

ORDINARY MEETING 30 SEPTEMBER 2026	5.9
---	------------

CONTRACT 3084 – ANNUAL REGIONAL SEWER RELINING PROGRAM

CIA | 50/9/99 | # 7941061

RECOMMENDATION:

That Council:

- 1. Awards Contract 3084 – 2026/27 Sewer Relining Program to Relining Solutions Pty Ltd for the estimated value of \$1,775,332.62 excluding GST**
- 2. Approves the Project Launch Approval for 601385 2026/27 Sewer Relining Program with a Project Launch Budget (PLB) of \$2.5M 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 contracts, negotiate, finalise and execute any and all matters associated with or in relation to this project and contract subject to Council's procurement practices and policies.**

INTERESTED PARTIES:

- Interflow Pty Ltd
- Relining Solutions 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:

Council undertakes annual in-situ sewer relining works in order to maintain the sewer reticulation network. As our neighbouring councils undertake similar works, the Far North Queensland Regional Organisation of Councils (FNQROC) invited tenders on behalf of council for the 2026/27 Regional Sewer Relining Program under a collective procurement arrangement, with each council forming an individual contract with the selected contractor.

The tender above formed two work packages. These being:

Package 1 – Sewer Relining

Package 2 – Manhole Condition Assessment and Manhole Refurbishment

The works that are subject to this recommendation form Package 1: Sewer relining works.

In the same request for tender, FNQROC also sought tenders for Package 2 – Sewer and Manhole Condition Assessments for some councils. Cairns Regional Council did not elect to participate in works package 2 and this does not form part of the recommendation of this report.

Two (2) conforming submissions were received for both Packages 1 and 2 which were evaluated by the Project Steering Committee which included officers from FNQROC and each of the participating Councils.

As an outcome of the evaluation process, Relining Solutions is recommended for Package 1 as they provided a highly competitive submission, have the required capability, and have previously provided a good service to Cairns Regional Council and other councils in the region.

BACKGROUND:

This program of works aims to ensure the structural integrity of the sewer mains by protective relining of the sewer system. This extends the life of the asset and can also result in a substantial reduction in flow to the sewage treatment facilities and overall energy reduction, especially during the wet season or rain events, due to relining reducing infiltration in the lines.

Collective procurement arrangements established by the Far North Queensland Regional Organisation of Councils enable the participating member councils to achieve economies of scale in pricing and eliminates the risk of individual councils competing against each other for limited supplier resources. The collective arrangement also includes the provision of performance bonds to ensure the works are completed within the agreed timeframes.

FNQROC invited tenders for the 2026/27 regional sewer relining program on behalf of the following member Councils:

- Cairns Regional Council
- Cassowary Coast Regional Council
- Tablelands Regional Council

The tender also included a separate package of works for Sewer and Manhole Condition Assessments required by Douglas Shire Council and Tablelands Regional Council which does not form part of the recommendations of this report.

The request for tender was advertised on Vendor Panel on 19 June 2026 and the tender period closed on 13 July 2026.

COMMENT:

Submissions were received from the following companies for Package 1:

- **Interflow**
- **Relining Solutions**

The submissions were evaluated against the following criteria and weightings by the Evaluation Panel made up of a representative from each participating council:

- Key personnel and equipment – 10%
- Understanding and methodology – 15%
- Resources and Management Systems – 15%
- Local Business profile – 10%
- Relevant Experience and past performance – 10%
- Value for money – 40%

Package 1

Relining Solutions submission was evaluated against all the selection criteria, of which on an overall weighted average basis, provided the highest overall scored submission. Relining Solutions is the only completely Local supplier and have engaged with FNQROC Councils in previous years dating back to FNQ019 20/21 Sewer Relining.

In this time, their work under contract has been highly regarded and has been responsive and proactive at resolving issues.

On the above basis, the Relining Solutions submission is the recommended tenderer for all councils.

There is potential for the scope to be varied to include the 2027/28 and 2028/29 programs at council's discretion. Award of any works in 2027/28 and 2028/29 would be subject to the contractor's performance in the preceding years, assessment of any cost escalations, and Council approval at the time.

OPTIONS:

Option 1

That Council:

1. Awards Contract 3084 – 2026/27 Sewer Relining Program to Relining Solutions Pty Ltd for the estimated value of \$1,775,332.62 excluding GST.
2. Approves the Project Launch Approval for 601385 2026/27 Sewer Relining Program with a Project Launch Budget (PLB) of \$2.5M 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 contracts, negotiate, finalise and execute any and all matters associated with or in relation to this project and contract subject to Council's procurement practices and policies.

Option 2

That Council Does not award the 2026/27 Sewer Relining Program to Relining Solutions but resolves to seek other options.

CONSIDERATIONS:

Risk Management:

Description of Risk	Impact of Risk	Proposed Solution
Wet weather or other delays	Delayed completion	AED includes time contingency. FNQROC contract includes performance bonds.
Poor workmanship due to contractor's cost constraints	Poor quality	Allowance for close supervision. FNQROC has engaged an experienced program coordinator that can assist if required. The contract includes provision for retention monies to cover any defects.
Latent conditions may become evident once lines have been surveyed and cleaned prior to relining.	Additional works may impact delivery time and cost	FNQROC program coordinator can work with the contractor and councils to mitigate impact

Council Finance and the Local Economy:

It is noted that generally, FNQROC councils try to engage local suppliers and contractors provided it is the value for money option. The total Project Launch Budget of \$2,500,000 excluding GST will enable the full scope of works to proceed on this project. 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.

Budget Summary	2026/27
Adopted Budget	\$2,500,000
PLB (Project Launch Budget / FAC)	\$2,500,000
Variance (Budget vs PLB)	-
Contingency (included in total PLB amount)	\$100,000

Project Breakdown:

Cost Estimate Breakdown for all project works:	
Project development	\$6,000
Contractor's costs (including provision for Traffic Control)	\$1,775,332.62
Internal Costs (Wastewater Operations & Cairns Works access works)	\$518,667.38
Project management and administrations costs (incl. FNQROC)	\$100,000
Project contingency	\$100,000
TOTAL	\$2,500,000

There is sufficient budget in the 2026/27 capital works program for the completion of works under project 601385.

The contract value is \$1,775,332.62 excluding GST.

Community and Cultural Heritage:

The project will benefit the local community by providing improved wastewater infrastructure.

Natural Environment:

Council requires Contractors to demonstrate awareness and commitment to the Environmental Management System.

Corporate and Operational Plans:

The project aligns with the corporate and operational plans strategy on investment in community infrastructure and services in providing renewed assets to service the community.

Statutory:

All relevant statutory requirements have been satisfied.

CONSULTATION:

Affected residents and business will be consulted prior, and during, the relining works.



Martin Perkowicz
Executive Manager Project Management Office



Gagan Kang
Associate Director, Engineering Services - Cairns Infrastructure and Assets



Mark Wuth
Director Cairns Infrastructure & Assets