

CONTRACT NO. 2928 – SEWAGE PUMPING STATION RENEWAL PACKAGE 3 (CONSTRUCTION ONLY) – SPS W2 (600075), SPS T9 (600078), SPS ED4 (600112).

CIA 63/56/77 | #7908623

RECOMMENDATION:

That Council:

- 1. Awards Contract No. 2928– Sewage Pumping Station Renewal Package 3 – SPS W2 (600075), ED4 (600112), SPS T9 (600078), to Koppen Construction Pty Ltd for a Lump Sum price of \$5,281,704 excluding GST.**
- 2. Approves the Project Launch Approval for 600075-Sewage Pumping Station W2 Renewal with a Project Launch Budget (PLB) of \$2,531,853 and an Approved End Date (AED) of 30 September 2027.**
- 3. Approves the Project Launch Approval for 600078-Sewerage Pumping Station T9 Renewal with a Project Launch Budget (PLB) of \$2,623,398 and an Approved End Date (AED) of 28 February 2027.**
- 4. Approves the Project Launch Approval for 600112-SPS ED4 Electrical, and Mechanical Upgrade with a Project Launch Budget (PLB) of \$2,112,858 and an Approved End Date (AED) of 20 December 2028.**
- 5. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into a contract, negotiate, finalise and execute any and all matters associated with or in relation to this contract subject to Council’s normal procurement policies and practices.**

INTERESTED PARTIES:

- Koppen Construction Pty Ltd.
- Northern Civil Earthworks Pty Ltd.
- Utilstra Pty Ltd.

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

EXECUTIVE SUMMARY:

As part of Council’s Capital Works Program, Cairns Regional Council (Council) has undertaken a procurement activity to engage a suitably qualified contractor to undertake renewal works at Sewage Pumping Station W2 (SPS W2), Sewage Pumping Station T9 (SPS T9) and Sewage Pumping Station ED4 (SPS ED4).

A public tender process was undertaken via Tenderlink, with the Request for Tender (RFT) issued on 29 January 2026. At close of the tender period, three (3) tender submissions were received and subsequently evaluated.

Based on the evaluation undertaken, it is recommended that Contract No. 2928– Sewage Pumping Station Renewal Package 3 – SPS W2 (600075), SPS T9 (600078), SPS ED4 (600112) is awarded to Koppen Construction Pty Ltd for a Lump Sum price of \$5,281,704.00 excluding GST and Project Launch Approvals (PLAs) are endorsed for the total PLB value of \$7,268,110 for the following projects:

- 600075 - Sewage Pumping Station W2 Renewal.
- 600078 - Sewerage Pumping Station T9 Renewal.
- 600112 – Sewage Pumping Station ED4 Electrical and Mechanical Upgrade.

BACKGROUND:

This project will deliver a construction contract for the upgrade and remediation of sewage pumping stations and associated rising main pipework to address condition, safety and operational issues at the following locations:

- Sewage Pumping Station W2 Renewal, Bruce Hwy, Woree.
- Sewage Pumping Station T9 Renewal, Canon Street, Manunda.
- Sewage Pumping Station ED4 Renewal, Templar Crescent, Bentley Park.

The proposed remediation works have been identified through a review of recent Condition Assessment reports, Strategic Plans, Workplace Health and Safety Register, Asset Renewal Registers, FMECA Risk Assessment for Single Pump Stations and through stakeholder engagement to determine operational and safety issues.

The objective of the remediation works is to extend the remaining useful life of the assets, reduce the risk of escalating maintenance costs and reduce the risk of environmental incidents due to asset failure.

With a limited number of large-scale contractors available locally to undertake the works, the tender was released as a multi-site contract incorporating the three (3) pump station assets as separable portions. This strategy was adopted to provide Council with greater procurement flexibility, enabling the award of individual separable portions to suitably qualified smaller-scale contractors where appropriate, or the award of multiple portions to a single contractor where this represented the best value outcome.

The procurement approach was also designed to encourage broader market participation, particularly from local and emerging contractors that may not have the resources, capacity or financial capability to deliver the full contract scope. By structuring the works into separable portions, Council created opportunities for contractors to tender for smaller packages of work that align with their capacity and capability.

This approach supports Council's objective of developing local industry capability, fostering competition, diversifying the supplier market and strengthening the long-term capacity of the regional contracting sector to deliver water and wastewater infrastructure

projects. In doing so, it enables local contractors to gain experience in delivering critical infrastructure works, build technical expertise, establish a proven performance record and progressively position themselves to compete for larger and more complex projects in the future.

The works associated with each of the separable portions and the delivery program are outlined in the Table below.

Separable Portion:	Project Description	Delivery program
Separable Portion 1	600078 - Sewerage Pumping Station T9 Renewal	July 2026 to September 2027
Separable Portion 2	600075 - Sewage Pumping Station W2 Renewal	January 2027 to February 2028
Separable Portion 3	600112 - SPS ED4 Electrical and Mechanical Upgrade	November 2027 to December 2028

Key milestones and timelines for each Separable Portion are shown below.

Separable Portion 1 - 600078 - Sewerage Pumping Station T9 Renewal.

Award	Procurement	Pre-Construction	Construction - Civil	Bypass	Refurbishment Works	Commissioning	Completion
Jul 2026	Aug 2026	Nov 2026	Jan 2027	Mar 2027	Apr 2027	Jul 2027	Sep 2027

Separable Portion 2 - 600075 - Sewage Pumping Station W2 Renewal.

Award	Procurement	Pre-Construction	Construction - Civil	Bypass	Refurbishment Works	Commissioning	Completion
Jan 2027	Feb 2027	Apr 2027	Jun 2027	Aug 2027	Sep 2027	Dec 2027	Feb 2028

Separable Portion 3 - 600112 - SPS ED4 Electrical and Mechanical Upgrade.

Award	Procurement	Pre-Construction	Construction - Civil	Bypass	Refurbishment Works	Commissioning	Completion
Nov 2027	Dec 2027	Feb 2028	Apr 2028	Jun 2028	Jul 2028	Oct 2028	Dec 2028

COMMENT:

A public tender based on an AS4000 Contract was advertised on Thursday 29 January 2026 and closed on Friday 20 February 2026.

This procurement approach was consistent with the approved Pre-Market PRB submission requirements and ensured the procurement methodology complies with the *Local Government Act 2009* and Council's Procurement Policy.

The extended period between the close of tenders and the progression of approvals through the PRB, CRB and Council reporting processes is attributed to the detailed tender evaluation undertaken.

This included requests for additional information and clarifications from all tenderers to support a detailed assessment of the submissions received.

The approval process was further extended by the need to identify and confirm suitable budget reallocations to address the contract funding shortfall. This required a detailed review of the capital works program, consultation with key stakeholders, and assessment of potential source projects to ensure budget transfers could be accommodated without adversely affecting project scope, delivery timeframes, or intended outcomes.

During the Tender Period, 58 downloads were recorded.

At the close of the tender period, submissions were received from the following companies:

- Koppen Construction Pty Ltd (**Koppen**).
- Northern Civil Earthworks Pty Ltd (**Northern Civil**).
- Utilstra Pty Ltd (**Utilstra**).

All respondents submitted pricing for all separable portions.

After an initial review of the submissions, post tender closing clarifications (PTCC) were issued to tenderers seeking clarification on various issues. Responses to PTCC's subsequently addressed all matters raised.

All tender submissions were then evaluated based on each company's demonstrated strengths and weaknesses for each criterion, based on the information provided. Scoring for each criterion was differentiated by the level of detail supplied by each Tenderer.

Each submission was evaluated against the following assessment criteria as endorsed in the approved Pre-Market PRB submission.

Evaluation Criteria	Weighting
Contractor's relevant experience and resources	15%
Key personnel skills and qualifications	10%
Management systems	10%
Methodology and understanding	20%
Business profile (local, social and sustainability)	5%
Price/value for money	40%

The tender evaluation panel consisted of the following members, as endorsed in the approved Pre-Market PRB submission.

Tender Evaluation Panel Members	
Panel member	Position
Panel Member 1 / Chair	Coordinator Program Delivery, Project Management Office, CIA
Panel Member 2	Senior Project Engineer / Project Manager, Project Management Office, CIA
Panel Member 3	Team Leader, Wastewater Services

In evaluating the tender submissions and selecting the successful Tenderer, the evaluation panel had regard to sound contracting principles in accordance with section 104 of the *Local Government Act 2009 (Qld)*.

The evaluation identified:

- The Koppen submission has been assessed as conforming and adequately addresses the project requirements with minimal risk to Council regarding cost, scope and program.
- The Koppen submission was comprehensive and well structured, addressing all requirements of the RFT in detail, and was the most competitively priced.
- The tender demonstrates strong organisational capacity and capability to deliver the works, including a clearly defined project team and support structure, resourcing plan, and relevant experience in similar sewage pumping station and civil infrastructure projects.
- The submission provides sound evidence of successful past performance, including examples of successfully delivered projects of comparable scope and complexity, demonstrating an understanding of operational, safety, and stakeholder constraints.
- Financial capacity is well demonstrated through the provision of financial information and supporting documentation, indicating that the contractor has the resources and stability to undertake the contract.
- The submitted program is compliant with RFT requirements.
- The submission includes a well-developed methodology, demonstrating a clear understanding of the project scope, staging, and site constraints. Key risks have been identified, with appropriate mitigation measures and risk management processes in place to ensure risks are effectively controlled and minimised.
- Koppen has nominated a project team with relevant experience and skills suited to the project, developed through previous engagements with Council on similar projects.
- Koppen was ranked first overall and was assessed as providing the best value for money outcome.

On 2 July 2026 Council's Procurement Review Board endorsed the procurement approach undertaken for these works.

On 2 July 2026, Council's Capital Review Board approved the submission seeking endorsement of the proposed budget arrangements for this contract. The submission included budget adjustments to the projects tabled below to address a total funding shortfall for this project of \$1,317,257, with \$554,911 occurring in 2027/28 and \$762,346 occurring in 2028/29.

Given the critical nature of the remediation works, reducing or de-scoping the contract to align with existing budget allocations is not recommended. Instead, the additional funding requirement has been accommodated through budget reallocations from projects within the same financial years in which the shortfalls occur.

This approach ensures overall financial balance across the capital program while avoiding any impact on the delivery of the projects from which funding has been sourced.

Budget adjustments resulting from a detailed review of projects progressing through design development, and therefore now holding greater budget certainty, are described further under Council Finance and the Local Economy below.

Based on the evaluation undertaken and approvals provided through Council's PRB and CRB panels, it is recommended that Contract No. 2928– Sewage Pump Station Renewal Package 3 – SPS W2 (600075), SPS T9 (600078), SPS ED4 (600112) is awarded to Koppen Construction Pty Ltd for a Lump Sum price of \$5,281,704.00 excluding GST.

OPTIONS:

Option 1: (Recommended)

It is recommended that Council:

1. Awards Contract No. 2928– Sewage Pump Station Renewal Package 3 – SPS W2 (600075), SPS T9 (600078) and SPS ED4 (600112) to Koppen Construction Pty Ltd for a Lump Sum price of \$5,281,704 excluding GST.
2. Approves the Project Launch Approval for 600075-Sewage Pumping Station W2 Renewal with a Project Launch Budget (PLB) of \$2,531,853 and an Approved End Date (AED) of 30 September 2027.
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Option 2:

That Council does not endorse the award of Contract No. 2928 and resolves to adopt an alternative procurement methodology to complete the works.

This option is not supported on the basis that the construction works have been procured in accordance with Council's approved procurement process through an agreed tender process, using the adopted detailed design prepared by AECOM to identify a preferred tenderer who will deliver the best outcome for Council.

Any departure from this approach could delay the delivery of the renewal works and may expose Council to ongoing operational, environmental and emergency repair risks. It may also require Council to restart the procurement process, resulting in additional time, cost and uncertainty without providing a clear additional benefit to the project.

CONSIDERATIONS:

Risk Management:

The project has been progressed through the detailed design and open tender process to reduce delivery risk and ensure the works are undertaken by a suitably qualified principal contractor. The proposed award of Contract No. 2928 to Koppen will place responsibility on the contractor to deliver the construction works in accordance with the design prepared by AECOM and endorsed by Council, contract requirements, approved methodology, environmental controls, testing and commissioning requirements.

Key project risks include working within a live sewerage network, seasonal weather impacts, access limitations, environmental management requirements, existing service constraints, and the need to minimise operational impacts to sewer services. These risks are expected to be managed through the contractor's construction methodology, program, environmental management controls, safety management systems and Council's contract administration processes.

A contingency has been included in each Project Launch Budget (PLB) to manage risks identified during the planning, options assessment and design phases, as well as potential latent conditions that were not known at the time of tendering. The contingency is not included in the contract award value.

Council Finance and the Local Economy:

The total Project Launch Budget of \$7,268,110.00 excluding GST will enable the full scope of works to proceed on this project. This figure incorporates all costs associated with the project including the previous procurements completed for options assessments, concept design, design consultancies and procurement activities for Contract No. 2928.

The PLB's also covers contingency, project management fees and internal operational costs. The following Table 1 outlines the current budget position of this project.

Available Budget	Prior Year	2025/26 Forecast	2026/27 Adopted Budget	2027/28 Approved Budget	2028/29 Approved Budget	Total
600112 - SPS ED4	171,845	36,367	0	800,000	1,000,000	2,008,212
600078 - SPS T9	225,714	100,000	1,206,000	712,000	0	2,243,714
600075 - SPS W2	159,350	141,788	1,206,000	191,788	0	1,698,926
Total Budget available	556,909	278,156	2,412,000	1,703,788	1,000,000	5,950,853
Required Budget						
Contract	Included above	Included above	2,018,316	1,816,454	1,446,934	-5,281,704
PM Cost	Included above	Included above	90,300	101,439	72,347	-264,086
Internal Costs	Included above	Included above	32,484	36,491	26,025	-95,000
Fuel Pricing Contingency (3%)	Not anticipated	Not anticipated	54,180	60,863	43,408	-158,451
Contingency	Included above	Included above	216,720	243,452	173,632	-633,804
PLB	556909	278156	2,412,000	2,258,699	1,762,346	7,268,110
Variance (Budget vs PLB)	0	0	0	-554,911	-762,346	-1,317,257
Contingency (included in total PLB amount)					633,804	

The contingency for each project is tabled below:

Project	Contingency
600075 - Sewage Pumping Station W2 Renewal	\$211,268
600078 - Sewerage Pumping Station T9 Renewal	\$161,268
600112 - SPS ED4 Electrical and Mechanical Upgrade	\$261,268
Total	\$633,804

There is a budget shortfall of \$554,911 in 2027/28 FY and \$762,346 in 2028/29 FY, resulting in a total budget shortfall of \$1,317,257.

The additional budget of \$1,317,257 required to address the shortfall has been approved through the Capital Review Board panel.

The additional funding requirement has been accommodated through budget reallocations from projects within the same financial years in which the shortfalls occur. This approach ensures an overall financial balance across the capital program while avoiding any material impact on the delivery of the projects from which funding has been sourced.

Budget reallocations are tabled below.

Financial Year	Project Code	Project description	Budget reallocation
2027/28	600029	Sewage Pumping Station T1 mechanical and electrical upgrade	354,911
2027/28	600063	Marlin, Northern, Southern and Edmonton Wastewater Treatment Plant sealing of penstocks	200,000
2028/29	600029	Sewage Pumping Station T1 mechanical and electrical upgrade	762,346
Total			1,317,257

The proposed budget reallocations have been carefully assessed to ensure they do not affect the approved scope, expected outcomes, or delivery schedules of the contributing projects. Accordingly, the adjustments are not expected to result in any delay, deferral, or reduction in the delivery of planned capital works.

Budget adjustments are described below.

Project 600029 - Sewage Pumping Station T1 mechanical and electrical upgrade:

A budget of \$200,000 has been transferred from Project 600029 to Contract No. 2928 in 2027/28 and a budget of \$762,346 has been transferred from Project 600029 to Contract No. 2928 in 2027/28

Sewage Pumping Station T1 (SPS T1) requires an upgrade to address asset condition deficiencies and operational constraints. The project currently holds an approved budget of \$4.5 million, with a design consultancy underway to further define the scope and delivery requirements.

The original budget estimate was developed from a concept design that assumed construction of a new pump station would be required to address operational limitations and emergency storage requirements at the site.

As a result of recent optioneering and preliminary design, the preferred solution has transitioned from construction of a new pump station to remediation and upgrade of the existing facility.

The revised scope will deliver the required operational outcomes and address identified condition issues and extend the service life of the asset while maintaining compliance

with storage requirements. Importantly, the reduction in scope does not compromise the performance, operability, or expected lifespan of the pump station.

Project 600063 - Marlin, Northern, Southern and Edmonton Wastewater Treatment Plant sealing of penstocks:

A budget of \$354,346 has been transferred from Project 600063 to Contract No. 2928 in 2027/28.

Project 600063 is an initial investigative phase of a broader remediation project for Penstock improvement works and holds a budget of \$1.7M. The project will investigate condition issues, update condition summaries, review penstock remediation strategies and assess operational constraints associated with aging penstocks in various wastewater treatment plants to verify more accurately the costs associated with replacing penstocks throughout Council's wastewater treatment plants. This project will then be used to inform budget requirements for penstock remediation in Council's 10-year capital works program.

Due to the repetitive nature of the investigative works across multiple sites, the scale of the investigative works can be reduced across some sites no overall impacts to the project outcomes to achieve the required cost savings.

Local Economy:

Koppen Construction Pty Ltd are a local Cairns company and will engage local sub-contractors to perform the contract works.

It is therefore anticipated that the award of the contract will contribute to the local economy through local engagement and local spend.

Community and Cultural Heritage:

The proposed works will ensure the continued provision of reliable sewerage services to the community within the catchment areas applicable to each of the separable portions included in the contract, supporting public health outcomes and maintaining essential wastewater infrastructure.

The project will be undertaken at existing operational sewerage infrastructure sites (brownfield locations) and is not expected to impact areas of identified cultural heritage significance. Any statutory cultural heritage obligations will continue to be managed in accordance with Council's standard project delivery and compliance processes.

Natural Environment:

Council requires the Contractor to provide and abide by their Environmental Management Plan (EMP). They are also required to ensure that all Environmental Legislative requirements are met. These works are essential to ensure that Council meets its environmental licence compliance requirements.

Corporate Plans:

The provision of these services relates to the following goals in Council's Corporate Plan 2021 to 2026:

- Natural Assets: Promoting, protecting and enhancing our iconic natural environment now and for generations to come.
- Robust Economy: Supporting a diversified and resilient economy.

Statutory:

The tender process has been conducted in accordance with legislative requirements under the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Policy:

The tender process was undertaken in accordance with Council's adopted Procurement Policy.

CONSULTATION:

Internal stakeholders have been consulted during the options assessment, design and pre-tender phases, and will continue to be consulted as the project progresses. There has been ongoing communication and engagement with Utility Services and Wastewater Operations to confirm the scope of works, operational requirements, isolation requirements, and potential impacts to sewer services.

Engagement with relevant environmental, approvals and operational stakeholders will continue to ensure the works are delivered in accordance with the approved design, environmental controls and Council requirements.

Communications will be undertaken to inform nearby stakeholders, affected property owners, and/or the wider community of real or potential impacts, access requirements, and proposed dates for the works. Procurement and contract administration support will also be provided through Council's normal internal processes during the award and delivery phases.

ATTACHMENTS:

Nil



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