



STRATHBOGIE SHIRE COUNCIL

Notice is hereby given that an Extraordinary Meeting of the Strathbogie Shire Council will be held virtually on Tuesday 1 February 2022 at the Euroa Community Conference Centre, commencing at 6.00 p.m.

Chair:	Laura Binks (Mayor)	<i>(Mount Wombat Ward)</i>
Councillors:	David Andrews	<i>(Lake Nagambie Ward)</i>
	Reg Dickinson	<i>(Lake Nagambie Ward)</i>
	Sally Hayes-Burke	<i>(Seven Creeks Ward)</i>
	Kristy Hourigan	<i>(Seven Creeks Ward)</i>
	Paul Murray	<i>(Hughes Creek Ward)</i>
	Chris Raeburn	<i>(Honeysuckle Creek Ward)</i>
Municipal Monitor:	Janet Dore	
Officers:	Julie Salomon	Chief Executive Officer <i>(CEO)</i>
	David Roff	Director, Corporate Operations <i>(DCO)</i>
	Amanda Tingay	Director, Community and Planning <i>(DCP)</i>
	Dawn Bray	Director, People and Performance <i>(DPP)</i>
	Kristin Favaloro	Executive Manager, Communications and Engagement <i>(EMCE)</i>

Please note: This meeting will be conducted virtually and live streamed on our website at www.strathbogie.vic.gov.au. This ensures we are meeting the Victorian Government's current COVID-19 restrictions.

We encourage all community members to watch the meeting online, given the restrictions currently in place, with all Councillors and Officers also participating in the meeting by virtual means.

BUSINESS

1. Welcome
2. Acknowledgement of Traditional Land Owners

We acknowledge the Traditional Custodians of the places we live, work and play.

We recognise and respect the enduring relationship they have with their lands and waters, and we pay respects to the Elders past, present and emerging.

Today we are meeting on the lands of the Taungurung peoples of the Eastern Kulin nation, whose sovereignty here has never been ceded.
3. Apologies
4. Disclosure of Conflicts of Interest
5. Officer Reports
 - 5.1 Strategic and Statutory
 - 5.2 Community
 - 5.3 Infrastructure
 - 5.4 Corporate
 - 5.5 Governance and Customer Service
 - 5.6 Executive
6. Confidential Business

Julie Salomon
CHIEF EXECUTIVE OFFICER

28 January 2022

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	<p><i>APPENDICES DEEMED CONFIDENTIAL IN ACCORDANCE WITH SECTION 66(2)(A) AND PART 1, CLAUSE 3 OF THE LOCAL GOVERNMENT ACT 2020</i></p> <p><i>(g) private commercial information, being information provided by a business, commercial or financial undertaking that -</i></p> <p style="padding-left: 40px;"><i>(ii) if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage</i></p>	
	Appendix 1	Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway
	Appendix 2	Lake Nagambie Floating Water Park Development
	Appendix 3	Design and Construction of Waterfront Infrastructure Access for Proposed Nagambie Floating Water Park

5. REPORTS

5.3 INFRASTRUCTURE

5.3.1 Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway

Authors: Manager Projects Delivery, Senior Project Officer

Responsible Director: Director Community and Planning

EXECUTIVE SUMMARY

The purpose of this Report is to seek Council's approval to appoint a suitably qualified contractor to undertake the Construction of a pedestrian pathway along the foreshore of Lake Nagambie to link the Regatta Centre to the Nagambie Township (refer to Attachment 1). A purpose built pedestrian link between the Regatta Centre and Nagambie CBD along the lake shoreline has been considered a vital stimulant needed for improved social connection and tourism growth in Nagambie, and has been a prominent component of Council's Capital Works Program for the Financial Year 2021-22.

Through public advertisement in local and national newspapers, Council initially invited tenders for Construction of the Nagambie Lake Foreshore Pathway under Contract 21/22-12 between 17/09/2021 and 20/10/2021. Owing to a lack of sufficient responses to tender (due to Covid lockdown restrictions at the time of advertising), the tender was re-advertised for another period between 22/10/2021 and 01/12/2021. At the end of the second advertisement period, three (3) tenderers submitted tenders for the work. These tenders have been assessed and evaluated by Council Officers and a summary of results provided to Councillors in the Confidential Appendices to this report.

Having considered the results of the evaluation process, it is recommended that Council awards Contract Number 21/22-12 - Construction of Nagambie Lake Foreshore Pathway to Gadian Projects Pty Ltd.

RECOMMENDATION

That Council:

- 1. Receives and notes the outcome of the tender assessment process for Contract No 21/22-12 Construction of Nagambie Lake Foreshore Pathway - Lump Sum as set out in the confidential appendices attached to this report;***
- 2. Awards the tender for Contract No 21/22-12 Construction of Nagambie Lake Foreshore Pathway - Lump Sum to Gadian Projects Pty Ltd (Shepparton) for a total sum of \$3,813,139.12 + GST as negotiated post tender evaluation;***

5.3.1 Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway (cont.)

RECOMMENDATION (cont.)

- 3. Authorises officers to advise the unsuccessful tenderers;**
- 4. Authorises the Chief Executive Officer to execute the Contract by signing and affixing with the Common Seal of Strathbogie Shire Council;**
- 5. Note that construction will commence on 07 March 2022 with an anticipated completion date of 14 October 2022;**
- 6. Note and endorse that any further variations to the tendered design as requested by any of the adjoining property owners will:
a) be met in full (design and construction variation costs) by the property owner,
b) not unduly delay the project by compromising construction timelines; and**
- 7. Note and endorse that the exception to recommendation 6 a) above is the option of bringing the boardwalk back on Goulburn-Murray Water land to facilitate boat access for a property owner which would be at Council's cost given it can be accommodated in the existing budget allocation.**

PURPOSE AND BACKGROUND

This report seeks Council endorsement of the recommendations of a Tender Evaluation exercise for Contract No 21/22-12 Construction of Nagambie Lake Foreshore Pathway, and to award the contract to the tenderer as presented in this report.

Strathbogie Shire Council proposes to construct a safe and accessible pedestrian link between the Nagambie Regatta Centre and the rest of Nagambie Community around the Lake Nagambie shoreline (refer to Attachment 1).

The proposed pathway will be approximately 1.6km in length along the southern edge of the lake, and would comprise of concrete shared path on land and boardwalks over water. The pathway would include sit-out areas and solar lighting at regular intervals for night passage. The fully accessible path would also be of adequate width to allow simultaneous passage of pedestrians and cyclists.

In addition to Commonwealth funding of \$350,000 committed in 2019, in May 2021, Council received a funding grant of three million dollars (\$3,000,000) from Regional Development Victoria to support the project.

5.3.1 Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway (cont.)

TENDER PROCESS

The initial public tender was released on “Tendersearch” via the Council website on the 17 September 2021. The tender was advertised in The Age Saturday newspaper (state-wide reach), Shepparton News, and Nagambie Community Voice in the week following release. By the close of tenders at 4.00pm on 20 October 2021, no conforming tenders were received. The two (2) submissions received did not include pricing for the work and no detailed supporting documentation was provided. Lack of anticipated response from tenderers was attributed to the state-wide lockdown in Victoria which prevented Council from organising pre-tender site visits for prospective tenderers.

Subsequently, the tender was re-advertised on 22 October 2021 through the same media channels previously used. Two pre-tender site walkthroughs were organised during the tender period and were attended by prospective tenderers. At the close of tender on 01 December 2021, three (3) tender submissions had been received.

All tender submissions were accessed for their compliance including the contractual terms and conditions and the requirements of the response schedules, and all tender submissions were deemed conforming.

Table 1 below lists, in alphabetical order, the tenders received at the close of the advertised tender period.

Table 1: Tender Submissions Received

Tender Submissions Received at the close of Tender Period (in Alphabetical Order)
Ertech Pty Ltd
Exco Construct Pty Ltd
Gradian Projects Pty Ltd

Tender Price

Table 2 below lists the tender offer (excluding GST) at the close of the advertised tender period. It is worth noting that during tender evaluation, the tenderers who submitted tenders were further requested to provide their *Best and Final Offers* in a bid to optimise value for available budget.

Tenderers’ responses to this request have been included in Table-2 below;

Table 2: Tender Offers Received (excl GST)

Tender Offers Received (excl GST) (in lowest to highest order)	
Initial Price Offers	Best & Final Offers
\$4,787,200.00	4,135,208.91
\$5,456,015.00	4,892,016.00
\$5,981,715.83	No new offer

5.3.1 Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway (cont.)

Panel Assessment Process

In accordance with Council's Procurement Policy, the evaluation panel and evaluation criteria weightings were determined prior to release of the Tender documentation. The evaluation panel members were nominated prior to release of the tender submissions for evaluation. The panel signed 'Conflict of Interest' statements prior to the evaluation panel viewing the submitted tenders.

The Tender Evaluation Panel members were made up of the following Strathbogie Shire Council staff members:

- Senior Project Officer,
- Corporate Risk Officer,
- Manager Finance, , and
- Procurement & Tender Officer, (moderating).

The principle that underlies the awarding of all Council contracts is that a contract is awarded on the basis of providing the overall Best Value, offering the most benefit to the community and the greatest advantage to Council.

Strathbogie Shire Council mandates 60% weighting on submitted tender pricing, ensuring that pricing is heavily prioritised in the tender evaluation decision. However, a 40% weighting allocated to qualitative tender ensures that decisions are not solely cost driven but on overall value offered by the tenderer. A tenderer must provide good qualitative submissions to be successful.

The tenders were assessed and evaluated against the following criteria and weightings:

- Tendered Price (60%)
This criterion measures the price only – either lump sum or unit rates – submitted by the tenderer. In accordance with Council's Procurement Guidelines, a price weighting of 60% is applied, unless a Council exemption is sought.

All submissions were given a weighted score for their submitted price based on a comparative assessment of pricing for all tenders. The comparative assessment awards the highest evaluation score (60%) to the lowest priced tender submission. The subsequent tender submissions received reduced evaluation scores based on the percentage difference between them and the lowest priced tender.

- Demonstrated Qualifications / Skills and Experience (10%)
Due to the high level of technical skills required to provide this service, a weighting of 10% was allocated to this criterium.
- Compliance with Specification (10%)
Due to the importance for the tender to meet the specification, a weighting of 10% was allocated.
- Project Methodology (5%)
As the Work requires timely completion and elimination/mitigation of work-related risks, this criterium is considered important and therefore allocated a weighting of 5%.

5.3.1 Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway (cont.)

- Management - Schedules (5%)
Quality Management Systems, Policies, Relevant Certifications, and Insurance are likewise considered vital and therefore included with an allocated weighting of 5%.
- Local Content (10%)
In accordance with Procurement Guidelines and being consistent with value for money principles, where different products are of comparable price, quality and equivalent value can be sourced either locally or regionally; preference will be given to local suppliers. A weighting of 10% was allocated to this tender.

TABLE 3: Evaluation Criteria

Criteria	Weighting (%)
Price	60
Qualifications / Skills & Experience	10
Compliance with Specification	10
Time Delivery, methodology and capacity to deliver	5
Management -Schedules	5
Local Content	10
Total	100

ISSUES, OPTIONS AND DISCUSSION

Evaluation Moderation Process

The purpose of the moderation meeting is to discuss and moderate scoring discrepancies larger than three points and to raise any concerns and/or queries that may need to be put to the tenderers prior to recommending the preferred Tenderer.

The Tender Evaluation Panel individually reviewed all tender submissions in detail and assessed tenderers submitted schedules and attachments against the evaluation criteria.

The Moderator (Procurement & Tender Officer) averaged the scores and highlighted scoring discrepancies larger than three (3) points. On Friday 17 December 2021 the Panel members and the Moderator met for the tender moderation meeting.

In line with probity requirements on Council tender process and to ensure fairness to all tenderers, all tenderers were contacted to provide a Best And Final Offer including any value management reductions. The Tender Evaluation Panel thereafter proceeded to conclude the process based on the responses received.

Panel Assessment Summary

One of the Overarching governance principles in section 9 of the Local Government Act 2020 is that Priority is to be given to achieving the best outcomes for the municipal community, including future generations.

5.3.1 Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway (cont.)

At the completion of the tender evaluation process, Gradian Projects Pty Ltd attained the highest ranking with a total score of 87.90%. Gradian Projects offered the lowest price and thereby received the maximum score of 60% on pricing. The price offer of \$4,135,208.91 by Gradian Projects was 15% lower than the second placed tender. They also received a high score under qualitative evaluation, scoring 27.9% out of 40%. The Tender Evaluation Panel was therefore satisfied that their tender represents the best value outcome for Council.

Gradian Projects is a civil construction company based in Shepparton, Victoria. They are well known for construction in marine environments and have delivered similar works for clients across Australia, including Strathbogie Shire Council. They have demonstrated capability to complete the works in the tender with minimal supervision based on their submitted documents.

Price Negotiation with the Successful Tenderer

On the strength of the Tender Evaluation Panel's recommendation and in consultation with Probity Advisor, under delegation by the Mayor and CEO, the Project Delivery Team were authorised to further negotiate with the successful tenderer with a view to reducing the tender price in harmony with the budget available for the project.

Consequently between 14/01/2022 and 18/01/2022, appointed Council Officers identified areas where further savings could be made and successively negotiated with Gradian Projects to bring the tender price down to \$3,813,139.12 + GST.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the Local Government Act 2020 is that the municipal community is to be engaged in strategic planning and strategic decision making.

Consultation

The matter under consideration did not require further community consultation process. Community consultation was undertaken some years ago to inform the funding grants to government. Extensive consultation has occurred with the three adjoining property owners and the Elloura Estate Owners Corporation to inform the final design.

Community Implications

The recommendation has no significant community or social implications for Council or the broader community. The foreshore walk provides an active connection between the Regatta Centre and the township and is fully accessible and as such suitable for all ages.

Risk Management

Project Risks Assessment has been undertaken on project with adequate mitigation plans in place. Risk Register has been prepared and would be maintained to manage emerging risks in the course of project execution.

5.3.1 Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway (cont.)

POLICY CONSIDERATIONS

Council Plans and Policies

The author of this report considers that the report is consistent with Council Policies, key strategic documents and the Council Plan.

This report is consistent with the Strathbogie Shire Council Procurement Policy.

The *Council Plan 2015-25* is relevant with the following strategic focus area 2:

Live. Access. Connect

Our Community's goals

- We all have access to important services

Our Strategies to achieve these goals

- We have strategies and long-term capital budgets in place to ensure we work towards all our facilities and buildings being accessible by people of all abilities.

Asset Management Policy

- Asset Creation/Acquisition – provision of, or an improvement to, an asset where the outlay will reasonably provide benefits beyond the year of outlay. A value management approach has been adopted to produce the most economic and creative solutions.

Asset Management Strategy

- Ensure the Shire's infrastructure enhances efficiency for people and freight movement, service delivery and community amenities.

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

The recommendation has no legal or statutory implications which require the consideration of Council.

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

It is considered that all steps have been taken in line with Council's Procurement Policy which ensures transparency in the process.

5.3.1 Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway (cont.)

Decisions made by Council will be:

- undertaken in accordance with the Act and the Governance Rules.
- will be conducted in an open and transparent forum with information available via Council reports.

Council meetings will be open to the community or can be viewed on the livestream (and available as a recording) unless closed for reasons permitted by s.66(2) of the Act.

FINANCIAL VIABILITY CONSIDERATIONS

One of the Overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

The budget allocated for Nagambie Lake Foreshore Pathway is \$3,800,000.00, out of which approximately \$80,000.00 have been expended on preliminary works. Therefore, the recommended tender price of \$3,813,139.12 remains above the available \$3,720,000.00 budget. However, the balance required including some contingencies can be offset with potential savings from other Capital Works which currently have excess budgets. It is anticipated that an additional saving of \$90,000 may be achieved after further soil investigation and design checks are done during construction.

SUSTAINABILITY CONSIDERATIONS

One of the Overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social, and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Economic

It is anticipated that the proposed works will attract tourism and promote economic growth in Nagambie area and by extension Strathbogie Shire region.

Social

The proposed works would encourage outdoor recreation among residents in Nagambie, attract more spectators to sporting events at the lake and potentially improve social connection among locals and visitors.

Environmental

Environmental Assessment has been conducted on this project. The cost-benefit analysis has been determined to be in favour of the project, having a net positive impact on the environment including increased habitat for fish.

Climate change

The proposed works has no negative impact on climate change.

HUMAN RIGHTS CONSIDERATIONS

The recommendation does not limit any human rights under the Victorian Charter of Human Rights and Responsibilities Act 2006. The proposed foreshore walk is fully accessible and suitable for all ages.

5.3.1 Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway (cont.)

CONCLUSION

Council invited tenders for Contract No 21/22-12 – Construction of Nagambie Lake Foreshore Pathway. The submitted tenders were sought and evaluated strictly in accordance with the Council's Procurement Policy and against the provided brief and specifications. It is proposed that Council endorses the recommended contract award for Construction of Nagambie Lake Foreshore Pathway to Gadian Projects Pty Ltd.

ATTACHMENTS

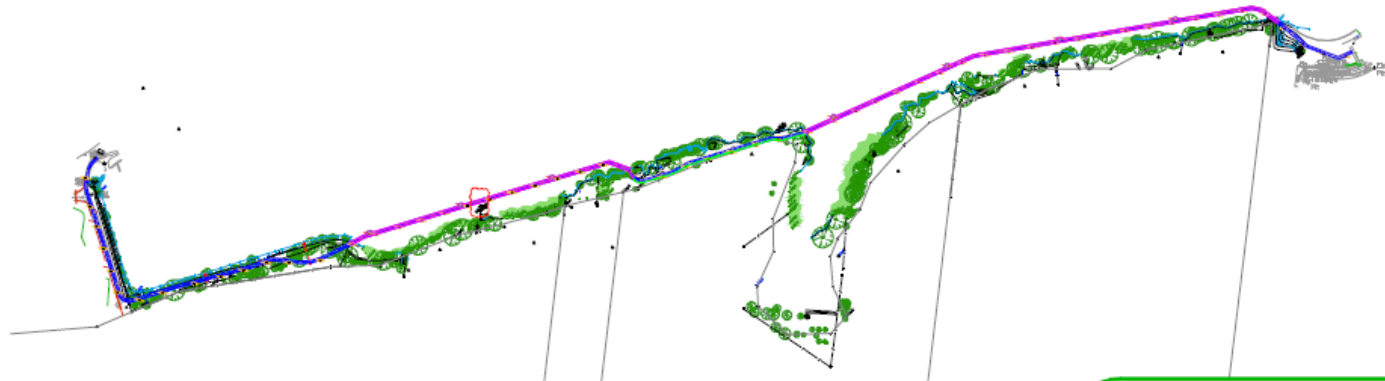
Attachment 1: Nagambie Foreshore Walk Design Route

APPENDICES

Appendix 1: Tender Evaluation for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway - CONFIDENTIAL

ATTACHMENT 1:

FORESHORE WALK PROJECT NAGAMBIE LAKE, NAGAMBIE CIVIL WORKS



Sheet List Table	
SHEET NUMBER	SHEET TITLE
—	File
1	Layout Plan (1)
2	Layout Plan (2)
3	Layout Plan (3)
4	Overview to existing jetty
5	Footwear Table Road
6	Footwear - Paving Details
7	Footwear - Paving Details
8	Footwear - Section & Details
9	Footwear - Section & Details

Reference No.
CR9770
REVISION 05

THESE PLANS HAVE
BEEN SUBMITTED TO
STRATHBOGIE SHIRE
FOR APPROVAL

WORK:
DWG: 05 May 2021

NOT TO BE USED FOR CONSTRUCTION UNTIL APPROVED.

IDEAS INTO ACTION
PLANRIGHT
Civil Engineers, Irrigation Designers, Licensed Surveyors.
139 Hogan Street, TATURA Ph. 03 58241322
21 Nish Street, ECHUCA Ph. 03 54821699
24B Sydney Street, KILMORE Ph. 03 57822338
Email: results@planright.com.au

5.3.2 Lake Nagambie Floating Water Park Development

Authors: Manager Projects Delivery, Senior Project Officer

Responsible Director: Director Community and Planning

EXECUTIVE SUMMARY

The purpose of this report is to inform on the outcome of the search and to seek Council's approval of recommendation to appoint a suitable Developer and Operator of the Floating Water Park as proposed at Lake Nagambie. A floating water park is a series of inflatable obstacles on water, including balancing, climbing, jumping, running, and swimming. The activity can provide the health benefits of a vigorous workout as well as the fun of completing an obstacle course.

Previously, Council identified an opportunity to promote tourism with a view to stimulating economic development in the Strathbogie Shire through provision of a Floating Water Park on Lake Nagambie. Council has also proposed to pursue this goal through a Public-Private-Partnership arrangement with a suitable experienced and qualified business operator. To achieve this objective, Council conducted a public Expression of Interest for the most suitably qualified interested party to form partnership in accordance with Council's Procurement Policy.

Council conducted the search through a multi-staged process which included:

- Public invitation for Expression of Interest
- Shortlisted candidates to provide structured presentations, and
- the panel's evaluation of further information obtained from the two final candidates to reach final decision.

Having considered the results of the evaluation process, it is recommended that Council appoint Exco Construct Pty Ltd (Wacky Water Play) to install and operate the Lake Nagambie Floating Water Park. Wacky Water Play, a subsidiary company of Exco Construct Pty Ltd, have over 35 years of specialist aquatic, water park and playground construction, installation, and operational experience.

RECOMMENDATION

That Council:

- 1. Notes the outcome of the EOI assessment process for the Lake Nagambie Floating Water Park Development (CN 21/22-04) as provided in this report and the appendices attached to this report;***
- 2. Approves the recommendation to appoint Exco Construct Pty Ltd (Wacky Water Play) Cheltenham to install and operate Nagambie Lake Floating Water Park in line with the terms and conditions set out in the Terms of Reference for the project;***
- 3. Authorises officers to advise the unsuccessful tenderers;***

5.3.2 Lake Nagambie Floating Water Park Development (cont.)

RECOMMENDATION (cont.)

- 4. Authorise the Chief Executive Officer to execute the Contract by signing and affixing with the Common Seal of Strathbogie Shire Council; and**
- 5. Note that construction/installation will commence on 28 February 2022 with an anticipated commencement of operation by September 2022.**

PURPOSE AND BACKGROUND

This report seeks Council endorsement of the recommendations on selection process to appoint a suitable contractor for the development and operation of a Floating Water Park on Lake Nagambie as presented in this report.

Background to Project

The Floating Water Park is proposed to be located on Lake Nagambie. An initial feasibility study regarding the choice of location conducted by Council identified four locations around the lake. These four locations included the Regatta Centre; Buckley Park; and two other locations within The Bowl adjoining the town center via the existing boardwalk.

Of the four locations considered, Buckley Park was selected as the most suitable, having:

- existing good public facilities,
- sufficient on-water footprint of 3000m²,
- meeting water depth requirement for floating parks, and
- adequate adjoining land area to allow for equipment storage, good access to power, potable water, and street lighting.

Being a short walk from Nagambie town center, it provides for high market visibility. The interface with the adjoining Nagambie Rowing Club and the Splash Park is deemed operationally practicable.

Council has allocated funding towards the land-based infrastructure to accommodate the establishment of this Floating Water Park. The details regarding this infrastructure is subject to separate Council report.

Selection Process Stage-1: Expression of Interests (Eoi)

The public request for Expression of Interests (EOI) was originally released on "Tendersearch" via the Council website on 23/07/2021. The EOI was advertised in the Age newspaper (state-wide reach), and Nagambie Community Voice in the week following release. The EOI was open to the public for submissions for 26 days in total. At the close of EOI on 18/08/2021, submissions had been received from four (4) respondents.

5.3.2 Lake Nagambie Floating Water Park Development (cont.)

All submissions were accessed for their compliance with terms and conditions of EOI. One of the respondents did not submit the mandatory EOI forms and other supporting documents requested. Therefore, only three (3) of the four (4) submissions received were deemed conforming.

Table 1 below lists the EOI submissions that were received at the close of the advertised period.

Table 1: Expression of Interest Submissions Received

Submissions Received at Close Of EOI Process (Alphabetical Order)
Exco Construct Pty Ltd (Wacky Water Play)
Go Adventure Nagambie
Hadar Homes Pty Ltd
Splash Waterpark Pty Ltd

EOI Evaluation and Respondents Shortlisting

Following the Council's procurement guidelines and principles applicable to regular tender evaluation process, an initial evaluation team of two Council Officers were constituted to undertake a qualitative evaluation of the EOI responses with a view to shortlisting respondents to the next stage of the selection process.

The EOI Evaluation Panel members were made up of the following Strathbogie Shire Council staff members:

- Senior Projects Officer, Community & Planning, and
- Procurement & Tender Officer, Corporate Operations.

To ensure consistency with Council's principle of Best Value in procurement process, EOI selection criteria detailed in Table 2 were developed with a view to shortlisting candidates with:

- demonstrated experience and capability to deliver
- detailed and robust approach to installation delivery & operation based on financing strategy and robust project delivery plan; and
- sound understanding of key issues and environment of operation.

Table 2: Expression of Interest Evaluation Criteria

Item No	Evaluation Attributes	Description	Weighting (%)
Criterion 1	Demonstrated experience & capability to deliver project	Project delivery capability & experience Project services capability and experience Project financing capability and experience	25.0%
Criterion 2	Proposed Approach	Equity and governance strategy Project delivery and operation strategy Project financing strategy	37.5%

5.3.2 Lake Nagambie Floating Water Park Development (cont.)

Criterion 3	Understanding key project issues & proposed approach	Environmental impact and proposed approach Stakeholders' management Economic viability	37.5%
TOTAL			100.0%

Further details regarding EOI evaluation criteria have been provided as Confidential Appendix 1B to this report.

ISSUES, OPTIONS AND DISCUSSION

EOI Evaluation Process

A three-stage evaluation process was undertaken as part of the due diligence process as detailed below.

Stage 1: EOI Assessment Outcome

The Evaluation Panel members individually reviewed all EOI submissions in detail, assessed the respondents' responses against the evaluation criteria, awarded scores and provided written comments to justify their scores in the evaluation spreadsheet.

Corresponding scores were averaged for each segment, and candidates' average scores for each segment compared with the benchmark for shortlisting purpose.

At the completion of the EOI evaluation stage, all the three conforming respondents attained scores above the minimum benchmark for each of the three broad criteria. The three respondents were subsequently shortlisted for the next stage of the EOI process.

Stage 2: Presentation

On 21/10/2021 and 03/11/2021, the three shortlisted candidates were invited to separate online meetings to present their summary of proposals, and to provide clarity on their proposals through a question-and-answer session of the presentation.

The candidates were required to present how their proposals would address key areas such as, concept operations & business plans, equity and partnership, marketing strategy, growth forecast and sustainability, local employment, and training, among others.

Presentation Assessment Outcome

At the end of the presentations, two of the candidates were shortlisted to progress to the final stage. The panel based their decision on the detail of their proposed concepts, clarity of their business plans, realistic growth forecast, acceptable installation period, and integration of OH&S including COVID management plan into their overall business plans.

Further details regarding presentations evaluation have been attached as Confidential Appendix 2 to this report.

5.3.2 Lake Nagambie Floating Water Park Development (cont.)

Stage 3: Economic Analysis

In the third and final stage, the two (2) shortlisted candidates were requested to provide detailed financial forecast based on the business models they had proposed. Other information requested included:

- details of the floating units to be installed initially including order of progressive additions in the first five years of operation, and
- images or schematics of arrangement of floating units and expected areas of coverage.

At the end of the three (3) stage evaluation process, Exco Construct Pty Ltd (Wacky Water Play) emerged the preferred submitter and are recommended for approval. Wacky Water Play, a subsidiary company of Exco Construct Pty Ltd, have over 35 years of specialist aquatic, water park and playground construction, installation, and operational experience.

Exco Constructs ranked best under various evaluation parameters considered, namely, investment outlay over 5 years, projected revenues, and Net Present Values over 5 years considered, practicality of the layout and areas of coverage and experience in providing materials and human resource capability to operate the park safely.

COMMUNITY ENGAGEMENT

The overarching principal in determining an approach to the installation and operation of a Floating Water Park should be the long-term benefit derived for community, including business opportunities creating employment.

Consultation

The installation and operation of a Floating Water Park is supported by the Nagambie Waterways Advisory Committee.

An on-site discussion with Nagambie Rowing Club indicated they have no objection to the location and operation of the Floating Water Park. Siting of the Floating Water Park proposal footprint was agreed upon to ensure no interference with the on-water and land activities of the Club.

POLICY CONSIDERATIONS

Council Plans and Policies

The installation and operation of a Floating Water Park at Lake Nagambie supports the economic development objectives of the endorsed Nagambie Growth Management Strategy – *“develop and grow Nagambie as a tourism destination and create job opportunities.”*

Regional, State and National Plans and Policies

The installation and operation of a Floating Water Park at Lake Nagambie supports the economic development objectives of both State and Federal Government plans to grow regional economies through strengthening visitor destination economies.

5.3.2 Lake Nagambie Floating Water Park Development (cont.)

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

The author of this report considers that the recommendation has no legal or statutory implications which require the consideration of Council.

Conflict of Interest Declaration

All Council Officers involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

It is considered by the author of this report that all steps have been taken in line with Council's Procurement Policy and that the matter will be considered at a public Council meeting ensures transparency in the process.

FINANCIAL VIABILITY CONSIDERATIONS

One of the Overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

Aside from the provision of the supporting land-based infrastructure, which is subject to a separate Council report, Council has no other direct involvement in the procurement, installation, and operation of the Floating Water Park.

Exco Construct Pty Ltd are offering Council a \$20,000 per annum (CPI indexed) return.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Economic

It is proposed that the installation and operation of a Floating Water Park at Lake Nagambie would increase the destination desirability and product offer of the region to a broad demographic, arguably improving visitor economy output.

This is consistent and supportive of the economic objectives of the Nagambie Growth Management Strategy.

Social

The primary social outcome of the installation and operation of a Floating Water Park at Lake Nagambie would be the addition of a significant outdoor recreational activity for the community.

5.3.2 Lake Nagambie Floating Water Park Development (cont.)

Environmental

Floating Water Park inflatable units and perimeter floating barricades are self-supporting utilising in-captured low-pressure natural air and require no mechanical on-water equipment such as petroleum powered engines to maintain their buoyancy.

The material used to manufacture the inflatable units is non-toxic. The only relationship with the lakebed is removable concrete anchors.

Climate change

Floating Water Park installations rely on a minimum water depth of 3.7m where elevated units are used, and this is currently achievable at Buckley Park area. If the lake level was not sustained due to climatic conditions, then the park would not operate.

It is well understood that Blue Green Algae (BGA) blooms respond to varying climatic conditions. Lake Nagambie has a history of very few Alerts, as issued by the responsible authority. Floating Water parks are required to close at certain Alert levels.

COLLABORATION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that collaboration with other councils, levels of government and statutory bodies is to be sought.

The Australian Government's Drought Communities Program Extension supported the application for a Floating Water Park at Nagambie, this is reflected in the allocated budget.

Goulburn Murray Water has indicated to the Nagambie Waterways Advisory Committee and Council's Project Delivery Department that they are happy to provide in-principal support and work with Council on the approvals process for a Floating Water Park.

HUMAN RIGHTS CONSIDERATIONS

It is considered that there are no human rights implications, with reference to "freedom of movement" with the installation and operation of a Floating Water Park at Buckley Park Nagambie, given the public park remains a public space, with no appreciable restriction to movement along the foreshore or within the subject park area.

CONCLUSION

It was previously approved by Council to progress with the installation and operation of a Floating Water Park on Lake Nagambie at Buckley Park.

Council plans to achieve this objective through a Public-Private-Partnership arrangement and have undertaken via a public Expression of Interest process for a suitable private partnership in accordance with Council Procurement Policy. It is proposed that Council endorses the recommendations of this report.

5.3.2 Lake Nagambie Floating Water Park Development (cont.)

ATTACHMENTS

Nil

APPENDICES

Appendix 2: Lake Nagambie Floating Water Park Development -
CONFIDENTIAL

5.3.3 Tender for Contract No. 20/21-69: Design and Construction of Waterfront Infrastructure Access for Proposed Nagambie Floating Water Park

Authors: Manager Projects Delivery, Senior Project officer

Responsible Director: Director Community & Planning

EXECUTIVE SUMMARY

The works under consideration provide on land access infrastructure for the proposed Floating Water Park at Lake Nagambie. Work under the contract will include tests, detailed engineering design and construction of access way in readiness for the development of the floating water park. This work has been planned for delivery under Strathbogie Shire Capital Work Program for the 2021-22 Financial Year.

Through public advertisement in local and national newspapers, Council invited tenders for the Work under Contract No. 20/21-69 between 09/04/2021 and 26/05/2021. Two tenderers submitted tenders for the work. These tenders have been assessed and evaluated by Council Officers and a summary of results is shown in the attached Tables A and B (Confidential Section of this Report).

Having given consideration to the results of the evaluation, it is recommended that Council award the tender for the Design and Construction of the Waterfront Infrastructure Access at Lake Nagambie to Duratec Australia Limited based in Western Australia and with offices located in Melbourne and other Capital cities.

RECOMMENDATION

That Council:

- 1. Receives and notes the outcome of the tender assessment process for Contract No 20/21-69 Design & Construction of Waterfront Infrastructure Access for Proposed Lake Nagambie Floating Water Park - Lump Sum as detailed in this report;***
- 2. Awards the design and construct tender for Contract No 20/21-69 Design & Construction of Waterfront Infrastructure Access for Proposed Lake Nagambie Floating Water Park - Lump Sum to Duratec Australia Limited (Melbourne) for a total amount of \$190,994.89 + GST;***
- 3. Authorises officers to advise the unsuccessful tenderer;***
- 4. Authorises the Chief Executive Officer or delegate to execute the Contract by signing and affixing with the Common Seal of Strathbogie Shire Council; and***
- 5. Note that construction will commence on 07 March 2022 with an anticipated completion date of 30 May 2022.***

5.3.3 Design and Construction of Waterfront Infrastructure Access for Proposal Nagambie Floating Water Park (cont.)

PURPOSE AND BACKGROUND

This report seeks Council approval of the recommendations on Tender Evaluation exercise on Contract No 20/21-69 Design & Construction of Waterfront Infrastructure Access for Proposed Nagambie Floating Water Park, and to Duratec Australia Limited based in Western Australia and with offices located in each capital city.

The work is considered necessary to support the development of a Floating Water Park on Lake Nagambie are being facilitated by Council. Although the tendering exercise for this work was completed in the middle of 2021, presenting the award proposal to Council has been put on hold to allow for the expression of interest process to be undertaken to search for a private partnership to develop and operate the on-water Floating Water Park. The outcome of this expression of interest process is subject to a separate Council Report.

TENDER PROCESS

The public tender was originally released on "Tendersearch" via the Council website on the 09/04/2021. The tender was advertised in Saturday's The Age newspaper (state-wide reach), Shepparton News, and Seymour Telegraph, in the week following release. However, there was no response by the close of tenders at 4.00pm on 05/05/2021 due to the Covid restrictions at this time. The tender was therefore re-advertised with a new release date of 07/05/2021 on "Tendersearch" and subsequent re-advertisement on the newspapers the week that followed. The public tender was open for submissions for 45 days in total. At the close of tender on 26/05/2021, two (2) tender submissions had been received.

All tender submissions were accessed for their compliance including the contractual terms and conditions and the requirements of the response schedules. One of the tenders did not include many of the mandatory documents requested and the works plan submitted lacked details. Therefore, only one of the two tenders submitted was deemed conforming.

Panel Assessment Process

In accordance with Council's Procurement Policy, the evaluation panel and evaluation criteria weightings were determined prior to release of the Tender documentation. The evaluation panel members were nominated prior to release of the tender submissions for evaluation. The panel signed 'Conflict of Interest' statements prior to the evaluation panel viewing the submitted tenders.

The Tender Evaluation Panel members were made up of the following Strathbogie Shire Council staff members:

1. Senior Project Officer
2. Projects & Contracts Coordinator
3. Director Community Assets & Planning, and
4. Revenue Administration Officer, Corporate Operations (moderating)

The principle that underlies the awarding of all Council contracts is that a contract is awarded on the basis of providing the overall Best Value, offering the most benefit to the community and the greatest advantage to Council.

5.3.3 Design and Construction of Waterfront Infrastructure Access for Proposal Naqambie Floating Water Park (cont.)

The tenders were assessed and evaluated against the following criteria and weightings:

- Tendered Price (60%)
This criterion measures the price only – either lump sum or unit rates – submitted by the tenderer. In accordance with Council’s Procurement Guidelines, a price weighting of 60% is applied, unless a Council exemption is sought.
All submissions were given a weighted score for their submitted price based on a comparative assessment of pricing for all tenders. The comparative assessment awards the highest evaluation score (60%) to the lowest priced tender submission. The subsequent tender submissions received reduced evaluation scores based on the percentage difference between them and the lowest priced tender.
- Demonstrated Qualifications / Skills and Experience (10%)
Due to the high level of technical skills required to provide this service, a weighting of 10% was allocated to this criterium.
- Compliance with Specification (10%)
Due to the importance for the tender to meet the specification, a weighting of 10% was allocated.
- Project Methodology (5%)
As the Work requires timely completion and elimination/mitigation of work related risks, this criterium is considered important and therefore allocated a weighting of 5%.
- Management - Schedules (5%)
Quality Management Systems, Policies, Relevant Certifications and Insurance are likewise considered vital and therefore included with an allocated weighting of 5%.
- Local Content (10%)
In accordance with Procurement Guidelines and being consistent with value for money principles, where different products are of comparable price, quality and equivalent value can be sourced either locally or regionally; preference will be given to local suppliers. A weighting of 10% was allocated to this tender.

TABLE 1: Evaluation Criteria

Criteria	Weighting (%)
Price	60
Qualifications / Skills & Experience	10
Compliance with Specification	10
Project Methodology	5
Management Schedules	5
Local Content	10
Total	100

5.3.3 Design and Construction of Waterfront Infrastructure Access for Proposal Naqambie Floating Water Park (cont.)

ISSUES, OPTIONS AND DISCUSSION

Evaluation Moderation Process

The purpose of the moderation meeting was to discuss and moderate scoring discrepancies larger than three points and to raise any concerns and/or queries that may need to be put to the tenderers prior to recommending the preferred Tenderer.

The Tender Evaluation Panel individually reviewed all tender submissions in detail and assessed tenderers submitted schedules and attachments against the evaluation criteria.

The Moderator (Revenue Administration Officer) averaged the scores and highlighted scoring discrepancies larger than three (3) points. On Wednesday 16 June 2021 the Panel members and the Moderator met for the tender moderation meeting.

Panel Assessment Summary

One of the overarching governance principles in section 9 of the Local Government Act 2020 is that Priority is to be given to achieving the best outcomes for the municipal community, including future generations.

The second tenderer did not include many of the requested documents, they did not complete Management Schedule in particular, no insurances were provided, and their work program lacked key details. Having not met the minimal requirement of tender, the evaluation panel deemed their submission non-conforming.

At the completion of the tender evaluation process, Duratec Australia Limited being the only conforming tender and having performed well in all key areas of evaluation became the preferred tenderer. While Duratec did not offer the lowest price at tender, their submission being the only conforming tender enabled giving them the highest score available on pricing of 60%. They also received a good qualitative score of 23.86%, thereby achieving a total score of 83.86%. The Tender Evaluation Panel was therefore satisfied that their tender represents the best value outcome for Council. Duratec Australia Ltd are based in Melbourne and well known in water infrastructure. They have demonstrated capability to complete Works in the tender with minimal supervision based on their submitted documents. They have credible references which are consistent with their declared project history.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the Local Government Act 2020 is that the municipal community is to be engaged in strategic planning and strategic decision making.

The matter under consideration does not require further community consultation as it forms part of the infrastructure required to complete the Floating Water Park. Following consultation with the community, this project was identified as a priority project in 2019.

5.3.3 Design and Construction of Waterfront Infrastructure Access for Proposal Naqambie Floating Water Park (cont.)

Risk Management

Project Risks Assessment has been undertaken on project with adequate mitigation plans in place. Risk Register has been prepared and would be maintained to manage emerging risks in the course of project execution.

POLICY CONSIDERATIONS

Council Plans and Policies

The author of this report considers that the report is consistent with Council Policies, key strategic documents and the Council Plan.

This report is consistent with the Strathbogie Shire Council Procurement Policy.

The *Council Plan 2015-25* is relevant with the following strategic focus area 2:

Live. Access. Connect

Our Community's goals

- We all have access to important services

Our Strategies to achieve these goals

- We have strategies and long-term capital budgets in place to ensure we work towards all our facilities and buildings being accessible by people of all abilities.

Asset Management Policy

- Asset renewal – is the upgrading or replacement of an existing Asset, or a component, that restores the service capability of the Asset to its original functional condition and performance.

Asset Management Strategy

- Ensure the Shires infrastructure enhances efficiency for people and freight movement, service delivery and community amenities.

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

The recommendation has no legal or statutory implications which require the consideration of Council.

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

5.3.3 Design and Construction of Waterfront Infrastructure Access for Proposal Nagambie Floating Water Park (cont.)

It is considered by the author of this report that all steps have been taken in line with Council's Procurement Policy which ensures transparency in the process.

Decisions made by Council will be: -

- undertaken in accordance with the Act and the Governance Rules;
- will be conducted in an open and transparent forum with information available via Council reports,

Council meetings will be open to the community or can be viewed on the livestream (and available as a recording) unless closed for reasons permitted by s.66(2) of the Act.

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

The budget allocated for Lake Nagambie Floating Water Park Development for the current Financial Year is \$125,000. The recommended tender price of \$190,994.89 is more than the budget. The balance required will be offset from savings on other Capital Works which currently have excess budgets.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Economic

It is anticipated that the proposed Floating Water Park will provide a further boost to economic development with this addition of a new water based tourist activity to our region and providing local cafes and businesses with greater visitation and tourism expenditure.

Social

It is anticipated that the proposed Floating Water Park development at Lake Nagambie would promote recreational activities, stimulate outdoor gathering thereby enhancing social connections among the locals and tourists alike. This would in turn promote healthy living in the community. Complimenting the land based splash park specifically targeting younger children, the Floating Park would add a water based play experience for older children and adults.

Environmental

The proposed development will not involve significant ground disturbance and has no cultural heritage or environmental implications.

Climate change

No native vegetation removal is required to complete the proposed development.

5.3.3 Design and Construction of Waterfront Infrastructure Access for Proposal Nagambie Floating Water Park (cont.)

HUMAN RIGHTS CONSIDERATIONS

The recommendation does not limit any human rights under the Victorian Charter of Human Rights and Responsibilities Act 2006.

CONCLUSION

Council invited tenders for Contract No 20/21-69 - Design & Construction of Waterfront Infrastructure Access for Proposed Lake Nagambie Floating Water Park. The submitted tenders were sought and evaluated strictly in accordance with the Council's Procurement Policy and against the provided brief and specifications. It is proposed that Council endorses the recommended contract for the design and construction work at the proposed location at Lake Nagambie.

ATTACHMENTS

Nil

APPENDICES

Appendix 3: Tender Evaluation for Contract No. 20/21-69: Design & Construction of Waterfront Infrastructure Access for Proposed Nagambie Floating Water Park -
CONFIDENTIAL

6. CONFIDENTIAL BUSINESS

Nil

Confidential Appendices

These appendices have been classified as being confidential in accordance with section 66(2)(a) and Part 1, section 3 of the Local Government Act 2020 as they relate to:

- (g) *private commercial information, being information provided by a business, commercial or financial undertaking that—*
 - (ii) *if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage*

- Appendix 1: Tender for Contract No. 21/22-12: Construction of Nagambie Lake Foreshore Pathway
- Appendix 2: Lake Nagambie Floating Water Park Development
- Appendix 3: Tender for Contract No. 20/21-69: Design and Construction of Waterfront Infrastructure Access for Proposed Nagambie Floating Water Park

THERE BEING NO FURTHER BUSINESS, THE MEETING CLOSED AT P.M.