

CONTRACT CRC - 3062 – AERIAL SEWER CONSTRUCTION AT GORDON CREEK - 600162

CIA 63/6/166-01 | #7867476

RECOMMENDATION:

That Council:

- 1. Awards Contract CRC - 3062 – Aerial Sewer Construction at Gordon Creek, to JR Pipelines Pty Ltd for a Lump Sum price of \$1,257,372.10 excluding GST.**
- 2. Approves the Project Launch Approval (PLA) for Project 600162 with a Project Launch Budget (PLB) of \$1,670,720 and an Approved End Date (AED) of 30 June 2027.**
- 3. 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:

- JR Pipelines Pty Ltd
- WIP QLD Pty Ltd
- GANDEN Engineers and Project Managers

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 replace the existing Sewage Pumping Station (SPS) T1 sewer rising main aerial crossing at Gordon Creek, Woree.

The rising main has significant defects including embankment erosion, exposure of the existing pipeline, instability of pipe support systems and age-related asset condition concerns. If not addressed, these defects pose a risk of rising main failure, with potential environmental contamination, regulatory breaches, service disruption and significant emergency repair costs.

A public tender process was undertaken via Tenderlink, with the Request of Tender issued on 30 January 2026 and closing on 2 March 2026. At close of the tender period, two (2) tender submissions were received and subsequently evaluated.

Based on the evaluation undertaken, it is recommended that Contract CRC - 3062 be awarded to JR Pipelines Pty Ltd for the lump sum amount of \$1,257,372 excluding GST, within the PLB of \$1,670,720 excluding GST and an AED of 30 June 2027.

BACKGROUND:

The SPS T1 sewer rising main aerial crossing at Gordon Creek, Woree has significant defects, including substantial embankment erosion exposing a large section of the existing pipeline, instability of the pipe support system and age-related deterioration of the asset.

Council previously undertook temporary stabilisation works in FY2020/21 to address bank instability and provide short-term support, thereby reducing the immediate risks associated with the site conditions. However, these temporary measures are now deteriorating and no longer represent a reliable or sustainable long-term solution.

A permanent replacement of the aerial sewer crossing is therefore required to address the embankment failure, structural risk, operational risk and environmental requirements associated with the asset.

Project activities completed in addressing the project requirements included investigation of the existing defects, assessment of available options, stakeholder consultation and development of an option assessment, concept design and detailed design.

The design components were completed by GANDEN Engineers following a procurement activity to engage an engineering specialist for these works.

The procurement activity undertaken for Contract CRC - 3026 was based on AS4000 contract conditions.

COMMENT:

A public tender was advertised on Friday 30 January 2026 and closed on Monday 2 March 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.

During the Tender Period, 35 downloads were recorded.

Tender advertisement had received significant interested through suppliers with a total of 35 downloads being recorded. Upon tender closed date, Council received two submissions identified below:

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

- WIP QLD Pty Ltd (WIP)
- JR Pipelines Pty Ltd (JR Pipelines)

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
Relevant experience	15%
Key personnel and skills	10%
Resources and management systems	10%
Understanding and methodology	15%
Business profile (local, social and sustainability)	10%
Value for money	40%

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

Evaluation Panel Members:

Evaluation Panel Members	
Panel member	Position
Panel Member 1 / Chair	Coordinator Program Delivery, Project Management Office, CIA
Panel Member 2	Project Engineer / Project Manager, Project Management Office, CIA
Panel Member 3	Project Manager, Project Management Office, CIA

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 JR Pipelines submission has been assessed as conforming and adequately addresses the project requirements with minimal risk to Council regarding cost, scope and program.
- JR Pipelines demonstrated suitable experience, adequate resources, a clear methodology and an acceptable understanding of the project requirements.

- JR Pipelines is a local supplier, therefore the award of this contract as recommended will support the local economy while delivering the required project outcomes. The contract will deliver the adopted Ganden design, including supply and installation of the new sewer rising main, pipe supports and thrust restraints, bank stabilisation, testing and commissioning and decommissioning of existing pipework and sheet piling.
- JR Pipelines has relevant experience with similar infrastructure projects and have previously successfully completed projects with Council. Their submission has confirmed that they have adequate resources and management systems. Their methodology is also clear and aligns with Councils objectives and scope of works.
- The JR Pipelines submission was also the most competitively priced and adequately addressed the project scope. The panel also assessed that the higher priced submission from WIP did not offer any advantages to the project that would warrant incurring the additional costs associated with their submission.
- JR Pipelines was ranked first overall and was assessed as providing the best value for money outcome.

On 3 April 2026 Council's Procurement Review Board endorsed the procurement approach undertaken for these works.

On 3 April 2026, Council's Capital Review Board also approved a CRB submission seeking endorsement of the budget arrangements, which included budget adjustments in the 2026/27 financial year to address the variance between the adopted budget and the required funding. The adjustments were undertaken in the 2026/27 budget build process to increase the budget available for this project and was achieved through the re-scheduling of lower priority 2026/27 project works within the 3-year capital works program. This approach allowed this project to be finalised within the required timeframe while not impacting the scope or objectives of the projects that were redistributed within the 3-year program.

Based on the evaluation undertaken, it is recommended that Contract CRC - 3062 be awarded to JR Pipelines Pty Ltd for the lump sum amount of \$1,257,372.10 excluding GST.

OPTIONS:

Option 1: (Recommended)

It is recommended that Council:

1. Awards Contract CRC - 3062 to JR Pipelines Pty Ltd for a Lump Sum price of \$1,257,372.10 excluding GST.
2. Approves the PLA for Project 600162 with a PLB of \$1,670,720 and an AED of 30 June 2027.

3. 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.

Option 2:

That Council does not endorse the award of Contract CRC - 3062 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 GANDEN 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 detailed Option Assessment and MCA assessment undertaken by GANDEN as Council's design engineer, determined the preferred outcome for the project based on cost, constructability, operational, environmental, risk and maintainability considerations. This assessment identified the Aerial Sewer Crossing as the preferred solution and guided the development of the concept design and detailed design for the replacement of the existing SPS T1 sewer rising main aerial crossing at Gordon Creek, Woree.

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 3062 to JR Pipelines Pty Ltd will place responsibility on the contractor to deliver the construction works in accordance with the adopted GANDEN design, contract requirements, approved methodology, environmental controls, testing and commissioning requirements.

Key project risks include works within a creek environment, 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 the 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 allowance is included in the Project Launch Budget but is not included in the contract award value.

Council Finance and the Local Economy:

Adopted Budgets for 2026/27 are tabled below.

	Prior Year	2025/26	2026/27	2028/29	Outer Year	Total
Adopted Budget*	111,348	662,599	1,139,590	0	0	1,913,537
PLB (Project Launch Budget / FAC)	111,348	43,620	1,515,752	0	0	1,670,720
Variance (Budget vs PLB)	0	618,979	-376,162	0	0	242,817
Contingency (included in total PLB amount)						226,500

It is therefore anticipated there will be sufficient budget to cover the costs of the project.

For noting, the contingency for construction works has been increased to 15% to account for risks associated with working in a water way. A separate contingency of 3% has also been included to account for uncertainty in fuel pricing and availability.

Local Economy:

JR Pipelines 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 outcome of the project works will ensure the continued and reliable provision of sewerage services to the community in this area. This is also a brownfield site so there are no anticipated Cultural Heritage issues to be addressed.

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.

GANDEN has provided technical input through the options assessment, concept design and detailed design phases and will continue to provide technical support during the construction phase where required. 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.

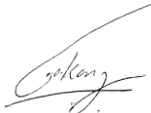
Communications will be undertaken to inform nearby stakeholders, affected property owners and/or the wider community of real or potential impacts, access requirements and proposed dates for the works. Procurement and contract administration support will also be provided through Council's normal internal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

ATTACHMENTS:

Nil



Naomi Douglas
Executive Manager Project Management Office



Gagan Kang
Associate Director Engineering Services



Mark Wuth
Director Cairns Infrastructure and Assets