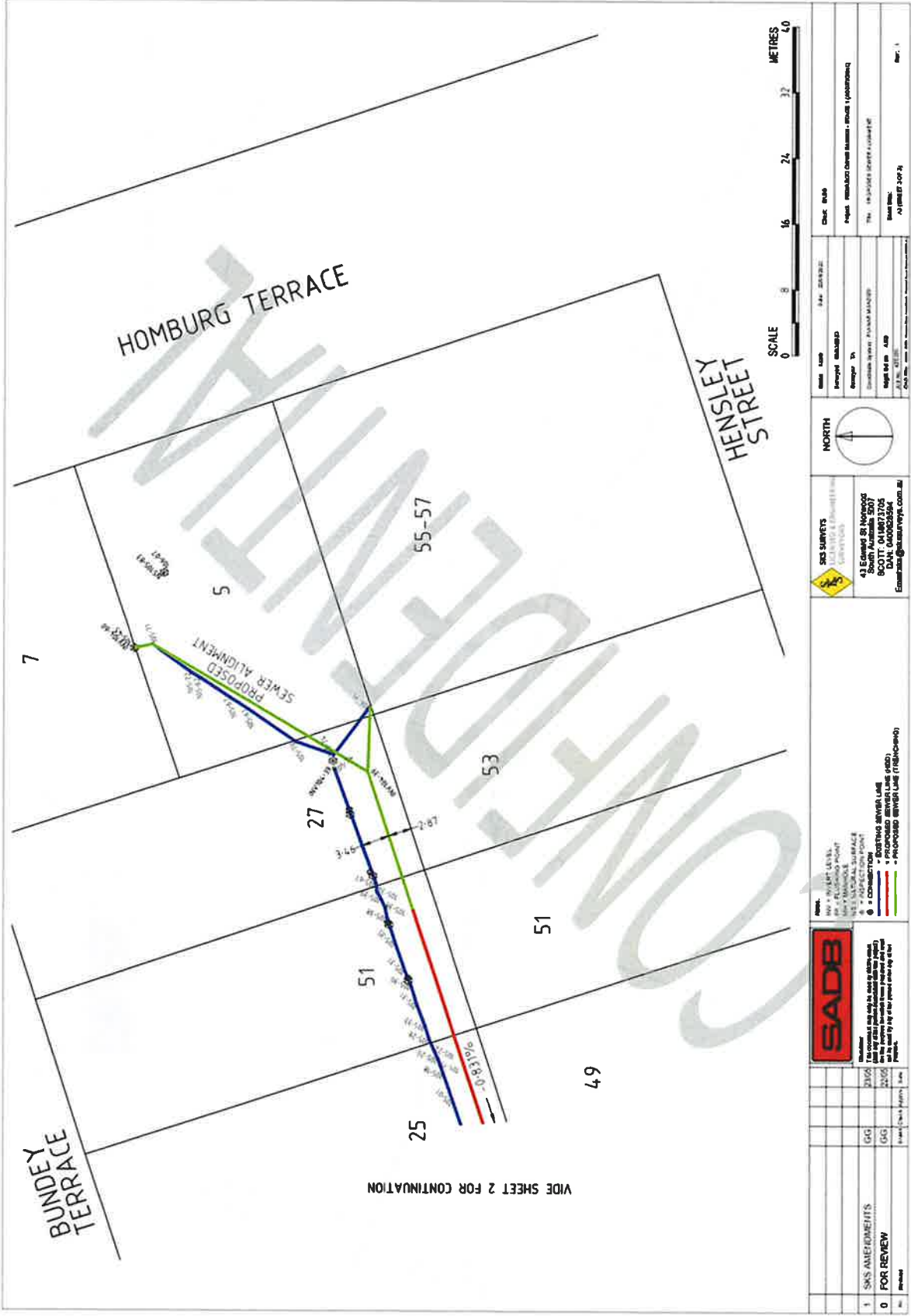
Consultation

As per all other stage works, SADB propose a two-phase community consultation process in conjunction with Council's planned notification process. This will include letter drops and door knocking of directly affected stakeholders.

CONFIDENTIAL







Financial CWMS Construction Pricing
Stage 5 - Stage 1 Completion



Item	Description	Unit	Rate	Qty	Amount	Comments
1	PRELIMINARIES					
1.1	Preliminary site investigation - refer notes	item				
1.2	Establishment - refer notes	item				
1.3	Site security	item	\$ 1,230.00	1	\$ 400.00	
1.4	Survey - Site Set Out	ea	\$ 3,570.00	1	\$ 3,570.00	
1.5	Service locating - refer notes	item				
1.6	Quality control and quality assurance	ea	\$ 53.00	20	\$ 1,060.00	
1.7	Environmental controls management	ea	\$ 53.00	20	\$ 1,060.00	
1.8	Traffic management - refer note	item				
1.9	Dilapidation Survey of Work Area Pre and Post Construction	ea	\$ 121.00	20	\$ 2,420.00	
1.10	Insurances & Statutory Fees	ea	\$ 15.00	20	\$ 300.00	
1.11	"As Constructed" survey	ea	\$ 3,570.00	1	\$ 3,570.00	Quoted from Sub Contractor
1.12	"As Constructed" drawings in Autocad format.	ea	\$ 1,785.00	1	\$ 1,785.00	Quoted from Sub Contractor
1.13	Investigations - refer note	item				
1.14	LAFHA	night	\$ 964.00	15	\$ 14,460.00	Increase in Labour Costs
1.15	Accommodation - inc 12.5% mark up fee	night	\$ 290.00	110	\$ 31,900.00	
					\$ 60,525.00	
2	CWMS INFRASTRUCTURE					
	Trench Replacement					
2.1	Excavate trench	m	\$ 450.00	40	\$ 18,000.00	Difficult trenching sections
2.2	Dispose of surplus spoil at approved stockpile site	m3	\$ 14.00	290	\$ 4,060.00	Increase of Fuel costs
2.3	Supply bedding material	m3	\$ 35.00	80	\$ 2,800.00	Increase supply costs
2.4	Supply PE Pipe 125mm PN16	m	\$ 25.00	40	\$ 1,000.00	Increase supply costs
2.5	Backfill for pipe	m3	\$ 45.00	210	\$ 9,450.00	Increase supply costs
2.7	Reinstatate trench (verge)	m2	\$ 15.00	100	\$ 1,500.00	Increase supply costs
					\$ 36,810.00	
	Direction Drilling					
2.9	Excavate entrance and receiving pits	item	\$ 2,320.00	2	\$ 4,640.00	Increases in labour costs and fuel costs
2.10	Supply and install pipe (125mm HDPE PN16)	m	\$ 310.00	112	\$ 34,720.00	Increases in labour costs and fuel costs
					\$ 39,360.00	
	Other					
2.13	Flushing point	each	\$ 3,660.00	3	\$ 10,980.00	Increase supply costs
2.15	Connect to existing sewer main	item	\$ 3,119.00	1	\$ 3,119.00	
2.16	Property connections	item	\$ 4,250.00	20	\$ 85,000.00	Overall Cost increases
2.17	CCTV	lm	\$ 28.00	152	\$ 4,256.00	Quoted from Sub Contractor
2.18	Relocate existing sewer main and property connections to construct new main	ea	\$ 3,315.00	8	\$ 26,520.00	
2.19	PC Sum Item - Latent Conditions / Unknown underground obstacles inc rock / de watering / septic desludge and by pass pumping	item	\$ 12,000.00	1	\$ 12,000.00	
					\$ 141,875.00	
			Total 1 & 2	Total 1 & 2	\$ 278,570.00	
				GST	\$ 27,857.00	
				CITB	\$ 766.07	
				Total inc GST & CITB	\$ 307,193.07	

Note

- Item 1.1 Prelim Investigations - accounted for in previous VO
- Item 1.2 Establishment - no associated costs if SADB remain on site for duration of project. If project delayed and SADB to de mob from site a demob of \$7,500 and remob fee of \$20,000 will be applied. (Total \$27,500)
- Item 1.5 Service Locations - No Charge - carried out on current VO
- Item 1.8 Traffic Management - No associated costs as allowed for in above construction rates
- Item 1.13 Investigations accounted for in current VO

Program CDM3 Construction Pricing
 Stage 3 - Stage 3 Completion Trenching works CDM 3



Item	Description	Unit	Rate	Qty	Amount	Comments
1	PRELIMINARIES					
1.1	Preliminary site investigation - refer notes	item				
1.2	Establishment - refer notes	item				
1.3	Site security	item	\$ 1,230.00	1	\$ 1,230.00	
1.4	Survey - Site Set Out	ea	\$ 2,300.00	1	\$ 2,300.00	
1.5	Service locating - refer notes	item				
1.6	Quality control and quality assurance	ea	\$ 1,060.00	1	\$ 1,060.00	
1.7	Environmental controls management	ea	\$ 1,060.00	1	\$ 1,060.00	
1.8	Traffic management - refer note	item				
1.9	Dilapidation Survey of Work Area Pre and Post Construction	ea	\$ 485.00	1	\$ 485.00	
1.10	Insurances & Statutory Fees	ea	\$ 300.00	1	\$ 300.00	
1.11	"As Constructed" survey	ea	\$ 3,570.00	1	\$ 3,570.00	Quoted from Sub Contractor
1.12	"As Constructed" drawings in Autocad format	ea	\$ 1,785.00	1	\$ 1,785.00	Quoted from Sub Contractor
1.13	Investigations - refer note	item				
1.14	LAFHA	night	\$ 964.00	5	\$ 4,820.00	Increase in Labour Costs
1.15	Accommodation - inc 12.5% mark up fee	night	\$ 290.00	40	\$ 11,600.00	
					\$ 22,560.00	
2	CWMS INFRASTRUCTURE					
	Trench Replacement					
2.1	Excavate trench	m	\$ 450.00	55	\$ 24,750.00	Difficult trenching sections
2.2	Dispose of surplus spoil at approved stockpile site	m3	\$ 14.00	290	\$ 4,060.00	Increase of Fuel costs
2.3	Supply bedding material	m3	\$ 55.00	75	\$ 4,125.00	Increase supply costs
2.4	Supply DWV Pipe and Fittings	m	\$ 3,850.00	1	\$ 3,850.00	Increase supply costs
2.5	Backfill for pipe	m3	\$ 45.00	210	\$ 9,450.00	Increase supply costs
2.7	Reinstate trench (w/erg)	m2	\$ 30.00	100	\$ 3,000.00	Increase supply costs
					\$ 49,235.00	
	Direction Drilling					
2.9	Excavate entrance and receiving pits	item	\$ 2,320.00		\$ -	Increases in labour costs and fuel costs
2.10	Supply and install pipe (125mm HDPE PN16)	m	\$ 310.00		\$ -	Increases in labour costs and fuel costs
					\$ -	
	Other					
2.13	Flushing point	each	\$ 3,660.00	2	\$ 7,320.00	Increase supply costs
2.15	Connect to existing sewer main	item	\$ 3,119.00	1	\$ 3,119.00	
2.16	Property connections	item	\$ 4,250.00	4	\$ 17,000.00	Overall Cost increases
2.17	CCTV	lm	\$ 2,650.00	1	\$ 2,650.00	Quoted from Sub Contractor
2.18	Relocate existing sewer main and property connections to construct new main	ea	\$ 3,315.00		\$ -	
2.19	PC Sum Item - Latent Conditions / Unknown unnderground obstacles inc rock / de watering / septic deslud and by pass pumping	item	\$ 12,000.00	1	\$ 12,000.00	
					\$ 42,089.00	
				Total 2 & 1	\$ 111,897.00	
				GST	\$ 11,368.40	
				OTB	\$ 333.33	
				Total Inc GST & OTB	\$ 125,595.53	

- Note
- Item 1.1 Prelim Investigations - accounted for in previous VO
 - Item 1.2 Establishment - no associated costs if SADB remain on site for duration of project. If project delayed and SADB to be mob from site a demob of \$7,500 and rejob fee of \$20,000 will be applied. (Total \$27,500)
 - Item 1.5 Service Locations - No Charge - Carried out on current VO
 - Item 1.8 Traffic Management - No associated costs as allowed for in above construction rates
 - Item 1.13 Investigations accounted for in current VO

12 CONFIDENTIAL ITEMS**12.1 PINNAROO COMMUNITY WASTEWATER MANAGEMENT SYSTEM PIPEWORK RENEWAL PROJECT STAGE 5 - AWARDING OF CONTRACT****RECOMMENDATION**

That having considered agenda Item 12.1 in confidence under section 90 (2) and (3) (k) of the Local Government Act 1999, the Council pursuant to section 91 (7) of the Act orders that the documents considered by the Council, including the officer's report and all minutes be retained in confidence. This order is to be reviewed at or before the ordinary Council meeting to be held in January 2024, as to if this order is to continue in operation.

12 CONFIDENTIAL ITEMS**12.1 PINNAROO COMMUNITY WASTEWATER MANAGEMENT SYSTEM PIPEWORK RENEWAL PROJECT STAGE 5 - AWARDING OF CONTRACT**

MOVED COUNCILLOR LUKE KENNEDY
SECONDED COUNCILLOR NEVILLE PFEIFFER

That:

1. Pursuant to Section 90(2) & (3) of the Local Government Act 1999 the Council orders that the public, with the exception of the Acting Chief Executive Officer, Manager Corporate Services, Acting Manager Infrastructure Services, Manager Property and Development Services, Coordinator Executive Services, Coordinator Organisational Development and the Minute Secretary be excluded from attendance at the meeting held on Wednesday 16 August 2023 for Agenda Item 12.1 Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 5 - Awarding of Contract;
2. The Council is satisfied that pursuant to section 90 (3) (k) of the Local Government Act 1999, the information to be received, discussed or considered in relation to the Agenda Item 12.1 Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 5 - Awarding of Contract is:

tenders for the supply of goods, the provision of services or the carrying out of works.
3. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to discuss this Agenda Item 12.1 in confidence.

CARRIED.

The Mayor with approval of two-thirds of the members present suspended the meeting procedures pursuant to regulation 20(1) of the Local Government (Procedures at Meetings) Regulations 2013, for a period of 10 minutes to facilitate informal discussion in relation to Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 5 - Awarding Of Contract at 7.16pm

Meeting procedures resumed at 7.23pm

MOVED COUNCILLOR CHRIS MEAD
SECONDED COUNCILLOR NEVILLE PFEIFFER

That Council exempts itself from the usual requirement to seek tenders for the delivery of the Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 5, in accordance with the Exceptions Clause 7.3 of the Procurement Policy, on the basis that the pressures of time are such that an open call is not feasible.

CARRIED.

MOVED COUNCILLOR CHRIS MEAD
SECONDED COUNCILLOR LUKE KENNEDY

That Council awards the contract for the delivery of the Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 5 to SADB Directional Drilling for a contract price of \$278,570 (ex GST) and that the works are funded by savings in the 2022/2023 Capital Projects (Excluding Carry forwards)

CARRIED.

MOVED COUNCILLOR CAMPBELL MICHELL
SECONDED COUNCILLOR LUKE KENNEDY

That having considered agenda Item 12.1 in confidence under section 90 (2) and (3) (k) of the Local Government Act 1999, the Council pursuant to section 91 (7) of the Act orders that the documents considered by the Council, including the officer's report and all minutes be retained in confidence. This order is to be reviewed at or before the ordinary Council meeting to be held in January 2024, as to if this order is to continue in operation.

CARRIED.