ORDINARY MEETING 28 OCTOBER 2026	5.14

PROJECT LAUNCH APPROVAL – 601131 - CONTRACT 3085 – ANNUAL MANHOLE REHABILITATION PROGRAM

CIA | 50/9/100-01 | # 7960286

RECOMMENDATION:

That Council:

1. **Approves the award of Contract 3085 – Annual Manhole Rehabilitation Program to FITT Resources Pty Ltd for the estimated value of $485,508.10 excluding GST, with the option for two available extensions of 12 months each, at Council's sole discretion;**

2. **Endorses the Project Launch Approval (PLA) for Project 601131 Annual Manhole Rehabilitation Program with a Project Launch Budget (PLB) of $575,687 in FY26/27 and an Approved End Date (AED) of 30 June 2027; and**

3. **Delegates authority to the CEO in accordance with the *Local Government Act* to finalise and negotiate any and all matters relating to this project and contract subject to normal procurement practices and policies.**

INTERESTED PARTIES:

FITT Resources 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 its ongoing maintenance and rehabilitation of the sewer reticulation network, the Operations Infiltration and Inflow Team (I&I Team) undertake physical inspections and assessments of sewer manholes and sewer lines. The I&I Team survey approximately 40,000 to 50,000 metres of Council's sewer network annually. The inspections and assessments inform the provisional scope and nature of the rehabilitation works for future annual program/s to be tendered to the market.

The manhole rehabilitation program involves inspecting manholes for structural degradation and actual or potential gas-attack damage, then applying a protective coating where needed to extend their service life. Refurbishment of identified aging and poor condition manholes are required to maintain the customer service standards and maintain the life of the asset to optimise its performance.

Contracts are issued externally for the rehabilitation works due to the specialised nature of the works. Contract 3085 was therefore advertised to the open market via Tenderlink in April 2026. At close of tender, one tender was received and assessed by the evaluation panel.

On the basis of the evaluation undertaken herein, the recommendation is to award Contract 3085 – Annual Manhole Rehabilitation Program to FITT Resources Pty Ltd for the estimated value of $485,508.10 (ex GST) based on their tendered schedule of rates, for Year 1 of the contract; and that Council approves the PLA for Project 601131 as listed in the PLA report with an AED of 30 June 2027 and a PLB of $575,687.

BACKGROUND:

Although the type of work is known, its exact scope cannot be quantified sufficiently to obtain a fixed lump-sum tender. A schedule of rates contract is therefore appropriate, under which the contractor performs the work at fixed unit rates and is paid for the quantities actually completed.

The contract for the rehabilitation works will be awarded on the basis of a one-year term with a provision to extend the contract for a further two-year term, solely at Council's discretion based on the contractor's performance. The program of works for 2026/27 will consist of the rehabilitation of approximately 46 identified manholes.

The program of works for the subsequent years (FY2027/28 and FY2028/29) will be determined by Council on an annual basis and confirmed as part of the contract renewal process.

The contract works shall generally include the following:

- Customer engagement including customer notification and maintaining customer contact logs;
- Provision and implementation of Safety, Quality, Environmental, and Traffic Management Plans;
- Control and diversion of sewage flows;
- Cleaning and removing all foreign matter and roots from manholes;
- Remediation of manholes in accordance with the scope identified in Council's I&I remediation works report;
- Testing and inspection works; and
- Provision of Condition Assessment Reports.

COMMENT:

At the close of the public tender process, Council received a submission from the following company - FITT Resources Pty Ltd (FITT).

The submission was evaluated based on a structured approach and considered the company's strengths and weaknesses for each criterion across the scope of works based on the information they provided in their submission.

The evaluation panel assessed the FITT submission to be sound and provided little risk to Council if they were awarded the contract. FITT were the incumbents for the previous manhole rehabilitation contract and Council Officers have confirmed that they provided a high quality of workmanship and met the technical requirements of the previous contract.

Accordingly, based on the evaluation, Contract 3085 – Annual Manhole Rehabilitation Program should be awarded to FITT Resources Pty Ltd.

OPTIONS:

Option 1: (Recommended)

It is recommended that Council:

1. Approves the award of Contract 3085 – Annual Manhole Rehabilitation Program to FITT Resources Pty Ltd for the estimated value of $485,508.10 excluding GST, with the option for two available extensions of 12 months each, at Council's sole discretion;

2. Endorses the Project Launch Approval (PLA) for Project 601131 Annual Manhole Rehabilitation Program with a Project Launch Budget (PLB) of $575,687 in FY26/27 and an Approved End Date (AED) of 30 June 2027; and

3. Delegates authority to the CEO in accordance with the *Local Government Act* to finalise and negotiate any and all matters relating to this project and contract subject to normal procurement practices and policies.

Option 2:

That Council does not approve the award of Contract 3085, and the manhole rehabilitation works are not undertaken.

CONSIDERATIONS:

Risk Management:

Description of Risk	Impact of Risk	Proposed Solution
Wet weather or other delays	Delayed completion	AED includes time contingency. Contract includes provision for delay as a result of wet weather.
Poor workmanship due to contractor's cost constraints	Poor quality	Allowance for close supervision against a contracted specification and finish of works. Council has engaged an experienced project manager to oversee construction. The contract includes provision for retention monies to cover any defects.

Latent conditions may become evident once manholes have been surveyed and cleaned prior to rehabilitation works being undertaken.	Additional works may impact delivery time and cost	Council's project manager and program coordinator to work with the contractor manage and to mitigate impact.

Council Finance and the Local Economy:
PLB of $575,687 excluding GST will enable the full scope of works to proceed on this project. The PLB includes contingency, project management fees and internal operational costs. The following Table 1 outlines the current budget position of this project.

Table 1: Budget Position

Budget Summary	Prior Year	2025/26	2026/27	2027/28	2028/29	Total
Adopted Budget		$106,500	$910,467			$1,016,967
PLB (Project Launch Budget / FAC)		$19,808	$555,879			$575,687
Variance (Budget vs PLB)		**$86,692**	**354,588**			**441,280**
Contingency (included in total PLB amount)						$15,000

Table 2 - Project Breakdown:

Cost Estimate Breakdown for Project Works	
Contract Value (THIS PROCUREMENT)	$485,508.10
Contingency	$15,000
Utility Services assistance and ongoing inspections	$56,730
Project management and administration costs	$16,448.90
Project Finalisation	$2,000
TOTAL	**$575,687**

Note: Future years project breakdowns to be analogous to the above, with project costs to be commensurately factored to total available budget.

There is sufficient budget in the 2026/27 capital works program for the completion of works in the first year under Project 601131.

The contract value is $485,508.10 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.

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

CONSULTATION:

Internal stakeholders have been consulted during the preliminary assessment and selection of manholes identified for rehabilitation. Ongoing consultation and engagement have been undertaken with Utility Services to confirm operational requirements, isolation requirements, and any potential impacts to the wastewater network.

Engagement with relevant environmental, approvals, and operational stakeholders will continue throughout the project to ensure the works are delivered in accordance with agreed standards, environmental management requirements, and Council policies and procedures.

Affected residents and businesses will be consulted both prior to and during the rehabilitation works to ensure they are informed of project activities, potential impacts, and any necessary access or operational arrangements.

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