



Ordinary Council Meeting

27 May 2020

LATE ITEM

REPORT & ATTACHMENT

ITEM NO	SUBJECT
11.3.3	TENDER RFT 06-20 CONSTRUCTION OF TWO CHALETS AND AN ABLUTION BLOCK UPGRADE AT TURNER HOLIDAY PARK, AUGUSTA
	ATTACHMENTS
	1. CONFIDENTIAL Evaluation Report (not contained)
	2. Margaret River Structural Engineering Report

11.3.3 TENDER RFT 06-20 CONSTRUCTION OF TWO CHALETS AND AN ABLUTION BLOCK UPGRADE AT TURNER HOLIDAY PARK, AUGUSTA

LOCATION/ADDRESS	Turner Holiday Park, 1 Blackwood Avenue, Augusta
APPLICANT/LANDOWNER	N/A
FILE REFERENCE	COR/400
REPORT AUTHOR	Nigel Anderson, Manager Human & Community Resources
AUTHORISING OFFICER	Stephanie Addison-Brown, CEO

IN BRIEF

- In 2017 the Shire awarded a contract for the construction of three chalets and an upgrade to the Dekker ablution block, with the contract being awarded to Envirostruct Pty Ltd.
- In September 2019 Council endorsed the construction of two further chalets, with construction works to be undertaken during the off peak season in 2020 (OM2019/201).
- Consistent with OM2019/201 the Shire publicly invited tenders to appoint a suitable contractor for the construction of the two chalets and upgrade of the Circle ablution block in March 2020, with an anticipated construction start date of June 2020.
- Four (4) tenders were received and evaluated by a panel of Shire officers.
- Council resolved OM2020/78 to defer the item pending further information due to the discovery of potential structural issues with the Circle ablution block foundations.
- The structural issues have since been assessed by an Engineer and advice provided indicates that remedial works to the sand pad and flooring will enable the renovation to proceed.

RECOMMENDATION

That Council:

1. Endorses the attached evaluation report and accepts the tender submitted by Envirostruct Pty Ltd as the most advantageous tender to form a contract;
 2. Delegates the formation of the Contract to the CEO, including the negotiation and acceptance of any minor variations required, or if required enter into negotiations and form a contract with the second ranked tenderer; and
 3. Authorises the transfer of funds from the Caravan Park Upgrade Reserve if required to cover any shortfall between project expenditure and the approved budget.
-

LOCATION PLAN

Nil

TABLED ITEMS

Nil

BACKGROUND

Council in accordance with resolution OM2018/301 on 28 November 2018 endorsed in principle the Turner Caravan Park concept masterplan and underpinning business plan, based upon further detailed design and financial analysis be undertaken.

Following this in accordance with resolution OM2019/201 on 25 September 2019 endorsed the Turner Holiday Park Masterplan and the Turner Holiday Park chalet site masterplan and approved stage 1 of the chalet development to be undertaken during the off peak season of 2020.

Following this work has commenced to develop all the underground services and design of 2 new chalets, including 1 universal access chalet and the refurbishment of the Circle Amenity Block.

Electrical and plumbing services pre-lay works are currently being undertaken by the Shire's trades to support the efficient build of the chalets and circle ablution block renovation refer Picture 1 & 2.



Picture 1. Sewerage service upgrades Chalet/Dekkers area.



Picture 2. Circle ablution block service pre-lay & demolition works.

The Shire's trades undertaking service pre-lay works at the Circle ablution block discovered that the sand pad under the concrete floor had dropped approximately 100mm, after which the Shire engaged an engineer to assess the structural integrity of the floor and its foundations.

The initial engineering report highlighted the need to remove the concrete floor to enable a more detailed review of the sand pad and concrete footings. Shire staff proceeded to have the concrete flooring removed based upon the engineering advice that there was a high probability that the building would be structurally sound. The final engineering report provided by Margaret River Structural Engineering (Attachment 2.) has specified remedial works required to be undertaken to the sand pad, flooring and reinforcing, it is proposed that this be included as a minor variation to the proposed contract based upon cost estimations of the works being around \$10,000.

CONSULTATION AND ADVICE

External Consultation

Design and specification advice was sought from a number of consultants, including Envirostruct Pty Ltd, Margaret River Structural Engineering, Survey South and Code Building Surveyors/Access Consultants.

Whilst no community consultation was undertaken specifically with regards to this tender, various meetings were undertaken with local stakeholders and extensive community consultation was undertaken during the development of the concept masterplan.

Given the current COVID-19 Pandemic and the Holiday Park being closed the works will have minimal impact on the parks usage during this period and will aid economic sustainability throughout this period. Structural integrity assessments of the Circle ablution block were sought from Margaret River Structural Engineering.

Internal Consultation

- Community Development (access and inclusion considerations) – The universally accessible chalet will be the only such facility available in the region.
- Project and Procurement Officer (tender process)
- Coordinator Building Assets and Maintenance (tender process and Circle ablution block structural integrity issues)

DISCUSSION / OFFICER COMMENTS

Four (4) submissions were received from the following tenderers:

- Coast Enterprises Pty Ltd
- Danello Pty Ltd
- Envirostruct Pty Ltd
- JWH Group Pty Ltd & WA Country Builders Pty Ltd

Tenders were assessed by the evaluation panel against a number of compliance and qualitative criteria, as well as price. The weighting applied to those criteria were as follows:

- Relevant Experience – 20%
- Tenderer's Resources & Personnel – 20%
- Demonstrated Understanding – 20%
- Occupational Safety, Health and Environmental Management – 5%
- Sustainability Considerations – 5%
- Price Considerations – 30%

A copy of the tender evaluation report is included as Confidential Attachment 1, and outlines the process and outcomes of evaluation undertaken. The evaluation panel's initial evaluation report has been updated to address the incorrect data previously identified within the report (5.2 Clarification Sought from Tenderers).

Based on the evaluation undertaken, it is recommended that Envirostruct Pty Ltd be awarded the contract for the construction of two chalets and an upgrade to the Circle ablution block at Turner Holiday Park.

In response to Council's separable portion query the tender issued did not include an allowance for separable portions, and no such variations were made to the tender by way of addenda prior to the tender deadline. The Shire is able make minor variations to the goods or services required under a contract after it has chosen a successful tenderer and before it has entered into the contract. The *Local Government (Functions and General) Regulations 1996* states that a minor variation 'means a variation that the local government is satisfied is minor having regard to the total goods or services that tenderers were invited to supply'. Based upon this definition it would not be possible to separate the portions i.e. the chalets and Circle ablution block renovation works, as a minor variation; instead a new procurement process would need to be commenced. The remedial structural works recommended by the engineer would constitute minor works and will be reflected appropriately as a minor variation to the contract.

Significant service pre-lay works and demolition works have already commenced, based upon Council's previous direction to undertake the project, which sought to ensure that works could be efficiently and effectively completed to deliver the project in time for opening during the coming peak season.

Council's strategic direction has been to support tourism in Augusta, particularly during the winter period by offering chalet accommodation, which was intended to be expanded to include a universal accessible chalet option. The existing chalet accommodation offered has exceeded occupancy targets set within the Shire's independently commissioned business plan undertaken by Innoviv Park Services and the new chalets will expand the range of accommodation types on offer to the public. The Circle ablution block is a critical part of the Park's infrastructure that requires renewal and commissioning to enable the Circle area of the Park to be able to re-open for the coming peak season. The ablution block, whilst not revenue generating like the chalets, will seek to protect the Park's existing revenue sources by providing modern facilities that are expected by our customers.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS

The *Local Government (Functions and General) Regulations 1996* Part 4 Division 2 Regulation 11(1) requires that tenders are to be publicly invited before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$250,000.

STRATEGIC PLAN / POLICY IMPLICATIONS

Community Strategic Plan 2036 (CSP)

Corporate Business Plan 2019-2023

Key result area 4: Vibrant and diverse economy

Community Outcome 2: Sustainable tourism and other local industries

Strategic Response: Provide family friendly caravan and camping grounds to encourage visitors to extend their stay

Service level strategy/plan: Construct two chalets to provide more accommodation options for a more diverse demographic of tourist, and upgrade ablution block facilities

PLANNING FRAMEWORK

Nil

FINANCIAL IMPLICATIONS

Implications

Originally \$500k was allocated by Council in the 2019-20 budget and this was amended to \$50k at the mid-year review with the expectation that the majority of works will take place in 2020-21. \$700k has been budgeted from the Caravan Parks Upgrade Reserve for 2020-21 to complete the works. The reserve currently has \$1.2M available.

Long Term Financial Plan

The Long Term Financial Plan allows for capital expenditure at the Turner Holiday Park, to be funded through reinvestment of caravan park profits, contained within the Caravan Park Upgrade Reserve.

Whole of Lifecycle considerations

The current Circle Amenities Block is overdue for renewal and is not suitable for current service requirements at the holiday park.

The 2 new chalets have been lifecycle costed over the next ten years as part of the Turner Holiday Park financial costings analysis with expected return of between \$68k and \$94k per year and with an estimated useage of between 130 and 150 nights per annum over that period.

Up until the shutdown of holiday parks in March 2020 we have seen strong returns throughout the 2019-20 financial year and heavy bookings for the April holiday period. It is expected we will see further demand on the holiday parks when travel restrictions are lifted with expectation that internal local travel will be prioritised by many post COVID-19 therefore demand for the new chalets is expected to be strong from the outset.

SUSTAINABILITY IMPLICATIONS

Environmental

Some sections of Turner Holiday Park are located within an Environmentally Sensitive Area. Whilst the proposed chalet site and ablution block are not within such areas, tenderers have been advised that they will need to take all reasonable care to protect any trees within and surrounding the construction site. Tenderers was all asked to address how they would manage environmental factors as part of the project.

Social

Under the Shire's Access and Inclusion Plan 2018-22, Outcome 2 is to improve access to the Shire's buildings and facilities for all our community. Strategy 2 to meet this outcome is to ensure a new or redeveloped Shire facilities support the development of a universally accessible community.

One of the two chalets to be constructed as part of this contract has been designed with universal access in mind, and is compliant with all regulatory requirements to meet universal access standards. The ablution block upgrade includes improvements to the Universal Access WC and upgrades required to meet regulatory requirements.

Economic

The three chalets constructed in 2017 have exceeded performance expectations, achieving an average occupancy rate of 63.6% between 1/07/18 – 15/03/19 with income of \$107k which increased to 72.2% and \$150k for the same period during 2019/20.

Introduction of two more chalets is anticipated to give similar results, with the resultant profits being utilised to further improve facilities provided to tourists at the Shire's holiday parks.

The recommended tenderer employs directly and subcontracts 100% of the project to local workforce ensuring economic benefits remain within the Shire.

ADVOCACY

Nil

ALTERNATE OPTIONS

Council could choose to reject the recommended Tender and accept a different Tenderer. However this could result in the Shire entering into a Contract with a party who does not represent best value for money for the Shire.

VOTING REQUIREMENTS

Simple Majority

RECOMMENDATION

That Council:

1. Endorses the attached evaluation report and accepts the tender submitted by Envirostruct Pty Ltd as the most advantageous tender to form a contract;
2. Delegates the formation of the Contract to the CEO, including the negotiation and acceptance of any minor variations required, or if required enter into negotiations and form a contract with the second ranked tenderer; and
3. Authorises the transfer of funds from the Caravan Park Upgrade Reserve if required to cover any shortfall between project expenditure and the approved budget.

ADVICE TO APPLICANT / PROPONENT

Nil

ATTACHMENTS

1. CONFIDENTIAL Evaluation Report
2. Margaret River Structural Engineering Report

Unit 4/34 Town View Terrace – Margaret River – Western Australia – 6285
Telephone (08) 9757 9779 Mobile 0418 616 003
Email roger@mrit.net.au Web www.mrstructeng.com.au

18/05/2020

Turner Caravan Park – Circle Amenity Block

Examination of the removed concrete flooring found that poor quality concrete with randomly placed reinforcing had been used in the original construction. Removal of this floor was the right decision.

The top of the footings for the brick walls are at least 1m. below the concrete floor level and appear to be founded on denser ground, i.e. 7+ penetrometer.

The condition of the walls is good, with no cracks found.

The walls should be left in place and a new concrete slab poured.

Original Slab

The original slab, although poured on an uncompacted sand pad, held up to its level as it was supported on brick piers @ about 1200 centres on all sides of the rooms.

The sand pad was uncompacted either because they didn't have good quality small compactors in those days, or they didn't want to vibrate the footings if they were founded on green clay.

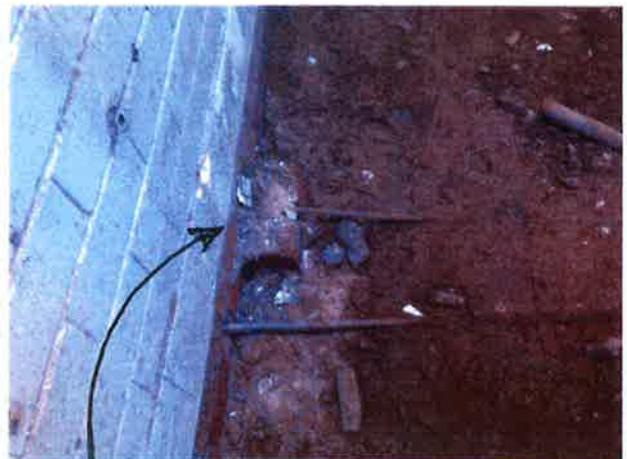
New Slab

A similar approach to the old slab should be used for the new slab. The sand pad should be brought to level with compacting using only a small plate compactor. No compaction testing other than no deep boot prints is required.

The slab itself on DPC should be 120mm with SL82 – 30 bottom cover.

Where the original piers are still in place, no additional support is required. Where there is no pier support, galv dowels @ 600 centres should be added.

Inspection of the slab prior to concrete should be made by the engineer.



Brick piers



Roger Pateman
Bsc (Hons) M.I.E.Aust. C.P. Eng.
Reg. No. 23034
Tel: 9757 9779

Handwritten signature of Roger Pateman

Roger Pateman
BSc (Hons) M.I.E.Aust C.P.Eng