
Award of Contract - St Helena 600/525 - elevated main corrosion repairs

Responsible Officer: Group Manager Planning & Delivery (Andrew Logan)

Recommendation

That Council:

1. Accept the tender submitted by Advanced Concrete Engineering Pty Ltd in the amount of \$620,011 (incl GST) for the St Helena 600/525 - Elevated Main Corrosion Repairs.
2. Approve an additional amount of \$144,100 (incl GST) as a contingency amount.

Background

The purpose of this report is to seek approval for the award of the Contract for the St Helena 600/525 Elevated Main - Corrosion Repairs project. The works involve repair of corroded pipework at a number of concrete headwalls where buried water mains emerge from the ground to cross creeks as elevated sections, and at the concrete support piers for the elevated sections of pipework. The work also involves painting the elevated sections of the main.

During 2016-2018, Rous County Council undertook corrosion repairs to the elevated sections of a separate section of 525mm steel bulk water main to address corrosion at the interface of the steel pipe and the concrete headwalls. Left untreated, the corrosion would lead to failure of the asset and loss of supply to constituent council bulk supply points and rural customers.

Subsequent inspection of similar assets identified similar corrosion issues on both a 900mm steel main at the head of the water supply network and a section of 600mm steel main supplying to St Helena and Knockrow reservoirs.

The works on the 900mm steel main (known as the Lismore 900mm) were prioritised to be completed 2019-2021 over the 600mm steel main, as the Lismore 900mm is a more critical pipe in the network and to avoid potential clashes with the St Helena 600 pipeline construction.

The Lismore 900 works were completed in 2020 as planned and it is proposed to now commence work on elevated sections of the 600mm steel main which supplies water to the St Helena and Knockrow reservoirs as planned. Subject to Council's approval of the Quarterly Budget Review Statement, there is a budget amount of \$738,685 allocated in the 2021/22 budget for this project.

This contract will complete the identified and necessary corrosion repairs and painting works on Council's network of elevated bulk water mains. The paint system applied is expected to be effective for 30 years before needing large scale renewal. Monitoring of identified corrosion at a number of other locations in the network will continue and will be included in future budget projections as their condition necessitates intervention.

Tender process

Open Tenders were called on 13 July 2021 for the repair to the elevated sections of the St Helena 600/525 steel pipeline (RFT No P20/26). The scope of works in the tender is for repairs to the steel pipeline at every concrete support pier and headwall and repainting of all elevated sections of exposed steel pipework. A plan of the works locations is included in [Attachment 2](#).

The pre-tender estimate prepared by staff for the contract was \$745,800 (incl GST). The estimate was based on the previous similar works undertaken on the 525mm steel main and the Lismore 900mm main.

Tenders closed on 17 August 2021, with tenders received from the following Tenderers:

1. Advanced Concrete Engineering Pty Ltd
2. Ledonne Constructions Pty Ltd
3. Blast Away Pty Ltd

Evaluation plan and panel

A Tender Evaluation Plan was prepared, consistent with the *Local Government (General) Regulation 2005* (the Regulation) and the Conditions of Tendering in the Request for Tender documents. An evaluation of the tenders received was based on the following criteria:

- Price 60% (including a local content weighting of 3% capped at \$20K)
- Non-Price 40%:
 - Proposed project methodology and understanding of the issues
 - Proposed Program
 - Recent Experience in undertaking similar projects and that the project was successfully delivered
 - Demonstrated organisational capability experience of proposed personnel
- Satisfactory past performance including satisfactory WHS Management
- Satisfactory financial capacity (check only recommended tenderer)

A Tender Evaluation Panel (TEP) was formed consisting of Rous staff as follows:

Name	Position
Anthony Patterson	Delivery Officer, Chair
Lisle Butler	Project Manager
Samuel Curran	Planning & Development Engineer

Evaluation of non-price criteria

The information submitted by the Tenderers was evaluated against the specified non-price evaluation criteria in the RFT documents. The non-price criteria were used to ensure Tenderers demonstrated an understanding of the project scope and risks, and to assure the TEP that the Tenderers reflected this understanding, including their capacity to manage project risks.

Evaluation of price criteria

A summary of the tender evaluation scoring is included as [Attachment 2](#). The tendered amounts (incl GST) and price criteria score are as follows:

Tenderer	ABN	Tender Amount	Schedule of Rates Item	Assessed Tender Amount ¹	Total Score ²	Recommended Tender Amount ³
Advanced Concrete Engineering Pty Ltd	49 146 713 671	\$500,209.00	\$119,802.00	\$620,011.00	100.0	\$620,011.00
Ledonne Constructions Pty Ltd	68 003 117 717	\$1,207,836.00	\$91,707.00	\$1,299,543.00	62.3	
Blast Away Pty Ltd	74 083 233 630	\$945,260.00	\$180,999.50	\$1,126,260.00	62.8	

Notes:

1. The 'Assessed Tender Amount' is the Tender Amount plus the Schedule of rates item (repaint complete elevated pipeline sections) plus or minus anomalies in the tender and any loadings that apply.
2. The 'Total Score' includes the scores for price and non-price criteria.
3. The 'Recommended Tender Amount' is the Tender Amount plus (or minus) adjustments offered by the Preferred Tenderer to withdraw qualifications and departures.

Selection of preferred tenderer

Total scores were obtained for each tender by adding the normalised non-price score and the weighted price score. The total scores and ranking are summarised in the table below:

Tenderer	Total weighted non-price score	Weighted Price Score	Total Score	Preferred Submission
Advanced Concrete Engineering Pty Ltd	29	60	100	<input checked="" type="checkbox"/>
Ledonne Constructions Pty Ltd	10	31.1	44.9	
Blast Away Pty Ltd	2	38.5	41.2	

The Tender of Advanced Concrete Engineering Pty Ltd (ACE) in the amount of \$563,646.37 (excl GST) is considered the best value tender. The TEP considered the significant difference between the ACE tender amount and those of the other 2 tenderers. ACE have significant previous experience on very similar projects for Rous and have the advantage of owning specialised equipment which allows them to complete the job more efficiently. The TEP was satisfied that ACE were able to successfully complete the scope of works to an acceptable standard.

Governance

- Finance

St Helena 600/525 – Elevated Main Corrosion Repairs	Amount (incl. GST)
Available project budget (21/22) (Noting that this budget is part of the QBRs Report for the October 2021 meeting)	\$812,553.50
Tender Amount	\$620,011.00
Contract Allowances	
Allowance for maintenance and repair of privately owned access roads	\$49,500
15% for contract contingency and internal project management costs	\$94,600
Total Project Estimate to Complete	\$764,111.00
Forecast Budget Unspent	\$48,442.50

- Environment

Australian Wetland Consulting Pty Ltd have undertaken a Review of Environmental Factors (REF) for the corrosion repair works. The REF was assessed commensurate to the level of environmental risk of the proposed works and ensures that Rous County Council's obligations under the *NSW Environmental Planning and Assessment Act 1979* have been met.

- **Legal**

The tender process was managed by Rous County Council and was conducted in accordance with the requirements of the *Local Government Act 1993* and *Local Government (General) Regulation 2021*.

Consultation

The ranked responses represent the collective and agreed outcomes of the Evaluation Panel.

Discussions with landholders regarding access arrangements and the timing of the works of the Contractor have been underway and will continue during project delivery.

Conclusion

An open tender process has been undertaken and concluded that Advanced Concrete Engineering Pty Ltd are the preferred Contractor for the completion of repairs to corroded pipework and painting of elevated sections of the pipework, in the amount of \$620,011 (incl GST). With contingency and other project costs, the total project value is estimated to be \$764,111, which is within the project budget of \$812,553.50.

Attachments

1. St Helena 600/525 Elevated Main Corrosion Repairs – works locations
2. Tender Evaluation scoring summary



Access Route to Elevated Sections

THE INFORMATION ON THIS MAP MAY NOT BE ACCURATE.
 Disclaimer: The material contained on this map is made available on the understanding that Rous County Council is not directly engaged in rendering professional services. While all reasonable care has been taken to ensure the information contained on this map is up to date and accurate, no warranty is given that the information contained on this map is free from error or omission. Any reliance placed on such information shall be at the sole risk of the user. Please verify accuracy of the information prior to using it.


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Attachment 2

Non Price Scoring				Tenderers Names					
Criterion	Maximum Score	Weighting	Tender 1 - Advanced Concrete Engineering P/L		Tender 2 - Ledonne Constructions P/L		Tender 3 - Blast Away P/L		
			Score	Weighted score	Score	Weighted score	Score	Weighted score	
Project methodology and understanding of issues	100	10	90	9	0	0	0	0	
Program	100	5	0	0	0	0	0	0	
Recent experience with similar projects - successfully delivered	100	20	80	16	40	8	0	0	
Organisational structure and experience of personnel	100	5	80	4	40	2	40	2	
Total non price weighting		40							
Weighted total non price score				29		10		2	
Normalised total non price score				40.0	✓	13.8	✓	2.8	
Price Scoring									
Tender amount				\$ 620,011.00		\$ 1,299,543.00		\$ 1,126,269.00	
Assessments for qualifications and departures if applicable			Y/N		Y/N		Y/N		
Local content discount			N		N		N		
Other			N		N		N		
Pc = Assessed tender amount for tender evaluation only				\$ 620,011.00		\$ 1,299,543.00		\$ 1,126,269.00	
Pav = Average of assessed tender amounts		\$ 1,015,274.33							
Ps = Price score				138.93		72.00		89.07	
Pn = Normalised price score				100.0	✓	51.8	✓	64.1	
Price weighting		60							
Pw = Weighted price score				60.0		31.1		38.5	
Non price and price total									
Total of normalised total non price score and weighted price score				100.0		44.9		41.2	
Note: Tender amounts are inclusive of GST									