

**17.2 PINNAROO COMMUNITY WASTEWATER MANAGEMENT SYSTEM PIPEWORK RENEWAL PROJECT STAGE 2-AWARDING OF CONTRACT**

**Responsible officer: Matthew Sherman, Manager Infrastructure Services**

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- Attachments:**
1. **Railway Terrace South Gordon Terrace**
  2. **Railway Terrace South Mann Street**

<b>Section under the Act</b>	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> .
<b>Sub-clause and Reason:</b>	(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 Stage 2 (Railway Terrace South (Gordon Terrace to Mann Street) portion) and (Railway Terrace South (Mann Street to Homburg Terrace) portion).

SADB Directional Drilling has completed the full investigation on Stage 2 works and submitted a final value for the Pinnaroo CWMS Pipework Renewal Project Stage 2 works. This report enables Council to consider the final value and award SADB Directional Drilling the contract to undertake the remainder of the Stage 2 Pinnaroo CWMS Pipework Renewal Project works, being the second and third portions of work.

**RECOMMENDATION**

**That Council awards the contract for the delivery of the Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage2 (Railway Terrace South (Gordon Terrace to Mann Street) portion and Railway Terrace South (Mann Street to Homburg Terrace) portion to SADB Directional Drilling for a contract price of \$665,398.00 (excluding GST).**

**MOVED COUNCILLOR REBECCA BOSELEY  
SECONDED COUNCILLOR NEVILLE PFEIFFER**

That Council awards the contract for the delivery of the Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage2 (Railway Terrace South (Gordon Terrace to Mann Street) portion and Railway Terrace South (Mann Street to Homburg Terrace) portion to SADB Directional Drilling for a contract price of \$665,398.00 (excluding GST).

**CARRIED.**

## Background

Council at its ordinary meeting on 19 February 2020 resolved to approve the contract for the Pinnaroo CWMS Pipework Renewal Project Stage 1 works which is now near completion. Council at its June Council meeting gave approval for SADB to undertake an investigation of the remaining CWMS pipework and to report back to Council on the costings for the remaining works to complete. Council has a 2020/21 Budget allocation of \$1.7m for continuing works on the CWMS Pipework's project. Council at the October 2020 council meeting awarded to SADB the contract for stage 2 Pinnaroo CWMS Pipework Renewal Project (Murrayville Road portion) for the sum of \$329,828.

## Context

Pinnaroo is serviced by a CWMS, 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. Such drains require replacement in the coming years, otherwise the performance of the network will begin to worsen.

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.

Due to the extent of the required upgrades, the upgrade is to be undertaken as a staged process based on priority of required works.

The construction of Stage 1 works was awarded to SADB Directional Drilling (SADB), who proposed to undertake the upgrade works predominantly through directional drilling, with trench excavations where possible. With Stage 1 works nearing completion, Council recently engaged SADB to undertake a detailed investigation to design and cost the remaining stages as identified in the initial investigations completed by WGA in April 2019.

As prioritised by Council, SADB have undertaken design and submitted pricing for the next stage of works (Stage 2), which will encompass Murrayville Road (contract awarded for this portion) and Railway Terrace South. SADB are still in the process of designing and costing other remaining works, with future stages and subsequent programming to be determined in due course. The Stage 2 submission was accelerated to ensure that SADB can continue works on completion of Stage 1 and move to Stage 2 works without the need for demobilisation. Furthermore, with current border closures and nearby construction works, accommodation within Pinnaroo has been increasingly difficult to source, making it critical that SADB are able to maintain current arrangements.

With Council satisfied with current progress of Stage 1 works and SADB's familiarisation with the site area; the project was not publicly tendered, and no other contractors were requested to submit pricing.

A workshop was undertaken at SADB offices on 13 October 2020, in the presence of Nathan Silby (WGA) and Josh Schiller (WGA) to review and finalise design methodology and submitted schedule of rates.

As requested by WGA, the pricing for Stage 2 works has been separated into three sections: Murrayville Road (contract awarded for this portion), Railway Terrace South (Gordon Terrace to

Mann Street) and Railway Terrace South (Mann Street to Homburg Terrace). This was undertaken to provide some flexibility with Council budget requirements.

A summary of proposed methodology for the two remaining portions is described below:

- **Railway Terrace South (Gordon Terrace to Mann Street):** Top of line begins at Mann Street, draining west towards Gordon Terrace, then diverting north towards existing manhole within reserve area on the north side of the rail line. All property connection are back of allotment and located in private property, with construction of the main to be directionally bored. Trenching will be undertaken where required.
- **Railway Terrace South (Mann Street to Homburg Terrace):** Top of line begins at Mann Street, draining east towards Homburg Terrace, towards Pump Station 9. All property connection are back of allotment and located in private property, with construction of the main to be directionally bored. Trenching will be undertaken where required.

A breakdown of the submitted pricing is detailed below:

Table 1: Final Construction Prices – Stage 2

	Murrayville Rd (contact awarded for this portion)	Railway Tce South (Mann/Gordon)	Railway Tce South (Mann/Homburg)	TOTAL
PRELIMINARIES	\$104,981.00	\$52,319.00	\$108,454.00	\$265,754.00
CWMS INFRASTRUCTURE	\$192,877.00	\$193,899.00	\$286,727.00	\$673,503.00
PC ITEMS	\$32,000.00	\$12,000.00	\$12,000.00	\$56,000.00
<b>SUBTOTAL (Ex. GST)</b>	<b>\$329,858.00</b>	<b>\$258,218.00</b>	<b>\$407,181.00</b>	<b>\$995,257.00</b>
CITB	\$907.11	\$710.10	\$1,119.75	\$2,736.96

The total value for the remaining stage 2 portions in Railway Terrace South is \$665,398.00.

The total costings (actual and future) of the Pinnaroo Community Wastewater Management System (CWMS) Pipework Renewal Project to date are: Stage 1 Works \$1,060,254; site investigation \$171,440; and Stage 2 overall expenditure \$1,043,257. This is a total of \$2,274,951. This amount is within the budgeted allocation over last financial year \$580,000 and this financial year \$1,700,000, or a total of \$2,280,000.

**Policy and statutory implications**

The Local Government Act 1999 is relevant to this matter.

Council’s strategic management plan Infrastructure Strategy - *Invest in hard infrastructure for community benefit* is relevant to this matter.

Council’s current system is severely degraded and there is a risk of damage to the environment or property due to leakage, blockage and general system failure. This project would significantly reduce Council’s risks related to scheme operation.

Council’s procurement policy is relevant to this matter.

## Issues

There are several risks associated with the proposed recommendations and construction methodology provided by SADB:

- Presence of unexpected rock formation. Directional drilling is more expensive in hard rock due to a different drilling rig being required and where a rock shelf or floating or loose rock is present maintaining pipe grade is almost impossible.
- Asbestos within private property.
- Unforeseen underground objects ie. buried cars, tanks etc. which may impact proposed alignments.
- Site access. Unwillingness of resident to allow access to private property, potentially delaying works.
- Bypass pumping. SADB have assumed that private Septic Tanks will generally provide sufficient emergency storage to disconnect properties during reconnection to the new line. Undersized, failed or full septic tanks will not provide this volume, requiring additional use of the bypass pumping system.
- Groundwater and dewatering costs.

## Alternate options

SADB were the only contractor to price the project. The alternative for Council is to undertake a public tender call similar to the Stage 1 tender process.

The advantage of this is that there would be an 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. This was a notably extensive process in Stage 1 due to complexity of works.
- Additional administration costs to undertake tender process.
- Potential loss of accommodation due to current availability issues within Pinnaroo and the surrounding region.
- SADB have already been engaged to undertake design and costing of Stage 2 and full remaining works and therefore are already onsite and have a detailed familiarisation with the project. 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 Stage 1 construction so far. There is a risk that a new contractor does not develop the same community relationship.

There are pressures of time relating to this project that warrant only obtaining a price submission from SADB. WGA has assisted Council to undertake an assessment of SADB's proposal and it has been determined that the proposal represents fair value.

## Financial implications

Stages 1 and 2 works overall price of **\$2,274,951** (excl. GST and construction industry levy) fit's within the budget allocation for the 2 budget years \$2,280,000 (19/20 \$580,000 & 20/21 \$1,700,000).

**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.

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

**Consultation**

As per Stage 1 works, SADB propose a two-phase community management process in conjunction with Council. The planned notification process includes letter drops and door knocking of directly affected stakeholders.

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LF0323 Pinnaroo CWMS Construction Pricing  
Railway / Gordon



Item	Description	Unit	Rate	Railway/Gordon	
				Qty	Amount
<b>1</b>	<b>PRELIMINARIES</b>				
1.1	Preliminary site investigation - refer notes	item			
1.2	Establishment - refer notes	item			
1.3	Site security	item	\$ 1,725.00	1	\$ 1,725.00
1.4	Survey - Site Set Out	ea	\$ 85.00	21	\$ 1,785.00
1.5	Service locating - refer notes	item			
1.6	Quality control and quality assurance	ea	\$ 48.00	21	\$ 1,008.00
1.7	Environmental controls management	ea	\$ 48.00	21	\$ 1,008.00
1.8	Traffic management - refer note	item			
1.9	Dilapidation Survey of Work Area Pre and Post Construction	ea	\$ 110.00	21	\$ 2,310.00
1.1	Insurances & Statutory Fees	ea	\$ 15.00	21	\$ 315.00
1.11	"As Constructed" survey	ea	\$ 85.00	21	\$ 1,785.00
1.12	"As Constructed" drawings in Autocad format.	ea	\$ 33.00	21	\$ 693.00
1.13	Investigations - refer note	item			
1.14	LAFHA	night	\$ 890.00	11	\$ 9,790.00
1.15	Accommodation - inc 12.5% mark up fee	night	\$ 290.00	110	\$ 31,900.00
					<b>\$ 52,319.00</b>
<b>2</b>	<b>CWMS INFRASTRUCTURE</b>				
	<i>Trench Replacement</i>				
2.1	Excavate trench	m	\$ 137.00	0	\$ -
2.2	Dispose of surplus spoil at approved stockpile site	m3	\$ 11.00	0	\$ -
2.3	Supply bedding material	m3	\$ 31.00	0	\$ -
2.4	Supply PE Pipe 125mm PN16	m	\$ 12.00	0	\$ -
2.5	Backfill for pipe	m3	\$ 15.00	0	\$ -
2.6	Reinstate trench (pavement)	m2	\$ 88.00	0	\$ -
2.7	Reinstate trench (verge)	m2	\$ 11.00	0	\$ -
					<b>\$ -</b>
	<i>Direction Drilling</i>				
2.8	Excavate entrance and receiving pits	item	\$ 1,866.00	4	\$ 7,464.00
2.9	Supply and install pipe (125mm HDPE PN16)	m	\$ 226.00	481	\$ 108,706.00
2.10	Reinstate trench (pavement)	m2	\$ 88.00	8	\$ 704.00
2.11	Reinstate pit (verge)	item	\$ 11.00	0	\$ -
					<b>\$ 116,874.00</b>
	<i>Other</i>				
2.12	Flushing point	each	\$ 2,998.00	4	\$ 11,992.00
2.13	Maintenance hole	each	\$ 8,642.00	1	\$ 8,642.00
2.14	Connect to existing maintenance hole/pump station	item	\$ 3,119.00	1	\$ 3,119.00
2.15	Property connections	item	\$ 3,130.00	15	\$ 46,950.00
2.16	CCTV	lm	\$ 10.00	481	\$ 4,810.00
2.17	Test and pressure flush pipe	ea	\$ 72.00	21	\$ 1,512.00
2.18	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
					<b>\$ 89,025.00</b>
			<b>Total 1 &amp; 2</b>		<b>\$ 258,210.00</b>
				GST	\$ 25,621.00
				CITB	\$ 710.10
				<b>Total Inc GST &amp; C</b>	<b>\$ 284,541.10</b>

**Note**

- Item 1.1 Prelim Investigations - accounted for in current 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



