

## Item 7.

### Cancellation of Tenders - Joynton Avenue Stormwater Drainage Upgrade

**File No: X010730**

#### Summary

This report provides details of the outcome of two public tenders relating to the investigation and delivery of the Joynton Avenue Stormwater Drainage Upgrade.

The Joynton Avenue Stormwater Drainage Upgrade is the final connection between the completed upstream drainage infrastructure within the Lachlan and Victoria Park Precincts to the downstream network, as part of the overall Green Square Trunk Drain project.

Two separate works packages were tendered for this project, including the main works of the Joynton Avenue Stormwater Drainage Upgrade and the geotechnical investigations.

The sensitive area surrounding Joynton Avenue, combined with heritage listed significant trees, and buried utilities directly above the pipe alignment, demands an innovative method of construction for the trunk drain. Trenchless construction, namely microtunnelling, has been identified as the preferred construction method for the project.

Design and construction works tenders were previously advertised in 2016. As there were no conforming tenders, Council resolved to reject and negotiate the tenders in December 2016. Negotiations were undertaken with two companies that submitted tenders, which resulted in ceasing negotiation without success in July 2018. This was reported to Council via CEO update in July 2018.

The tender for the Geotechnical Works was advertised in 2019 and Council approved rejection of the tender for the Geotechnical Works and negotiation with suitable service providers to carry out the scope of work. Three contractors were requested to tender on the scope of works. In response, only one tender was received, which did not present value for money or alignment with project outcomes.

Further review of the Geotechnical Works determined a simplified scope of works and alternative methodology was available that could achieve the required outcomes for the Geotechnical Works.

Both tenders RFT 1637 and RFT 1944 are now recommended to be cancelled, so that a quotation can be called for the simplified geotechnical investigations and a new tender can be called to carry out the Drainage Upgrade.

This report recommends that Council cancel the two public tenders for this project for the reasons set out in this report.

## **Recommendation**

It is resolved that Council:

- (A) decline to accept the tenders received for Joynton Avenue Stormwater Drainage Upgrade and associated geotechnical investigation;
- (B) cancel the tenders for Joynton Avenue Stormwater Drainage Upgrade and associated geotechnical investigation;
- (C) note that further simplified geotechnical investigations will be undertaken via a Request for Quotation; and
- (D) note that tenders for the Joynton Avenue Stormwater Drainage Upgrade will be invited following the completion of further geotechnical investigations.

## **Attachments**

**Attachment A.** Financial Implications (Confidential)

## Background

1. The Joynton Avenue Stormwater Drainage Upgrade is the final connection between the completed upstream drainage infrastructure within the Lachlan and Victoria Park Precincts to the downstream network, as part of the overall Green Square Trunk Drain Project.
2. The project involves micro-tunnelling below the eastern footpath of Joynton Avenue, between O'Dea Avenue and the new Zetland Avenue, to install approximately 760 metres of 1.8 metre diameter stormwater pipe, the construction of major stormwater pits and gross pollutant traps and the associated service relocations.
3. Two separate works packages were tendered for this project, including the main works of the Joynton Avenue Stormwater Drainage Upgrade (the "Main Works") and the geotechnical investigations for these works (the "Geotechnical Works").
4. The tender (RFT1637) for the Main Works was advertised in May 2016 and closed in August 2016. One conforming tender was received. In December 2016, Council resolved to reject the tenders and negotiate with two of the companies that submitted tenders. A satisfactory outcome to the negotiations was not achieved. This was reported to Council via CEO Update in July 2018.
5. A specialist tunnelling consultant, Arcadis Australia Pacific P/L, was engaged to review the initial tender documents and specification, and advise the City's project team regarding carrying out additional geotechnical investigation. Arcadis recommended additional geotechnical investigation be carried out, particularly on the pipe alignment beneath the heritage listed fig trees.
6. The tender (RFT 1944) for the Geotechnical Works was advertised in June 2019. One company submitted a tender, which was deemed non-conforming.
7. In August 2019, Council approved rejection of the tender for the Geotechnical Works and negotiation with suitable service providers to carry out the scope of work. Three contractors were requested to tender on the scope of works. In response, only one tender was received in September 2019, which did not present value for money or alignment with project outcomes.
8. Further review of the Geotechnical Works determined a simplified scope of works and alternative methodology was available that could achieve the required outcomes for the Geotechnical Works. This will be undertaken via a Request for Quotation.
9. Both tenders RFT 1637 and RFT 1944 are recommended to be cancelled, so that a Request for Quotation can be undertaken for the Geotechnical Works and a new tender can be called to carry out the Main Works.

## Tender Submissions

10. The tender for the Main Works (RFT 1637) - four submissions were received from the following organisations:
  - Abergeldie Infrastructure;
  - Byrne Civil;
  - D J McCormick; and
  - Byrne and Bothar Joint Venture.
11. The tender for the Geotechnical Works (RFT 1944) – one tender was received from GBG Australia Pty Ltd.
12. No late submissions were received.

## Tender Evaluation

13. All members of the Tender Evaluation Panels for both tenders signed Pecuniary Interest Declarations. No pecuniary interests were noted.

## Financial Implications

14. There are sufficient funds allocated for this project within the current year's capital works budget and future years' forward estimates.

## Relevant Legislation

15. The two tenders have been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
16. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
17. Attachment A contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
  - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
  - (b) prejudice the commercial position of the person who supplied it.
18. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

### Critical Dates / Time Frames

19. With the scheduled completion of the Joynton Avenue Upgrade project in December 2020, with associated road raising and upgraded drainage infrastructure, it is necessary to progress this project to complete the drainage upgrade works in this precinct. The intention is to complete the simplified Geotechnical Works before awarding the tender for the Main Works.
20. The following key dates apply to the project:
  - (a) Cancellation of Tenders August 2020
  - (b) Geotechnical Works Quotation September 2020
  - (c) EOI Main Works Tender October 2020

### Options

21. Cancel the two tenders for the reasons identified in this report – this option is recommended.
22. No further alternative viable options have been identified during the process.

### Public Consultation

23. No public consultation has been undertaken in relation to the outcome of the two tenders.

### AMIT CHANAN

Director City Projects and Property

Bruce Gillespie, Senior Delivery Manager

Amarnath Reddy, Project Manager