

18 CONFIDENTIAL ITEMS**18.3 COMMERCIAL CENTRES REVITALISATION PROJECT - TENDER AWARD****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, Acting Manager Infrastructure Services, Manager Property and Development Services, Manager Major Project Delivery, Coordinator Executive Services and the Minute Secretary be excluded from attendance at the meeting held on Wednesday 17 August 2022 for Agenda Item 18.3 Commercial Centres Revitalisation Project - Tender Award;
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 18.3 Commercial Centres Revitalisation Project - Tender Award 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 18.3 in confidence.

**MOVED COUNCILLOR ANDREW GRIEGER
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, Acting Manager Infrastructure Services, Manager Property and Development Services, Manager Major Project Delivery, Coordinator Executive Services and the Minute Secretary be excluded from attendance at the meeting held on Wednesday 17 August 2022 for Agenda Item 18.3 Commercial Centres Revitalisation Project - Tender Award;
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 18.3 Commercial Centres Revitalisation Project - Tender Award 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 18.3 in confidence.

CARRIED.

18.3 COMMERCIAL CENTRES REVITALISATION PROJECT - TENDER AWARD

Responsible officer: Samuel Wellington, Manager Major Projects Delivery

Attachments: Nil

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 a contract for the delivery of the Commercial Centres Revitalisation Project Stages 2 & 3 and Pinnaroo Stage 1 East works.

Council has undertaken a competitive tender process and has identified a preferred tenderer to complete the remaining Stages 2 & 3 of the Town Centres Revitalisation Project and Pinnaroo Stage 1 East works. This report enables Council to consider this tender process and award LCS Landscapes the contract for the Stage 2 & 3 Commercial Centres Revitalisation Project and Stage 1 East Pinnaroo works.

RECOMMENDATION

1. That Council authorises the Acting Chief Executive Officer to execute a contract with LCS Landscapes Pty Ltd for the delivery of the Commercial Centres Revitalisation Project Stages 2 and 3, as well as the Stage 1 East works, for a contract price of up to \$1,840,000 (excluding GST). This amount is funded by \$1,550,000 Building Better Regions Funding, and \$290,000 Local Roads and Community Infrastructure funding.
2. That Council authorises the Acting Chief Executive Officer to enter into a rental agreement with LCS Landscapes for 37 Railway Terrace South Lameroo for LCS to lease the property for the duration of the project.

**MOVED COUNCILLOR TREVOR HANCOCK
 SECONDED COUNCILLOR ANDREW GRIEGER**

1. That Council authorises the Acting Chief Executive Officer to execute a contract with LCS Landscapes Pty Ltd for the delivery of the Commercial Centres Revitalisation Projects Stages 2 and 3, as well as the Stage 1 East works, for a contract price of up to \$1,840,000 (excluding GST). This amount is funded by Building Better Regions Funding, Southern Mallee District Council and Local Roads and Community Infrastructure funding.
2. That Council authorises the Acting Chief Executive Officer to enter into a rental agreement with LCS Landscapes for 37 Railway Terrace South, Lameroo for LCS to lease the property for the duration of the projects.

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. Council was also successful in attaining grant funding from the Local Roads and Community Infrastructure grant (LCRI) to deliver the Pinnaroo Stage 1 East works.

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 Stages, 1, 2 and 3.

Stage 1 works (and a portion of Stage 2 and 3 works), were put to tender in early 2021. The tender was awarded to LCS Landscapes, who delivered these works through 2021.

The remaining Stage 2 and 3 works, as well as the Stage 1 works in Pinnaroo, were put to tender as a package in May 2021. This tender was open for 8 weeks, closing in July 2021.

Context

Throughout 2019 and the start of 2020, Masterplans for both 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, 2 and 3 designs.

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 several reasons for this:

- Saturated market for work, because of a high 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.
- Lack of accommodation available in both towns potentially influenced tenderers from applying.

The tender received from LCS was evaluated by the evaluation team (Matthew Sherman, Acting CEO, Rachel Ridgway, Project Officer 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 significantly above our budget remaining. As such, the project team entered a negotiation period with the tenderer to potentially reduce costs and undertook a value management exercise.

The process is ongoing and is almost complete.

The Stage 2 & 3 works, involve the following:

Lameroo – 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.

Some of the Stage 2 and 3 works have previously been completed, and 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.

Council is also seeking to enter into a rental agreement with LCS Landscapes Pty Ltd for the Council owned property at 37 Railway Terrace South Lameroo for the duration of the project. This will allow the contractors to have adequate accommodation to complete the works, noting the current accommodation challenges in the region.

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 completing the projects.

Financial implications

The cost to complete the remaining Stage 2 & 3 works and the Stage 1 East works would have an overall cost of approximately **\$1,840,000** (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 designs.

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

18 CONFIDENTIAL ITEMS**18.3 COMMERCIAL CENTRES REVITALISATION PROJECT - TENDER AWARD****RECOMMENDATION**

That having considered agenda Item 18.3 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 2023, as to if this order is to continue in operation.

**MOVED COUNCILLOR NEVILLE PFEIFFER
SECONDED COUNCILLOR TREVOR HANCOCK**

That having considered agenda Item 18.3 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 2023, as to if this order is to continue in operation.

CARRIED.