



**9.1 WATTIE WATSON OVAL RECONSTRUCTION - TENDER AWARD**

**EXECUTIVE MEMBER: CHRIS CARROLL, GENERAL MANAGER, CUSTOMER, OPERATIONS AND INFRASTRUCTURE**

**PREPARED BY: LACHLAN JOHNSON, EXECUTIVE MANAGER CONSTRUCTION, CONTRACTS AND OPERATIONS**

**ANTHONY TRAILL, MANAGER OPEN SPACE, RECREATION AND COMMUNITY RESILIENCE**

**LUCAS BLATMAN, PROJECT MANAGER OPEN SPACE**

**1. PURPOSE**

- 1.1 To seek Council approval to allocate an additional \$370,000.00 to the Wattie Watson Oval Reconstruction project, to be funded by \$150,000 of forecast savings on the Point Ormond project and \$220,000 from further portfolio savings during the year or reserves (if needed).
- 1.2 To seek Council's approval to enter into contract number 00092 between City of Port Phillip and Evergreen Turf Pty Ltd for the construction of the Wattie Watson Oval Reconstruction.

**2. EXECUTIVE SUMMARY**

- 2.1 Wattie Watson Oval is in Elwood Park, one of Council's largest recreation reserves with four playing fields. It is home to five clubs and five codes of sport. It is also used extensively by the community for passive recreational activities including dog-walking.
- 2.2 This proposed contract is to provide for the construction of a new playing surface. Construction includes laser-levelling of the new ground profile to create a domed and level playing surface, installation of a new sub-surface oval drainage system, installation and commissioning of a new irrigation system, new warm-season turf (Santa Ana Couch) and improved integration between the pavilion and oval. The upgrade will provide a safe, complaint and quality sports fields that meets current and projected future demand.
- 2.3 The upgraded oval will enable multiple sports to train and play competition and optimise Council's recent upgrade of all sports field lighting at Elwood Park.
- 2.4 The total approved budget inclusive of Council contributions and grants is \$1.37M which is comprised of a \$500,000 grant from Sport & Recreation Victoria and a \$380,000 grant from the Department of Infrastructure, Transport, Regional Development & Communications Local Roads and Community Infrastructure Program.
- 2.5 A public tender has been undertaken to identify a suitable contractor for the construction works, in accordance with Council's Procurement Policy and the agreed evaluation plan.
- 2.6 Tender prices received exceed the existing allocated budget for the project. Whilst every effort has been made to re-scope the project to fall within the existing budget, this has not been able to be achieved. The prices received have been the subject to a competitive market-based pricing process and are considered to represent a true and appropriate cost to deliver the works. In order to award the contract for construction with appropriate contingency to cover potential latent conditions associated with such a



large earthworks project, it is recommended that Council increase Council's contribution from \$490,000 by an additional \$370,000 to a total of \$860,000.

- 2.7 An alternative approach involving soil retention through stockpiling the soil and creating a turfed mound within Elwood Park was investigated to help save money on the project. Keeping the soil on-site presents challenges in consideration of the Elwood Foreshore Masterplan. Whilst the proposed soil mound does not directly impact the proposed masterplan, the stockpiled soil would need to be moved again at a later date, resulting in double handling, and further costs and a potential constraint on further revisions of the Master Plan. It may be possible for the estimated 1,200 tonnes of contaminated soil to be re-used during the construction phase of the Elwood Foreshore Masterplan, however the viability and implications associated with this option are difficult to determine at this stage. Keeping the soil onsite would also create the third such contamination mound on the site. It was agreed that due to the above risks, the preferred option was disposing the soil offsite.
- 2.8 Subject the budget increase, the Tender Evaluation Panel (TEP) recommends Council enter Contract 00092 with Evergreen Turf Pty Ltd Pty Ltd for construction of the Wattie Watson Oval Reconstruction, for the lump sum price of \$1,595,445.80 inclusive of GST.

### 3. RECOMMENDATION

That Council:

- 3.1 Approve a budget increase for this project of \$370,000.00 (excluding GST) to deal with offsite disposal of soil and provide an adequate contingency budget for construction with funding from forecast savings during the year, including from the Point Ormond Play Space Project and/or reserves.
- 3.2 Enter into Contract 00092 with Evergreen Turf Pty Ltd Pty Ltd for the construction of the Wattie Watson Oval Reconstruction.
- 3.3 Note that the contract value is \$1,595,445.80 inclusive of GST (\$1,450,405.33 excluding GST)
- 3.4 Authorises the CEO to approve variations to the contract value within the adjusted approved project budget of \$1,740,000.00 (excluding GST)
- 3.5 Notes that works are expected to take 18 weeks, followed by a 26-week maintenance period, the ground is expected to be ready for use by the start of the 2022 winter sport season (April 2022).
- 3.6 Affixes the Common Seal of the Port Phillip City Council to Contract 00092 between the Council and Evergreen Turf Pty Ltd.

### 4. KEY POINTS/ISSUES

- 4.1 The primary purpose of Wattie Watson Oval is to support participation in sport at the Elwood Park.
- 4.2 Following the upgrade of the pavilion (2009), the Wattie Watson Oval continues to grow as a popular playing surface and venue for clubs.
- 4.3 With five codes of sport (AFL, Cricket, Touch-Rugby, Gaelic Football and Soccer) at the venue and extensive dog walking and passive recreation, the oval has been



extensively damaged due to wear-and-tear and compaction with large areas of mud, turf loss and poor umpire reports in relation to the condition of the playing surface.

- 4.4 Over-use of grounds will continue to occur with the predicted increase in population and, to cater for projected future participation levels arising from increased field time demand from juniors and rapidly growing women's sport. Sports grounds must be designed to accommodate existing and predicted high levels of sport participation plus the broader community use.
- 4.5 Failure to appropriately address the issues may result in an increase in the risk of injury and potential ground closures. This will place further pressure on facilities which are already close to capacity during peak usage times.
- 4.6 Through this project Council will support sport participation by providing a high-quality facility that is fit for purpose and meets the demands of increased sport participation.
- 4.7 The interface between the oval and the pavilion will be improved to enable greater use by the clubs and the community and reduce maintenance.
- 4.8 The oval is to be constructed using a warm season grass (Santa Ana Couch). This grass provides sustainability benefits for Council including high drought tolerance (once established), low water use and a high wear tolerance with an excellent ability to recuperate quickly.
- 4.9 The upgrade will enable greater participation by women and girls (a key requirement of the State's funding) and is consistent with both the Council Plan (2021-31) and Council's Sport and Recreation Strategy (2015-24).

**Procurement**

- 4.10 The procurement process to identify a suitable contractor for construction works has been completed.
- 4.11 A public tender was advertised on 19 June 2021 and advertised for a period of five weeks and closed on 23 July 2021.
- 4.12 A Tender Evaluation Panel (TEP) membership is outlined in Table One (1) below:

<b>Table 1: Tender Panel Members</b>	
<b>Name</b>	<b>Position</b>
Lucas Blatman	Project Manager, Project Services (TEP Chairperson)
David Nankervis	Coordinator Sport and Recreation (TEP member)
Christopher Cook	Coordinator Open Space Project (TEP member)
Scott Thompson	Contracts and Procurement Advisor, Finance (TEP advisor)

- 4.13 All TEP members signed the standard form indicating they had no conflict of interests to declare and that they would keep the tender information confidential.
- 4.14 Table Two (2) below outlines the individual criteria and their weightings for each phase of the tender as per the approved Procurement Plan.

<b>Table 2: Evaluation Weightings</b>	
<b>Filter Criteria</b>	
<b>Description:</b>	<b>Criteria</b>
Third party accredited OH&S	Pass/Fail
Third party accredited Environmental Management	Pass/Fail
<b>Criteria Weightings</b>	
<b>Description:</b>	<b>Weighting</b>

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## 15 SEPTEMBER 2021



Price	50%
Capacity to meet the requirements of specification	25%
Relevant experience and track record	20%
Corporate Social Responsibility (CSR)	5%
<b>Total</b>	<b>100% (1000 points)</b>

- 4.15 Five (5) submissions were received with two of five tenders being assessed as conforming. Three tenderers were not third-party OH&S accredited or third-party environmental management accredited, this meant their submissions did not meet the filter criteria and were deemed non-conforming. The prices of each tenderer are set out below in Table three (3) below:

<b>Table 3: Pricing (Pre-Evaluation)</b>	
<b>Tenderer:</b>	<b>Price (Ex GST)</b>
Evergreen Turf Pty Ltd	\$1,480,580.00
Tenderer 2	\$1,533,831.00
Tenderer 3	\$1,291,159.84
Tenderer 4	\$1,257,749.46
Tenderer 5	\$1,388,949.50

- 4.16 After initial assessment by the TEP, scores for each tenderer were determined against each criteria. The TEP considered the lump sum totals of each tenderer and detailed price breakdown during its pricing analysis. The weighted scores are set out below in Table four (4) below

<b>Table 4: Weighted Scores (Pre-Clarifications)</b>		
<b>No.</b>	<b>Tenderer:</b>	<b>Score (Out of 1000)</b>
1	Evergreen Turf Pty Ltd	860.00
2	Tenderer 2	817.64
3	Tenderer 3	Non-Conforming
4	Tenderer 4	Non-Conforming
5	Tenderer 5	Non-Conforming

- 4.17 Tender clarifications were sought from the two conforming tenderers on 6 August 2021 and closed on 9 August 2021. Upon receipt of the tenderers' clarifications, the evaluation matrix was updated to reflect price changes as submitted by tenderers. The weighted scores are set out below in table five (5) below

<b>Table 5: Weighted Scores (Post-Clarifications)</b>			
<b>No.</b>	<b>Tenderer:</b>	<b>Score</b>	<b>Price</b>
1	Tenderer 2	835.00	\$1,389,831.40
2	Evergreen Turf Pty Ltd	829.88	\$1,478,931,31

- 4.18 The TEP resolved to interview both remaining tenderers. Interviews with the two short-listed contractors, Evergreen Turf Pty Ltd and Tenderer two were undertaken on 17 August 2021. Evergreen Turf demonstrated a superior understanding of the specification and were able to expand on their capacity to meet requirements of the contract, demonstrating a clear understanding of the site-specific constraints, particularly around environmental management and contaminated soil management.
- 4.19 The TEP undertook an evaluation of the tender and interview responses. Based on the interviews, the TEP determined to strengthen the scoring for Evergreen Turf Pty Ltd in the Capacity to meet specifications and Corporate Social Responsibility categories. The evaluated scores are set in Table six (6).



No.	Tenderer:	Score (Out of 1000)
1	Evergreen Turf Pty Ltd	859.88
2	Tenderer 2	835.00

4.20 A Best and Final Offer (BAFO) was sought from the two tenderers on 17 August and closed 19 August 2021. Upon receipt of the tenderer's clarifications, the evaluation matrix was updated to reflect price change as submitted by tenderers. The weighted scores are set out below in table seven (7) below

No.	Tenderer:	Score	Price
1	Evergreen Turf Pty Ltd	890.00	\$1,450,405.33
2	Tenderer 2	827.58	\$1,472,249.40

4.21 The TEP concluded that the preferred tenderer was Evergreen Turf Pty Ltd as they offered best value for money to Council.

### **Capacity and Methodology**

4.22 The recommended tenderer's rating is underpinned by the following factors:

- They detailed a sound understanding of the project and their ability to address issues surrounding the project including minimising disruption to the public and stakeholders.
- They provided details of subcontractors and head contract staff to be engaged in the works, along with their experience on projects of a similar nature.
- They provided details of their proven ability to tailor the sequence of activities to ensure the desired project outcomes relating to quality, time and budget.
- They provided a detailed Gantt chart which was within the desired project timeframes and provided evidence of their history of timely delivery.
- They understood the sensitivities of the site and working within close proximity to park users and have committed to adopting strategies to reduce construction impacts on the surrounding area.
- They demonstrated a high level of understanding of the site risks, including contaminated soil, and have demonstrate a sound methodology on how to mitigate the risk and manage the issues inherit with the site.
- They demonstrate an understanding of limiting the impact on local residents as well as recognising that this is a significant community project which will require a high level of engagement and visibility.

### **Relevant Experience**

4.23 The recommended tenderer's rating was underpinned by the following factors:

- They provided details of their previous experience and track record of construction projects of a similar scope and nature, including information regarding their ability to meet client expectations of quality workmanship, time and budget.
- They demonstrated extensive experience in performing works in populated areas.



### **Occupational Health and Safety Systems**

4.24 The recommended tenderer's rating is underpinned by the following factors:

- They are third party accredited for OH&S Management.
- They submitted detailed OH&S documentation as part of their tender submission.
- They recognised their responsibility for the health and safety of all employees in the workplace.

### **Environmental & Corporate Social Responsibility**

4.25 The recommended tenderer's rating is derived from the following factors:

- Evergreen Turf's internal systems are independently certified under ISO14001 by Global Mark – including Environmental.
- Each tenderer was required to submit a Sustainable Management Plan and offer a Sustainable Commitment Proposal. As part of this proposal, Evergreen Turf have agreed that, 95% of materials will be manufactured within 5,000km (within Australia), at least 40% of coarse aggregate in the concrete is crushed slag aggregate or other alternative materials, they will minimise operational waste and that they will use none of the products or chemicals Council deems unacceptable on this project.
- Evergreen Turf provided a detailed environmental management approach that was specific to the site and its conditions.
- Evergreen Turf Pty Ltd have a Management System that covers Equal Opportunity, Bullying, Sexual Harassment which they have included in their response
- Evergreen Turf Pty Ltd currently measure Water, Chemical, Paper, Electricity and Petrol use across their business, they aim to reduce (and evidence) these by 5% year on year.

### **Financial Evaluation**

4.26 Detailed financial and performance assessment checks were undertaken by Council's Financial Compliance Accountant and found that the preferred tenderer

- Obtained a pass score on the check
- Has minimal risk of failure or late payment
- Has a level of annual revenue that indicates that the proposed contract is within their capacity and risk-based thresholds.

4.27 Given the size and nature of the contract, the contract requires for Bank Guarantees (two 5% bank guarantees totalling 10%) to be in place before possession of site is granted.

### **Reference Checks**

4.28 Reference checks were conducted following the evaluation of BAFOs by the tenderers. The reference checks found that:

- Evergreen Turfs workmanship was of a high quality and met both the specifications and client expectations.





- Evergreen Turf has undertaken many projects for government agencies (including for the City of Port Phillip) and have relevant project experience on Oval reconstructions.
- OH&S is managed by Evergreen Turf to a high standard, both within the works zone and for public.
- Evergreen had demonstrated its ability and a high level of experience in addressing site issues and constraints

## 5. CONSULTATION AND STAKEHOLDERS

- 5.1 The sports clubs were consulted throughout the design phase of this project to develop the concept design and have provided feedback to ensure the oval is reflective of their current and future needs.
- 5.2 Tenant sports clubs have been kept up to date with project timelines and officers are also working with them to manage alternative arrangements for the upcoming season. Use of the cricket nets can still occur for training however, the cricket club is being managed for alternative competition locations.
- 5.3 SRV has been involved throughout to ensure funding alignment to the funding agreement.
- 5.4 Community engagement in the form of a letterbox drop to surrounding residents was undertaken to provide the community opportunity to comment on the design, this was completed in 2019 and outlined the various upgrades happening within Elwood Park over the following years. Further communication will be provided to clubs and residents upon award of the contract.

## 6. LEGAL AND RISK IMPLICATIONS

- 6.1 The recommended tenderer holds
  - Public Liability of \$20M
  - Professional Indemnity Insurance of \$10M
  - WorkCover Insurance
- 6.2 Two bank guarantees of 5% each, as security for the City of Port Phillip for the total of 10% of the contract lump sum will be required.
- 6.3 There is a formal funding Agreement in place between Council and SRV for part funding of the project and there is a formal Agreement in place between City of Port Phillip and the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) for part funding of the project.
- 6.4 The major risks associated with this proposed contract award relate to latent conditions around soil contamination. Allowances have already been included in the tender and proposed contract for cover the disposal of Category 'C' contaminated soil which is known to occur at the site. The proposed tender includes \$171,885.86 for the removal and disposal of this material.
- 6.5 Although extensive soil testing has been undertaken and it is proposed to use a shallow construction methodology that limits the amount of soil that needs to be disposed of, there is a further risk of asbestos containing material (ACM) being exposed during the project. ACM was identified during soil sampling (at deeper depths



than those required for the project). The proposed contingency of \$159,242.67 allocated in the adjusted budget should be suffice to cover ACM disposal if it is encountered.

## 7. FINANCIAL IMPACT

- 7.1 A total budget of \$1,370,000 was allocated to the project enabling the reconstruction of the sports field. Funding was made up of \$500,000 from a successful application to the Sport and Recreation Victoria (SRV) Community Sport Infrastructure Program, \$380,000 from a successful application to Department of Infrastructure, Transport, Regional Development and Communications in the Local Roads and Community Infrastructure Program and \$490,000 from project 001372 (Wattie Watson Oval Reconstruction).
- 7.2 \$95,352.00 in expenses occurred in 2020/21 for project feasibility, technical assessments, and design leaving a remaining budget of \$1,274,648.00. A cost estimate prepared prior to going to tender indicated that prices would likely exceed the allowable budget but the decision was made to proceed to tender and consider the outcome of a market tested price.
- 7.3 Subject to Council's decision to accept the preferred tender, the project cost in 2021/2022 will be \$1,644,648.00. This is made up of the following costs:

<u>Spend To Date:</u>	\$ 95,352.00
Construction:	\$1,278,519.47
<u>Soil Removal:</u>	\$ 171,885.86 (Category C for offsite disposal)
<b>Total Construction:</b>	<b>\$1,450,405.33</b>
Associated Costs:	\$ 35,000.00
<u>Contingency:</u>	\$ 159,242.67
<b>Total:</b>	<b>\$1,740,000.00</b>
<b>Approved Budget:</b>	<b>\$1,370,000.00</b>
<b>Budget Shortfall:</b>	<b>\$ 370,000.00</b>

- 7.4 An additional \$370,000.00 will be required to award this contract with sufficient funding for offsite soil disposal, contingency and associated costs.
- 7.5 Following the award of tenders for the Point Ormond Playground Project (001299), there has been a project saving of \$200,000. A change request has been prepared proposing transferring these funds to Wattie Watson Oval reconstruction project, another LRCI funded project.

## 8. ENVIRONMENTAL IMPACT

- 8.1 The contractor is required to manage all activities on site in accordance with the Environmental Protection Act and all other relevant legislation.





- 8.2 Soil excavated from the oval (Category C for offsite disposal) will be disposed of as part of the contract of works, in line with EPA regulations.

## 9. COMMUNITY IMPACT

- 9.1 During construction, the contractor's compound will be surrounded by fencing to limit access and ensure public safety, whilst allowing passive surveillance of the site.
- 9.2 At times, there will be truck and equipment movement, and noise emitting during construction. The amenity impacts upon local residents will be minimised, and they will be kept informed through the project website and on-site signage.
- 9.3 Council officers are working closely with the tenant sports clubs to offer alternate training and competition venues while the ground is under construction. The cricket nets will still be available for Club training during the project.

## 10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

### 10.1 Direction – Liveable Port Phillip

- **Measure** – We will provide access to upgraded, expanded and well-maintained public and outdoor spaces for people of all ages and abilities to visit.
- **Measure** – Proportion of residents who are proud of, connected to and enjoy living in their neighbourhood.

This project supports the Council objective of being a great place to live, where our community has access to high quality public spaces by providing quality playing surface for community use.

### 10.2 Direction – Inclusive Port Phillip

- **Measure** - Proportion of residents satisfied with sport and recreation facilities.
- **Measure** - Proportion of adults who meet physical activity guidelines

This project supports the Council objective of Planning, delivering and activating sport, recreation and open space facilities and services to create community health and wellbeing by providing high-quality sport and recreation infrastructure designed for shared community use that enables people of all ages, backgrounds and abilities to participate.

### 10.3 Direction – Sustainable Port Phillip

- **Measure** – Creating a greener and cooler city will foster, protect and promote the health and wellbeing of our people and places.
- **Measure** – Community mains water use per capita (ML)

This project supports the Council objective of City that has a sustainable future, where our environmentally aware and active community benefits from living in a bayside city that is greener, cooler, cleaner and climate resilient by actively mitigating and adapting to climate change through investment in designing, constructing and managing our public spaces to optimise water sustainably.

- 10.4 The proposed works are in alignment with the Sport and Recreation Strategy 2015-2024



## 11. IMPLEMENTATION STRATEGY

### 11.1 TIMELINE

- Subject to Council's decision, the contract will be finalisation and execution as soon as possible and preparatory works will commence on site in October 2021, the grass is due to be laid in January 2022 with the community able to use the oval in April 2022.

### 11.2 COMMUNICATION

- Subject to Council's decision, the contract document will be prepared and forwarded to Evergreen Turf Pty Ltd within five business days.
- Signage will be displayed onsite notifying residents of the works with a link to the project webpage.
- Council officers will be in constant contact with tenant sports clubs to advise them of progress.
- There will be an article in Diversity and on Councils website providing a project update including benefits, scope and timeline as well as a on CSR and how this contract supports that.

## 12. OFFICER DIRECT OR INDIRECT INTEREST

- 12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

### ATTACHMENTS

Nil