



Murrindindi
Shire Council

Special Meeting of Council

Agenda

Wednesday 14 September 2022
Alexandra Council Chambers
Perkins Street
5:00 PM

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1 ACKNOWLEDGEMENT OF COUNTRY AND COUNCILLORS' PLEDGE

1.1 Acknowledgement of Country

The meeting will be opened with the Mayor reading the following on behalf of the Murrindindi Shire Council:

“Murrindindi Shire Council is proud to acknowledge the Taungurung and Wurundjeri people as the traditional custodians of the land we now call Murrindindi Shire, we are committed to working together in the best interests of the people who live in our municipality, who conduct business here and those who visit.

We pay our respects to their Elders past, present and emerging, who are the keepers of history, traditions, knowledge and culture of this land.”

1.2 Councillors' Pledge

“The Councillors, democratically elected to represent our community as the Murrindindi Shire Council, are committed to working together in the best interests of the people who live in our municipality, those who conduct business here and those who visit.”

2 PROCEDURAL MATTERS

2.1 Privacy Note

This public meeting is being streamed live via our Facebook page and made available for public access on its website along with the official Minutes of this meeting.

2.2 Apologies and Request for Leave of Absence

2.3 Disclosure of Interest or Conflict of Interest

In accordance with section 130 (1)(a) of the *Local Government Act 2020* Councillors are required to disclose any “conflict of interest” in respect of a matter to be considered at a Council Meeting.

Disclosure must occur immediately before the matter is considered or discussed.

3 REPORTS - ASSETS AND DEVELOPMENT DIRECTORATE

3.1 Contract 22/2 - Blue Gums to Eildon Recreational Trail

Attachment(s)	Nil
Presenter	V Albicini, Director Assets & Development
Approved by	Director Assets & Development

Executive Summary

The purpose of this report is to seek Council's endorsement to appoint a contractor for CONT22/2 - 'Blue Gums Caravan Park to Eildon Recreational Trail'.

Following the withdrawal of the bid from Holman Vic Construction Pty Ltd, the Evaluation Committee updated the tender evaluation and recommended that Fineblade Pty Ltd be awarded the contract - CONT22/2 for the construction of recreational trail for the lump sum price of \$1,944,416.

RECOMMENDATION

That Council:

1. note the tender withdrawal of Holman Vic Construction Pty Ltd;
2. accept the revised tender from Fineblade Pty Ltd and award CONT22/2 – Blue Gums Caravan Park to Eildon – Recreational Trail – for a lump sum Price of \$1,944,416;
3. approve an additional contingency amount of \$50,000 beyond the lump sum price, making a potential maximum contract spend of \$1,994,416;
4. approve an increase to the project budget of \$92,152 making a total project budget of \$2,052,152 to complete all required works, noting this includes the additional contingency amount in (3); and
5. request the increased budget be funded from any savings realised in the delivery of the 2022/23 capital works program, with the balance of funds, if needed, to be allocated from Council's Infrastructure Reserve.

Background

Tenders were called on 17 March 2022 and two submissions were received. A detailed evaluation process was undertaken in line with Council's Procurement Policy and against the tender evaluation criteria. Based on the evaluation undertaken, the evaluation team recommended that Holman Vic Construction be awarded the CONT22/2 for the construction of recreational trail for the lump sum price of \$1,596,809 subject to the submission of a bank guarantee. Holman Vic Construction Pty Ltd has withdrawn its submission prior to signing the contract due to an increase in cost and its subsequent inability to deliver the project within the original lump sum price submitted.

Discussion

Holman Vic Construction Pty Ltd did not submit a bank guarantee as required and has withdrawn its original bid for the works prior to signing the contract, due to an increase in cost to deliver the project.

Project officers requested a revised price from both the respondents for the Blue Gums to Eildon Recreational Trail, following the increased cost to deliver the project noted by Holman Vic Constructions Pty Ltd. Both the respondents have submitted the revised price for the works. The revised price submitted from both respondents is shown below.

Tender	Name	Original Price	Updated Price
Tender 1	Holman Vic Constructions Pty Ltd	\$1,596,809	\$2,686,902
Tender 2	Fineblade Pty Ltd	\$2,029,010	\$2,108,933

The bid submitted by Holman Vic Constructions Pty Ltd has increased by \$1,090,093 which gives them a final evaluation score of 69 when combined with non-price-based criteria. Fineblade Pty Ltd has increased its bid by \$79,923 which gives them a final evaluation score of 80 when combined with non-price-based criteria.

Based on the updated bid submitted, this price was still well above the available budget. A best and final offer to Fineblade was offered with some provisional items removed from the schedule that weren't deemed necessary as well a reduction in pavement thickness of the trail in line with a typical path pavement thickness of 150mm. Fineblade accepted the opportunity to provide a best and final offer which is represented in the table below.

Name	Original Price	Updated Price	Final Offer
Fineblade Pty Ltd	\$2,029,010	\$2,108,933	\$1,944,416

Based on the analysis undertaken, the Committee recommend that Fineblade Pty Ltd be awarded CONT22/2 – Blue Gums Caravan Park to Eildon – Recreational Trail – for a lump sum Price of \$1,944,416.

Council Plan/Strategies/Policies

This report supports the *Council Plan 2021-2025 Transparency, Inclusion and Accountability* strategy to “ensure Council remains financially-sustainable through sound management, forward planning, innovative service delivery and asset consolidation as appropriate”.

Relevant Legislation

The procurement process for these works was carried out in accordance with Council’s Procurement Policy and in accordance with the requirements of the *Local Government Act 2020*.

Financial Implications and Risk

The current project budget for the Blue Gums Caravan Park to Eildon - Recreational Trail project is \$1,960,000. Below is the apportionment of the budget as per the grant agreements.

Funding Source	Amount
Victorian Government Contribution (RDV)	\$1,770,000
Council Capital Contribution	\$190,000
Total Budget	\$ 1,960,000

The total overall project cost is summarised below:

Description	Cost
Tender price	\$1,944,416
Contingencies	\$50,000
Total Contract Cost	\$1,994,416
Preliminaries (Engineering Consultation)	\$15,671
Vegetation offsets	\$27,065
Project Management	\$15,000
Total Overall Project Cost	\$2,052,152

An allowance of \$50,000 has been made available for contingencies to fund any latent conditions or any other unforeseen circumstances.

Below is a comparison between the project cost and the project budget:

Project	Available Budget	Total Project Cost	Variance
Total Overall Project Cost (includes this tender)	\$1,960,000	\$2,052,152	\$92,152

There is a variance of \$92,152 which requires additional funding to deliver the project. It is recommended that these additional funds be allocated from the infrastructure reserve to form an additional Council contribution.

Conflict of Interest

There were no conflicts of interest declared by Council officers in relation to the matters contained in this report.

Community and Stakeholder Consultation

No external community or stakeholder consultation was required for this matter.