
EOI - POINT LOOKOUT WASTEWATER TREATMENT PLANT UPGRADE

Datworks Filename: WW Planning – Waste Water Treatment Plants

Responsible/Authorising Officer:



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PURPOSE

The purpose of this report is to seek Council's approval to undertake an Expression of Interest (EOI) in accordance with the *Section 228 of the Local Government Regulation 2012* to short list suitable Design and Construct (D&C) contractors to submit formal tendered lump sum prices based on a final scope of works for the Point Lookout Wastewater Treatment Plant (WWTP) Upgrade Project.

This Project has been provided with budget in the current 14/15 financial year as well as 15/16 financial year. The project budget allocations are:

- Preliminaries, design and initial construction 14/15 - \$3,000,000
- Major Construction 15/16 - \$11,500,000

BACKGROUND

Redland City Council (RCC) has agreed on the strategy to replace and upgrade the existing Point Lookout WWTP situated at the end of Tramican Street with a Membrane Bioreactor (MBR) type of plant. RCC have also provided support for providing additional sewerage facilities at Point Lookout where septic tanks currently exist.

Kellogg Brown and Root (KBR) have now been procured to assist with the project management and superintendent's representative roles. An EOI for D&C has been proposed as the most prudent and efficient delivery mechanism for the upgrade project.

A project plan has been prepared (attached) that proposes that the new plant will be able to be completed within the 15/16 financial year. There are a number of key elements that also need to be completed while the D&C process is being completed.

These elements include obtaining a Material Change of Use (MCU) approval from Environment and Heritage Protection Department (EHP) as well as undertaking assessment against significant impact guidelines for Environment Protection Biodiversity and Conservation Act (EPBC). The project plan incorporates these elements.

It is considered that the most appropriate project delivery mechanism is to seek an EOI and develop a short list of suitable D&C contractors which will be able to provide tendered lump sums for the final scope of works.

Redland Water (RW) and KBR will then be able to make an assessment against each tendered amount and then provide a recommendation to the Chief Executive Officer (CEO) for acceptance. This delivery mechanism was used to great success on the recent south-east Thornlands sewer project and provided a project that was finished well ahead of third party consultant's expectations and significantly well under their budget estimates.

The EOI D&C delivery mechanism also provides Council with additional surety that the contractors will be compliant with our safe work requirements and philosophies. During the EOI process there will be opportunities to obtain information from the interested contractors in respect to perceived risks and design innovations prior to formal tendering.

Any risks or constraints to design outcomes may then be improved in the final scope of works before the formal tendering starts and may save costs and avoid expensive variation claims.

It is envisaged that the EOI will save Council time and money as it will enable Council to short list to a minimum of three contractors that have the necessary experience and skills to carry out the project while also meeting Redland City Council's (RCC's) stringent safety and quality requirements.

Short listed D&C contractors will be provided with the opportunity to submit a tender in accordance with Section 228 of the Local Government Regulation 2012.

ISSUES

A resolution is sought from Council in accordance with Section 228 of the *Local Government Regulation 2012* to;

Undertake an EOI for design and construction of the Point Lookout WWTP that has been provided with budget in the current 14/15 financial year as well as 15/16 financial year. The project budget allocations are:

- Preliminaries, design and initial construction 14/15 - \$3,000,000
- Major Construction 15/16 - \$11,500,000

Commence an EOI to short list suitable D&C contractors to submit a formal tendered lump sum price based on final scope of works for the Point Lookout WWTP Upgrade.

Provide the CEO or his nominated delegate with delegated authority delegated authority (under s.257(1)(b) of the *Local Government Act 2009*) to negotiate, make, vary, discharge the agreement and sign all necessary documentation associated with the Point Lookout WWTP Upgrade.

The objective of EOI is to ensure that the Point Lookout WWTP Upgrade project is completed in a timely manner (prior to the end of the 2015/2016 financial year) and within budget.

The objectives of this plan will be achieved by:

- already engaging KBR consultants to complete the project planning and gaining approvals and any necessary technical investigations of the projects under the Local Buy/RCC panel arrangements;

- commencing an expression of interest (EOI) in accordance with section 228 of the *Local Government Regulation 2012* for the Design and Construction of the Point Lookout WWTP Upgrade project;
- providing a Scope of Work to short listed contractors to provide tender submissions;
- CEO to award contract to successful Design and Construct contractor.

Many Local Government Wastewater Treatment Plant upgrades of this size are undertaken by this process. The market currently for WWTP upgrade projects across Australia is flat so the D&C delivery mechanism will attract a wide range of both high level and medium tier contractors with Membrane Bioreactor project experience.

STRATEGIC IMPLICATIONS

Legislative Requirements

Council is able to approve an EOI in accordance with section 228 of the *Local Government Regulation 2012*.

Risk Management

There is a risk in not achieving environmental MCU and EPBC approvals however, all contract and scope documents will be contingent on the approvals being achieved prior to any contract being awarded.

Risk workshops will be conducted at various stages of the project and will develop appropriate remediations.

Financial

There are no financial implications impacting Council as a result of this report.

People

There are no implications on staff if the recommendations of this report are adopted. There will be cross training of RW Project Officers during the construction stage of the project which will increase their capability.

Environmental

Achieving MCU approval through EHP and also either accepting that the assessment against significant impacts under EPBC Act does not require referral or referral is undertaken and there are or are not any additional conditions under EPBC.

Social

The scope of the upgrade of the WWTP will have a major focus on ensuring that there is no odour or noise nuisance beyond the boundary of the WWTP that could impact on customers.

Alignment with Council's Policy and Plans

This report is in line with Council's Procurement Policy and legislative requirements.

CONSULTATION

Consultation in this process has included the following:

- General Manager Infrastructure & Operations;
- General Counsel;

- Group Manager Water & Waste Operations;
- Senior Procurement Officer.

OPTIONS

Option 1

Undertake an EOI for the design and construction of the Point Lookout Wastewater Treatment Plant that has been provided with budget in the current 14/15 financial year as well as 15/16 financial year. The project budget allocations are:

- Preliminaries, design and initial construction 14/15 - \$3,000,000
- Major Construction 15/16 - \$11,500,000

Undertake an EOI, in accordance with section 228 of the Local Government Regulation 2012 for the short listing of suitable D&C contractors and eventual acceptance of a tendered lump sum price based on final scope of works for the Point Lookout WWTP Upgrade.

Provide the CEO with delegated authority delegated authority (under s.257(1)(b) of the *Local Government Act 2009*) to negotiate, make, vary, discharge the agreement and sign all necessary documentation associated with the Point Lookout WWTP Upgrade.

Option 2

Not undertake an EOI for the upgrade of the Point Lookout WWTP.

OFFICER RECOMMENDATION/ COUNCIL RESOLUTION

Moved by: Cr M Elliott
Seconded by: Cr M Edwards

That Council resolves to:

1. Undertake an Expression of Interest, in accordance with section 228 of the *Local Government Regulation 2012* for the short listing of suitable Design & Construct contractors and eventual acceptance of a tendered lump sum price based on final scope of works for the Point Lookout Waste Water Treatment Plant Upgrade;
2. Delegate the Chief Executive Officer (under s.257(1)(b) of the *Local Government Act 2009*) to negotiate, make, vary, discharge the agreement and sign all necessary documentation associated with the Point Lookout Waste Water Treatment Plant Upgrade; and
3. That this report and attachments remain 'commercial in confidence'.

CARRIED 10/1 Note: Attachments to remain confidential as contain 'commercial in confidence' information.

Cr Gleeson voted against the motion.