

ITEM 4

**TENDER T20/02 - DEMOLITION OF FORMER MATERIALS RECYCLING FACILITY (MRF) BUILDING AT WHYTES GULLY WASTE AND RESOURCE RECOVERY PARK, KEMBLA GRANGE**

This report recommends acceptance of a tender for Demolition of the former Materials Recycling Facility (MRF) building at Whytes Gully Waste and Resource Recovery Park (WWARRP), Kemplab Grange in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

Tenders were sought from experienced Contractors for the demolition of the steel truss and steel clad former MRF building at WWARRP, 115 Reddalls Road, Kemplab Grange.

### RECOMMENDATION

- 1 In accordance with clause 178(1)(a) of the Local Government (General) Regulation 2005, Council accept the tender of Liberty Industrial Pty Ltd for Demolition of the former MRF Building at Whytes Gully, in the sum of \$105,497.77, excluding GST.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

### REPORT AUTHORISATIONS

Report of: Glenn Whittaker, Manager Project Delivery

Authorised by: Andrew Carfield, Director Infrastructure + Works - Connectivity Assets + Liveable City

### ATTACHMENTS

- 1 Location Plan

### BACKGROUND

From June 1994 to June 2014, the site at 115 Reddalls Road, Kemplab Grange operated as a Materials Recycling Facility (MRF) under contract T93/28 Collection and Disposal of Recyclable Materials.

Following completion of contract T93/28 the site was handed back to Council in mid-2014. Due to the type of construction of the large metal shed (light gauge C section framing) and the heavy industrial nature of the previous recycling processes, the structure was found to be in poor condition.

In 2015, Waste Services was in the early planning stages of the Community Recycling Centre (CRC) project and the infrastructure was assessed by consulting engineers as to its suitability for use as a CRC and waste transfer station. The consultant report concluded that due to the state of the buildings a targeted program of rectification works would need to be undertaken to rehabilitate to an acceptable structurally safe standard. The estimated cost of the structural works was \$680,000, excluding any design, mechanical and electrical compliance works and project management costs.

In August 2018 a storm with winds in excess of 100 km/h caused a section of the roof of the north-west annexe to partially collapse. Safe Work NSW visited the site and issued several Improvement Notices to make the site safe including temporary rectification works. These works have been undertaken and the Improvement Notices were complied with.

The decision to remove the metal structure has been made based on the following:

- Cost of remediation with no dedicated future use
- Long-term safety of the structure given the damage which occurred in 2018

- Ability to retain the existing amenities building which is currently utilised by Whytes Gully operational staff in the short to medium term
- The ability to retain a hard stand area which provides flexibility for future uses including a weighbridge facility.

The former MRF site is considered to have high strategic value to Council's Waste Services function. The site has suitable zoning and is in close proximity to the Whytes Gully landfill site and the existing waste transfer station owned by Council.

Tenders were invited for this project by the open tender method with a close of tenders of 10.00 am on 31 March 2020.

Nine (9) tenders were received by the close of tenders. Two (2) tender/s were received after the closing time. These tenders were deemed late tenders and were given no further consideration. The remaining tenders have been scrutinised and assessed by a Tender Assessment Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representatives of the Project Delivery, Open Space and Environmental Services and Governance and Customer Service Divisions.

The Tender Assessment Panel assessed all tenders in accordance with the following assessment criteria and weightings as set out in the formal tender documents:

#### **Mandatory Criteria**

- 1 Satisfactory references from referees for previous projects of similar size and scope
- 2 Financial assessment acceptable to Council which demonstrates the tenderer's financial capacity to undertake the works
- 3 Certified Work Health and Safety Management System
- 4 Attendance at the Site Inspection
- 5 Hold a Current and Suitable Demolition Licence

#### **Assessable Criteria**

- 1 Cost to Council – 40%
- 2 Appreciation of Scope of works and construction methodology – 15%
- 3 Experience and satisfactory performance in undertaking projects of similar size, scope and risk profile – 10%
- 4 Staff qualifications and experience – 10%
- 5 Proposed sub-contractors – 5%
- 6 Project schedule – 10%
- 7 Demonstrated strengthening of local economic capacity – 5%
- 8 Environmental Management Policy and Procedures – 5%

The mandatory assessment criteria have been met by the recommended tenderer.

The Tender Assessment Panel utilised a weighted scoring method for the assessment of tenders which allocates a numerical score out of 5 in relation to the level of compliance offered by the tenders to each of the assessment criteria as specified in the tender documentation. The method then takes into account pre-determined weightings for each of the assessment criteria which provides for a total score out of 5 to be calculated for each tender. The tender with the highest total score is considered to be the tender that best meets the requirements of the tender documentation in providing best value to Council. Table 1 below summarises the results of the tender assessment and the ranking of tenders.

TABLE 1 – SUMMARY OF TENDER ASSESSMENT

Name of Tenderer	Ranking
Liberty Industrial Pty Ltd	1
Beasy Pty Ltd	2
Synergy Resource Management Pty Ltd	3
Affective Services Australia Pty Ltd	4
JBG Contractors (NSW)	5
RMA Group	6
Donnelley Civil Pty Ltd	Non-Conforming
Wollongong City Excavation and Demolition	Non-Conforming
Civil Connect Group Pty Ltd	Non-Conforming

## PROPOSAL

Council should authorise the engagement of Liberty Industrial Pty Ltd to carry out the Demolition of the former MRF Building at Whytes Gully in accordance with the scope of works and technical specifications developed for the project.

The recommended tenderer has satisfied the Tender Assessment Panel that it is capable of undertaking the works to Council's standards and in accordance with the technical specification.

Referees nominated by the recommended tenderer have been contacted by the Tender Assessment Panel and expressed satisfaction with the standard of work and methods of operation undertaken on their behalf.

## CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Assessment Panel
- 2 Nominated Referees

## PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal 5 "We have a healthy community in a liveable city".

It specifically delivers on core business activities as detailed in the Infrastructure Planning and Support Service Plan 2019-20.

## RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the Local Government Act 1993.

The risk of the project works is considered medium based upon Council's risk assessment matrix and appropriate risk management strategies will be implemented.

There is safety, financial and reputational risks that should be considered if Council does not demolish the former MRF Building. There are ongoing costs and risks associated with temporary rectification works that have been installed to maintain the structural integrity of the building. The site is currently not able to be fully utilised due to structural integrity issues and there are several uses in consideration by the Waste Services Team that this site may be able to accommodate to provide Council with best return on asset once the structure has been demolished, leaving a clear and unobstructed hardstand area.

## SUSTAINABILITY IMPLICATIONS

Economic sustainability implications are considered relevant to the demolition of the MRF building in order to provide a clear and unobstructed suitable site for future uses. It gives Council the ability to develop the site for future internal use or lease to an external operator, depending on the final utilisation decided for the site.

The proposal submitted by the tenderer includes provisions for recycling of all metal and concrete demolition materials generated by this project.

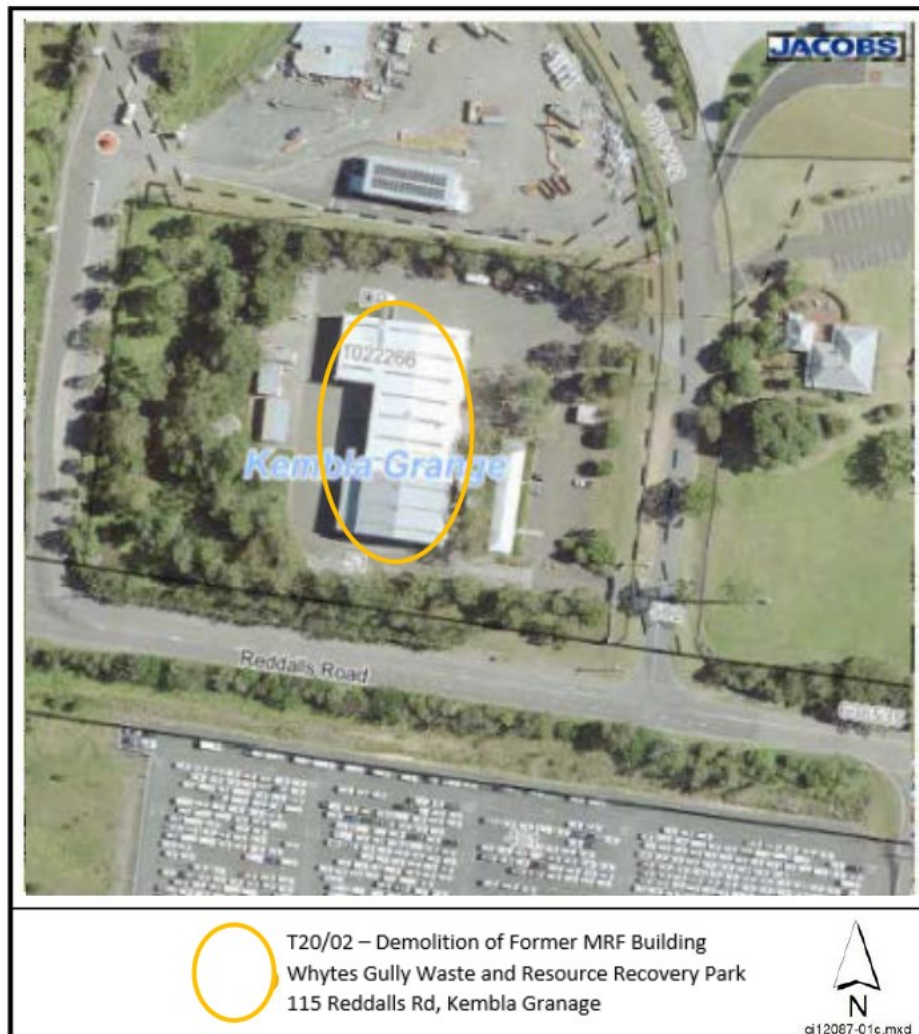
## FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Annual Plan –

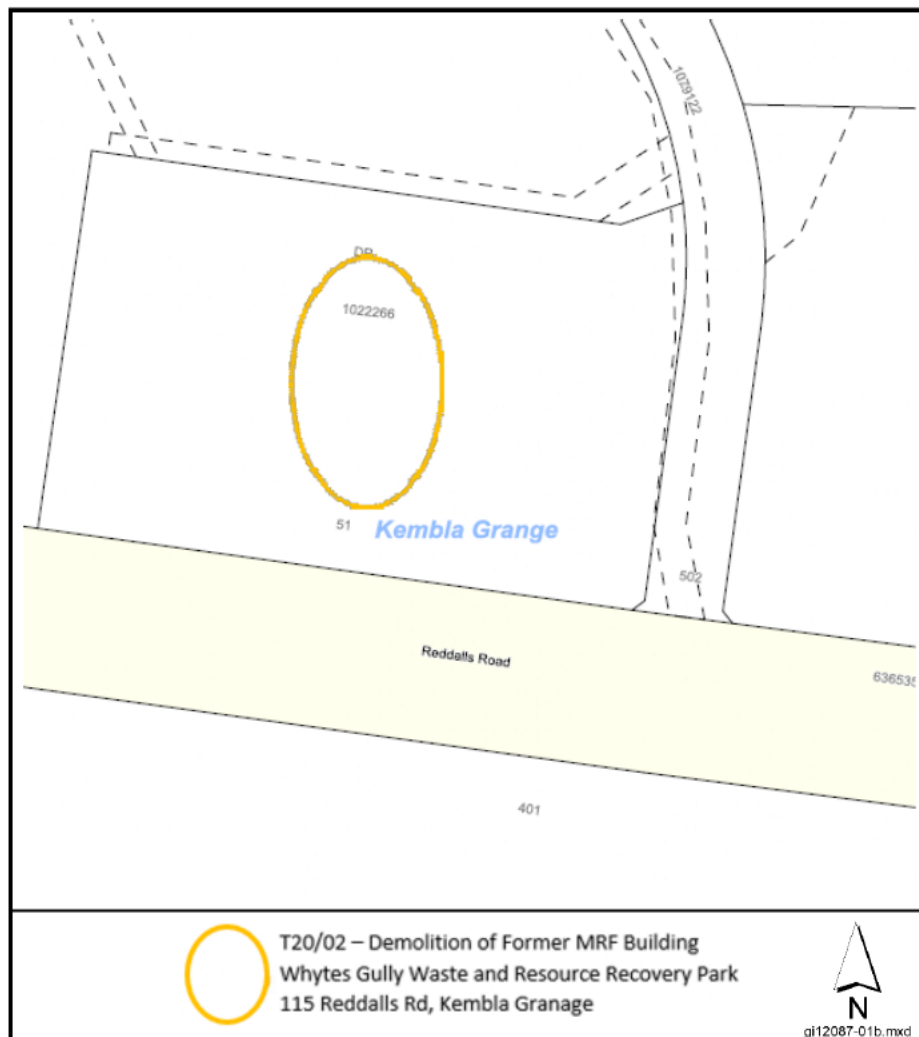
2019/20 Capital Budget

## CONCLUSION

Liberty Industrial Pty Ltd has submitted an acceptable tender for these works and Council should endorse the recommendations of this report.



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