

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

Responsible officer: Matthew Sherman, Manager Infrastructure Services

- Attachments:**
1. Stage 2 Overall
 2. Murrayville Road site plan 1
 3. Murrayville Road site plan 2
 4. Murrayville Road costings

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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 Stage 2 Works (Murrayville Road 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 Stage 2 Pinnaroo CWMS Pipework Renewal Project (Murrayville Road portion).

RECOMMENDATION

That Council:

1. awards the contract for the delivery of the Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 2 (Murrayville Road portion) to SADB Directional Drilling for a contract price of \$329,858.00 (excluding GST).
2. notes a report will be presented to a future meeting of Council to determine the awarding of the contract for the delivery of the Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 2 (Railway Terrace South (Mann/Gordon) portion and Railway Terrace South (Mann/Homburg) portion) once further assessment of the capacity to fund these stages with the 2020/21 allocated budget is determined taking into consideration the total project costs to date, submitted costings and budget allocation.

MOVED COUNCILLOR MICK SPARNON

SECONDED COUNCILLOR NEVILLE PFEIFFER

That Council:

1. awards the contract for the delivery of the Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 2 (Murrayville Road portion) to SADB Directional Drilling for a contract price of \$329,858.00 (excluding GST).
2. notes a report will be presented to a future meeting of Council to determine the awarding of the contract for the delivery of the Pinnaroo Community Wastewater Management System Pipework Renewal Project Stage 2 (Railway Terrace South (Mann/Gordon) portion and

Railway Terrace South (Mann/Homburg) portion) once further assessment of the capacity to fund these stages with the 2020/21 allocated budget is determined taking into consideration the total project costs to date, submitted costings and budget allocation.

3. Exempts itself from the requirement to seek tenders because the pressures of time are such that an open call is not feasible.

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.

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 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.

Due to the accelerated submission deadline, full design for Railway Terrace South has not yet been submitted. However, based on outcomes of the workshop and strong familiarisation with the site, both SADB and WGA are confident that the pricing will not change; subject to latent conditions such as buried objects.

As requested by WGA, the pricing for Stage 2 works has been separated into three sections: Murrayville Road, 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, noting that splitting the works into separable portions would incur a mobilisation and de-mobilisation fee of \$27,500.

A provisional sum has been included in the Murrayville Road portion to refurbish the existing Pump Station 10 (PS10), which has visible damage to the tank cover.

A summary of proposed methodology for each section is described below:

- **Murrayville Road:** Top of line begins at corner of Murrayville Road / Venning Terrace, draining east towards Pump Station 10. All property connections are front of allotment, with construction of the main line to be undertaken by trenching.
- **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	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
SUBTOTAL (Ex. GST)	\$329,858.00	\$258,218.00	\$407,181.00	\$995,257.00
CITB	\$907.11	\$710.10	\$1,119.75	\$2,736.96

A full program has yet to be submitted by SADB. Assuming the Stage 2 (Murrayville Road portion) is awarded at this October Council meeting SADB intend to begin undertaking works on Murrayville Road on 2 November 2020. The Stage 2 full program of works is expected to extend to late March, early April 2021.

WGA recommend that at minimum, the Murrayville Road separable portion be awarded to ensure works can continue onsite at completion of Stage 1 and to avoid losing accommodation.

Murrayville Road is the preferred next stage due to ease of access with front of allotment connections and will allow a more immediate start date. SADB would not likely be able to begin works on the Railway Terrace South portions until late November, potentially delaying continuity of works and incurring a demolition/mobilisation fee of \$27,500 and loss of accommodation.

Consideration to award the contract for the next two portions of Stage 2 works can be undertaken at November Council Meeting. This will provide staff with the opportunity to further assess the capacity to fund these stages with the 2020/21 allocated budget taking into consideration of the total project costs to date, submitted costings and budget allocation.

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.
- Refurbishment of PS10 and potential for sump replacement should further assessment determine it to be in unsuitable condition.

A provisional sum allowance of \$36,000 has been included in the pricing for latent conditions, with a \$20,000 provisional sum for the refurbishment of PS10.

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 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. 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

The proposed Stage 2 total construction price of **\$995,257.00** (excl. GST and construction industry levy) will be close to Council's 2020/21 budget of \$1,700,000 when considering that budget includes a portion of the Stage 1 works (plus construction variations), the detailed investigation and project management fees.

The overall total may slightly exceed proposed 2020/21 budget; however, it should be noted that the works were always intended to be a rolling program to suit available funding. The funding available for Stage 2 will be confirmed over coming weeks.

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.

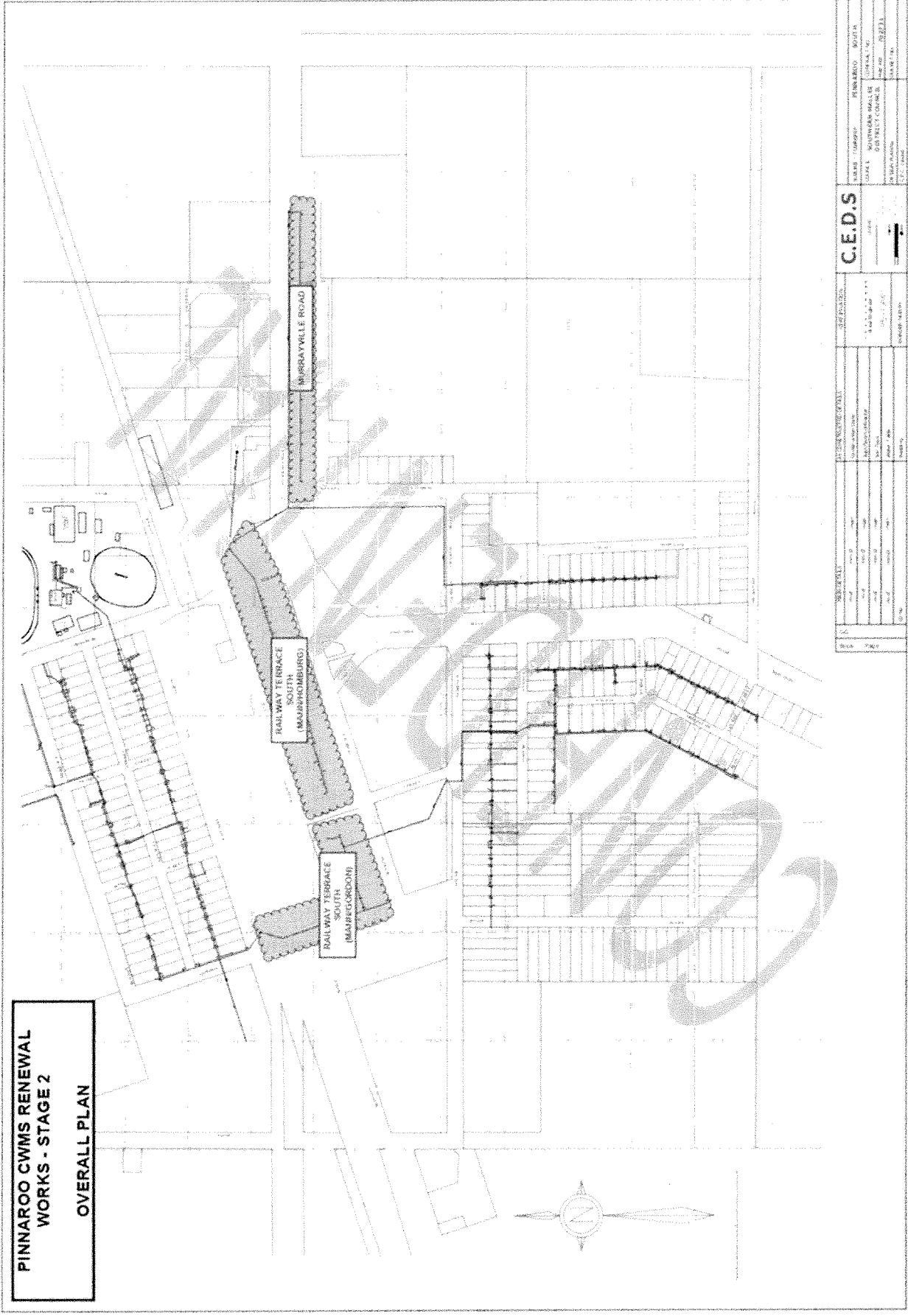
A general work, health and safety management system was included in the SADB submission.

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

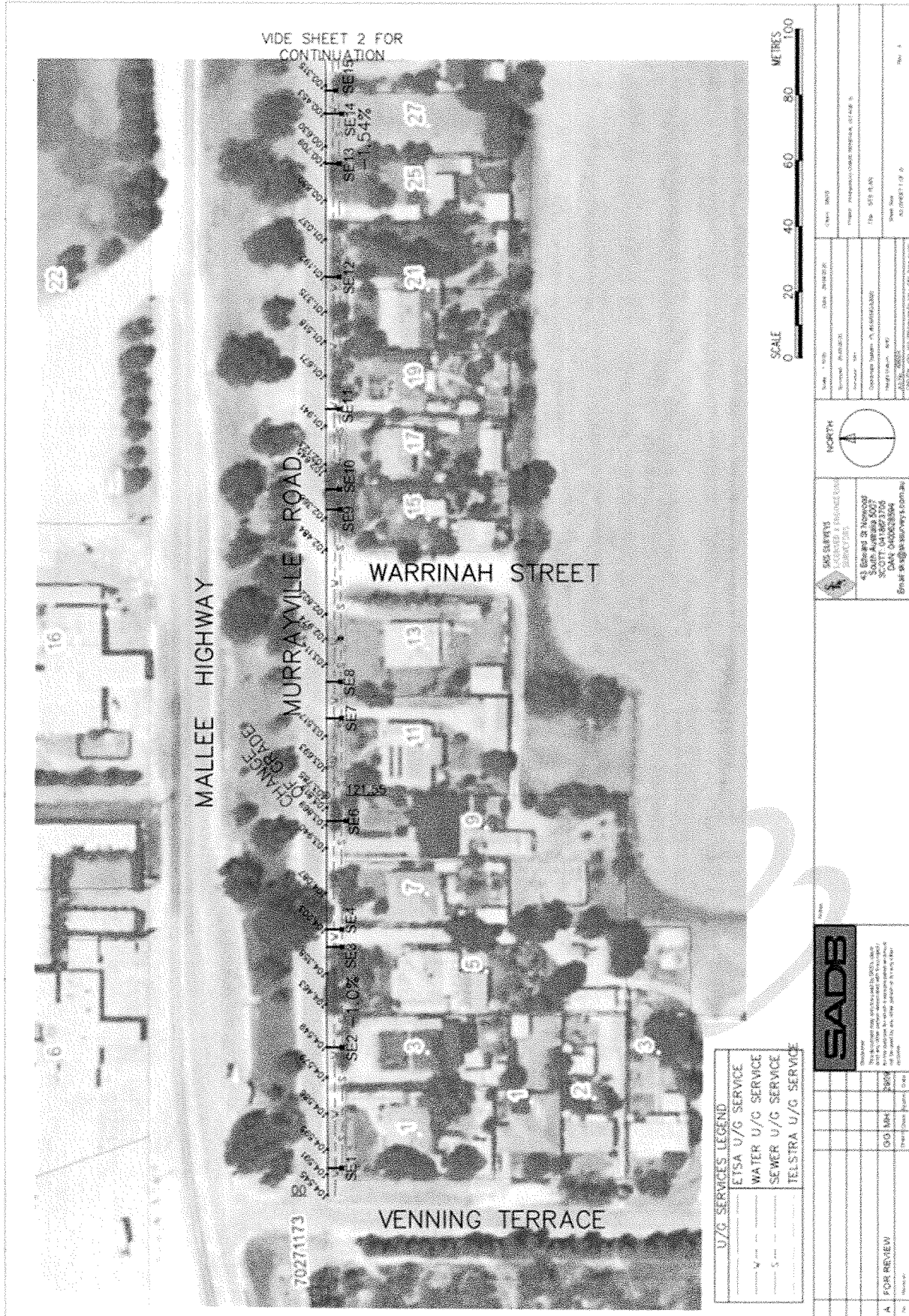
Consultation

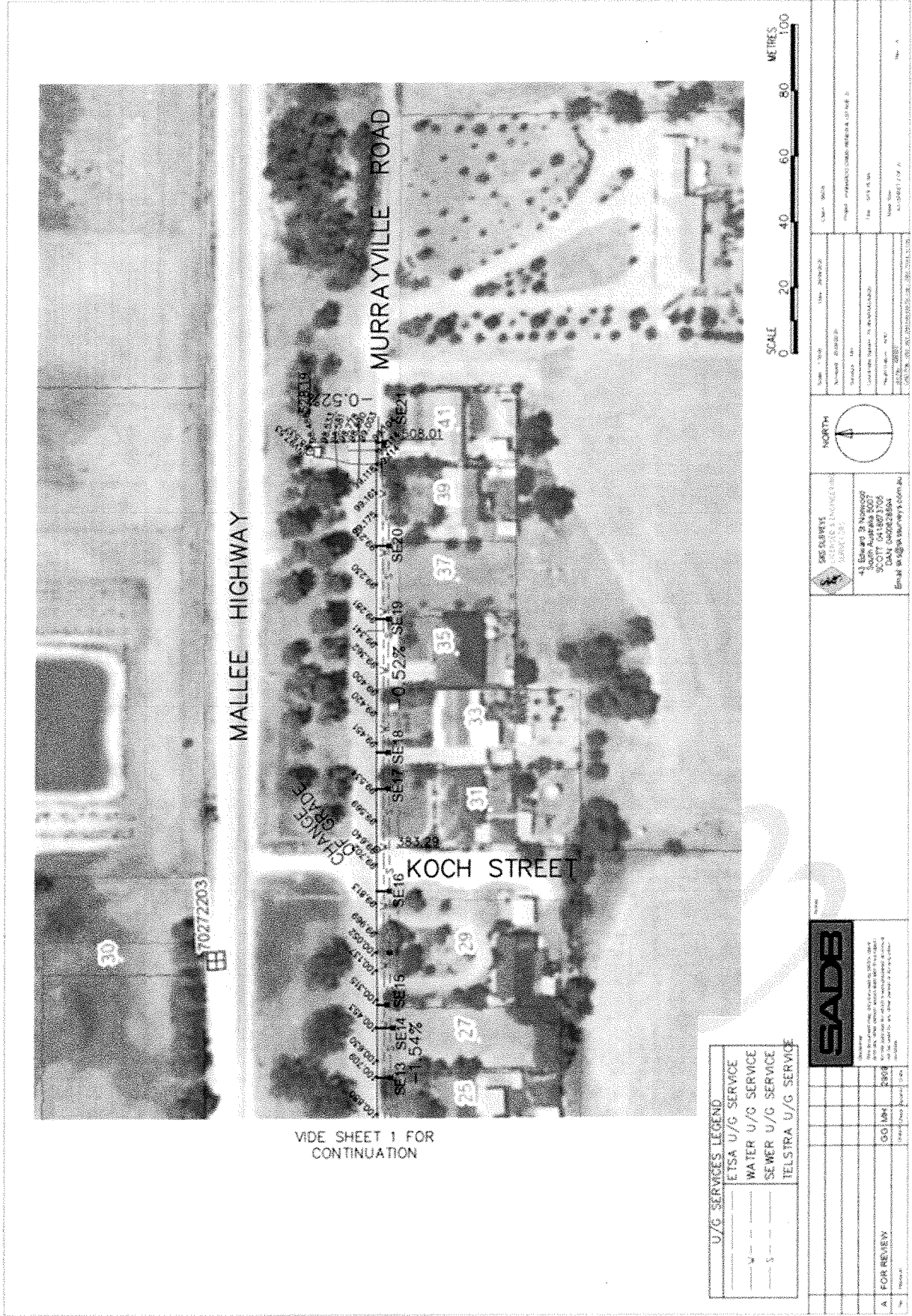
As per Stage 1 works, SADB propose a two-phase community management process in conjunction with Council planned notification process including letter drops and door knocking of directly affected stakeholders.

**PINNAROO CWMS RENEWAL
WORKS - STAGE 2
OVERALL PLAN**



C.E.D.S CIVIL ENGINEERING DESIGN SERVICES 110-112 GARDNER STREET GARDNER VIC 3217 PH: 03 9437 1111 WWW.CEDS.VIC.AU		PROJECT NO. 1901000001 SHEET NO. 1 OF 1 DATE 10/10/2020	
CLIENT Pinnaroo Council	DRAWN BY J. Smith	CHECKED BY J. Smith	SCALE 1:1000
PROJECT NAME Pinnaroo CWMS Renewal Works - Stage 2	PROJECT ADDRESS Pinnaroo VIC 3217	PROJECT NO. 1901000001	SHEET NO. 1 OF 1
PROJECT DESCRIPTION Pinnaroo CWMS Renewal Works - Stage 2	PROJECT STATUS Final Design	PROJECT START DATE 10/10/2020	PROJECT END DATE 10/10/2020





LF222 Pinaroo O&MS Construction Pricing
Murrayville Section



Item	Description	Unit	Rate	Qty	Amount
1	PRELIMINARIES				
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	29	\$ 2,465.00
1.5	Service locating - refer notes	item			
1.6	Quality control and quality assurance	ea	\$ 48.00	29	\$ 1,392.00
1.7	Environmental controls management	ea	\$ 48.00	29	\$ 1,392.00
1.8	Traffic management - refer note	item			
1.9	Dilapidation Survey of Work Area Pre and Post Construction	ea	\$ 110.00	29	\$ 3,190.00
1.10	Insurances & Statutory fees	ea	\$ 15.00	29	\$ 435.00
1.11	"As Constructed" survey	ea	\$ 85.00	29	\$ 2,465.00
1.12	"As Constructed" drawings in Autocad format.	ea	\$ 33.00	29	\$ 957.00
1.13	Investigations - refer note	item			
1.14	LAFHA	night	\$ 890.00	24	\$ 21,360.00
1.15	Accommodation - inc 12.5% mark up fee	night	\$ 290.00	240	\$ 69,600.00
					\$ 104,981.00
2	CWMS INFRASTRUCTURE				
	<i>Trench Replacement</i>				
2.1	Excavate trench	m	\$ 137.00	528	\$ 72,336.00
2.2	Dispose of surplus spoil at approved stockpile site	m3	\$ 11.00	264	\$ 2,904.00
2.3	Supply bedding material	m3	\$ 31.00	106	\$ 3,286.00
2.4	Supply PE Pipe 125mm PN16	m	\$ 12.00	528	\$ 6,336.00
2.5	Backfill for pipe	m3	\$ 15.00	316	\$ 4,740.00
2.6	Reinstate trench (pavement)	m2	\$ 88.00		\$ -
2.7	Reinstate trench (verge)	m2	\$ 11.00	528	\$ 5,808.00
					\$ 95,410.00
	<i>Direction Drilling</i>				
2.9	Excavate entrance and receiving pits	item	\$ 1,866.00	0	\$ -
2.10	Supply and install pipe (125mm HDPE PN16)	m	\$ 226.00	0	\$ -
2.11	Reinstate trench (pavement)	m2	\$ 88.00	0	\$ -
2.12	Reinstate pit (verge)	item	\$ 11.00	0	\$ -
					\$ -
	<i>Other</i>				
2.13	Rushing point	each	\$ 2,998.00	5	\$ 14,990.00
2.14	Maintenance hole	each	\$ 8,642.00	0	\$ -
2.15	Connect to existing maintenance hole/pump station	item	\$ 3,119.00	1	\$ 3,119.00
2.16	Property connections	item	\$ 3,190.00	23	\$ 71,990.00
2.17	CCTV	lm	\$ 10.00	528	\$ 5,280.00
2.18	Test and pressure flush pipe	ea	\$ 72.00	29	\$ 2,088.00
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
2.20	PC Sum Item - Pump Station 9 Re-Furbishment	ea	\$ 20,000.00	1	\$ 20,000.00
					\$ 129,467.00
			Total 1 & 2		\$ 129,467.00
				GST	\$ 32,985.80
				CITB	\$ 907.11
				Total Inc GST & CITB	\$ 163,750.91

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

