



2018/19 Business Development Branch Significant Contracting Plan

Section 221 of the *Local Government Regulation 2012* stipulates that a Significant Contracting Plan must be prepared prior to commencement of a contract that Council has identified as a Significant Contract. Council may, by resolution, amend a Significant Contracting Plan at any time before the end of the financial year to which the plan relates.

1. Key Information

Significant Contract Title: Construction of Automated Waste Collection System (AWCS) Collection Station Building

Group: Liveability and Natural Assets

Branch: Urban Projects

Contract Administrator: Kate Broadbent

Position: Project Officer

Procurement Specialist: Rachael Lock

Contract/Project Description: Construct a new Collection Station Building for the AWCS

Link to Procurement Plan: D2018/993522

2. Council Resolutions

Previous Council resolutions:

Nil

This plan endorsed by Council:

3. Background

An Automated Waste Collection System (AWCS) is to be installed in the Maroochydore City Centre development. It will transport waste from a series of Public Realm Inlets located through the precinct via a network of heavy duty steel pipes to the AWCS Collection Station. The AWCS Collection Station Building is central to the AWCS, housing all central plant and control infrastructure for necessary operation.

Council entered into contract ITT1471AB with Envac to build the AWCS, which included provision for Envac to also build the collection centre once detailed design had been issued. Envac provided pricing for construction of the collection centre following issue of detailed design, which has been deemed by council as not being competitive. Council has not accepted Envac's offer, opting instead to take this portion of work to public tender in the interest of securing a more advantageous outcome for Council.

4. Objectives

What are the objectives of this contract?

To achieve value for money for Council for construction of an AWCS Collection Station Building

How will objectives be achieved?

Going out to the open market to obtain competitive pricing

How will achievement of objectives be measured?

Analysis of multiple pricing from competing companies. Review prices received to that received from Envac and QS Estimates

What are the alternative ways of achieving the objectives? Include reasons for not adopting alternative ways.

Council could have elected to accept the offer from Envac (the supplier of the AWCS) to construct the AWCS Collection Centre, however this offer was not competitive and reflected Envac's reluctance to undertake this portion of work.

8. Proposed category and contractual arrangements
Which category does this contract fall within?
Capital Works
Which contractual arrangements should be applied to this contract, and why?
Construction (AS2124 Medium to Large Construction)
Adequately govern the outcomes required by Council to deliver the project.

9. Market and Risk Assessment
Provide an assessment of the market in which the contract is to happen, including an assessment of any procurement risks. Refer to the Risk Assessment Calculator in the Procurement Plan.
Competitive building construction market. Risk that pricing will be greater than Council budget.
Proposed mitigations for identified risks:
Lump sum construction contract which will be delivered under structured Australian Standards Conditions of Contract.
Undertake an assessment of operational risks relating to the contract/project. Attach details.
<ol style="list-style-type: none"> Key performance Indicators (KPI's) will be developed and included with the tender document package. The Contract Administrator will be responsible for reviewing and enforcing the KPI's. Price variation is considered an ongoing risk which will be mitigated through the development of a lump sum Pricing Schedule submitted at Tender. It will be the Contractor's responsibility to confirm quantities submitted are sufficient and correct to enable the completion of the works in accordance with the Specification. When submitting their lump sum price, the Contractor is obliged to price the entire works required for the successful completion of the Contract. The Pricing Schedule will be used as a guide for progress payments and to calculate any required variations throughout the administration of the Contract. Variations where the Contractor has not accurately calculated quantities will not be accepted by Council. Workplace Health and Safety is considered an ongoing risk which will be mitigated through legislative requirements which the Contractor is required to adhere to.

Approvals			
Position	Name	Signature	Date
Manager, (of Branch seeking contract)	Chris Sturgess		
Group Executive (of Group seeking contract)	Warren Bunker		
<i>Prior to going to Council</i>			
Manager, Business Development	Paul Skillen		
Chief Executive Officer	Michael Whittaker		