

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: COASTAL ENGINEER
SPECIALIST COASTAL ENGINEER
MANAGER ASSETS MAINTENANCE

FROM: DIRECTOR ASSETS

FILE REF: 21/103067

DATE: 1 April 2021

**TENDER 21011: DESIGN AND CONSTRUCTION OF MARY STREET BEACH
ACCESS WAY**

Issue

To consider Tender 21011 for the Design and Construction of Mary Street, Beach Access Way.

Background

A coastal assets assessment undertaken by engineering consultants in 2015 included assessment of the City's beach access ways. The recommendations from this assessment formed the basis for the City's Beach Access Ways Upgrade Programme (PR 2672) which has resulted in the renewal/upgrade of beach access staircases in recent years at Quinns Beach and Clayton's Beach.

The coastal assets assessment identified the Mary Street Beach Access Way in Quinns Rocks as requiring maintenance/upgrade. The stairs, the stair support beams and the roof timber of the observation platform noted to be in 'extremely poor' condition. The following specific defects at the site also noted:

- A full-thickness crack to one stair stringer with instable remedial measures;
- Heavily corroded tie rods to stairs;
- Significant deterioration of gazebo roof purlins; and
- Corroded connections to the supporting beams and gazebo roof and columns.

The Mary Street Beach Access Way was recommended as the next beach access way to require upgrade/replacement as part of the City's Beach Access Ways Upgrade Programme (PR 2672).

The proposed design and construction of the Mary Street Beach Access Way will consist of a 'like for like' replacement with the same infrastructure as the existing beach access way including an observation platform, staircase and two bench seats. Existing timber materials will be replaced with lower maintenance materials including Aluminium, Fibre Reinforced Plastic, Composite Materials and/or Stainless Steel. The proposed design and construction contract will include design of the new beach access

way, demolition and removal of the existing structure, fabrication and installation of the new structure.

Detail

Tender 21011 for the Design and Construction of Mary Street Beach Access Way advertised on 23 January 2021 and closed on 23 February 2021.

Two Addendums issued provided extensions to the closing date initially to the 16 February 2021 and subsequently to the 23 February 2021.

Essential details of the proposed contract are as follows:

| Item | Detail |
|---------------------|-------------------------|
| Contract Form | Design and Construction |
| Contract Type | Lump Sum |
| Contract Duration | 16 months |
| Commencement Date | April 2021 |
| Expiry Date | July 2022 |
| Extension Permitted | No |

Tender submissions were received from the following companies:

- Environmental Industries;
- Landmark Products;
- Natural Area Consulting Management Services (NACMS);
- VHM Solutions; and
- Wagners CFT Manufacturing.

The Tender Evaluation panel comprised:

- Specialist Coastal Engineer, Assets Maintenance;
- Coastal Engineer; Assets Maintenance;
- Coordinator Assets Planning, Strategic Asset Management; and
- Occupational Safety & Health Officer, People & Culture

Probity Oversight

The City's Contracts Officer provided oversight to the tender assessment process. Tender submissions evaluated in accordance with the Procurement and Evaluation Plan (PEP) included the following selection criteria:

| Item | Description | Weighting |
|------|--|--------------------|
| * | Price (assessed under Value for Money) | Not Weighted - VFM |
| 1 | Sustainable Procurement <ul style="list-style-type: none"> • Environmental Considerations 5% • Buy Local 5% • Reconciliation Action Plan 5% • Disability Access & Inclusion 5% | 20% |
| 2 | Occupational Health and Safety* | 20% |
| 3 | Methodology* | 20% |
| 4 | Demonstrated experience in similar works* | 40% |

Pricing was not included in the qualitative criteria and considered as part of the overall Value for Money (VFM) assessment. Acceptable minimum scores are required for each qualitative criterion indicated with * above.

Pricing for the Works Offered (Not Weighted)

The assessment determined the ranking based on the lump sum pricing provided by each tenderer. Please refer to the Confidential Attachment for details on lump sum pricing, pricing comparison, and detailed pricing analysis.

Based on the price schedules provided in each submission, tenderers ranked as per the tables below:

| Tenderer | Lump Sum Price Ranking |
|--------------------------|-------------------------------|
| VHM | 1 |
| Environmental Industries | 2 |
| Wagners | 3 |
| NACMS | 4 |
| Landmark | 5 |

Evaluation Criteria 1 - Sustainable Procurement (20%)

- **Environmental Considerations (5%)**

An assessment determined the ranking based on Tenderer’s Environmental Policy and Practices.

The assessment of this sub criterion resulted in the following ranking:

| Tenderer | Ranking |
|--------------------------|----------------|
| Environmental Industries | 1 |
| Wagners | 1 |
| NACMS | 3 |
| Landmark | 3 |
| VHM | 3 |

- **Buy Local (5%)**

The assessment for buy local considerations based on the Tenderer’s responses to the Buy Local Questionnaire included within the Tender documentation.

The assessment of this sub criterion resulted in the following ranking:

| Tenderer | Ranking |
|--------------------------|----------------|
| Wagners | 1 |
| Environmental Industries | 2 |
| Landmark | 2 |
| NACMS | 4 |
| VHM | 5 |

- **Reconciliation Action Plan (RAP) (5%)**

An assessment determined the ranking based on how Tenderers can contribute to the City’s RAP outcomes.

The assessment of this sub criterion resulted in the following ranking:

| Tenderer | Ranking |
|--------------------------|----------------|
| Environmental Industries | 1 |
| VHM | 2 |
| Wagners | 3 |
| NACMS | 4 |
| Landmark | 5 |

- **Access and Inclusion (5%)**

An assessment determined the ranking based on Tenderer's access and inclusion practices.

The assessment of this sub criterion resulted in the following ranking:

| Tenderer | Ranking |
|--------------------------|----------------|
| NACMS | 1 |
| Environmental Industries | 2 |
| VHM | 2 |
| Landmark | 4 |
| Wagners | 4 |

The overall assessment of this Sustainable Procurement evaluation criterion has resulted in the following overall ranking:

| Tenderer | Ranking |
|--------------------------|----------------|
| Environmental Industries | 1 |
| Wagners | 2 |
| VHM | 3 |
| NACMS | 4 |
| Landmark | 5 |

Evaluation Criteria 2 – Occupational Health and Safety (20%)

The assessment for safety management based on the tenderers' responses to an Occupational Health and Safety Management System Questionnaire included within the tender documentation. The assessment of this evaluation criterion resulted in the following ranking:

| Tenderer | Ranking |
|--------------------------|----------------|
| Environmental Industries | 1 |
| NACMS | 2 |
| Landmark | 3 |
| VHM | 3 |
| Wagners* | 5 |

*Wagners failed to achieve an acceptable minimum score for this evaluation criterion.

Evaluation Criteria 3 – Demonstrated understanding of scope requirements and methodology (20%)

The tenderer's understanding of the scope of works assessed through the methodology and project plan provided in tender submissions. This included assessment of the design and construction schedule, identification of project risks and challenges and specific details provided with regards to the major components of the scope of works including inspections, risk assessment and reporting. The assessment of this evaluation criterion has resulted in the following ranking:

| Tenderer | Ranking |
|---------------------------|----------------|
| NACMS | 1 |
| Landmark | 2 |
| Wagners | 2 |
| Environmental Industries* | 4 |
| VHM* | 5 |

*Environmental Industries and VHM failed to achieve an acceptable minimum score for this evaluation criterion.

Evaluation Criteria 4 - Demonstrated Experience in similar works (40%)

The tenderer's relevant demonstrated experience within the organisation in conducting similar works as presented in their tender submission assessed in order to evaluate their capacity to meet the requirements of the contract. This assessment based on review of the company's organisational structure, assessment of capability statements, descriptions of recent relevant projects and attached CVs. The assessment of this evaluation criterion resulted in the following ranking:

| Tenderer | Ranking |
|--------------------------|----------------|
| NACMS | 1 |
| Landmark | 2 |
| Environmental Industries | 3 |
| Wagners | 4 |
| VHM* | 5 |

* VHM failed to achieve an acceptable minimum score for this evaluation criterion.

Overall Qualitative Weighted Assessment and Ranking

Tenderer's submissions reviewed in accordance with the Procurement and Evaluation Plan with the following key observations:

- Price is not weighted and is included in the overall value for money assessment.
- The tender submissions evaluated in accordance with the qualitative criteria and weightings as detailed in the Procurement and Evaluation Plan, and assessed against sustainable procurement as well as the necessary experience, methodology and safety management systems required to undertake the contract requirements.

The overall qualitative weighted assessment resulted in the following tenderer ranking:

| Tenderer | Ranking |
|---------------------------------------|----------------|
| NACMS | 1 |
| Environmental Industries ^a | 2 |
| Landmark | 3 |
| Wagners ^b | 4 |
| VHM ^c | 5 |

^a Environmental Industries did not achieve the minimum acceptable score for Evaluation Criteria 3 - Methodology and did not proceed to the value for money assessment stage.

^b Wagners did not achieve the minimum acceptable score for Evaluation Criteria 2 – Occupational Health and Safety and did not proceed to the value for money assessment stage.

^c VHM did not achieve the minimum acceptable score for Evaluation Criteria 3 - Methodology and Evaluation Criteria 4 - Experience and did not proceed to value for money assessment stage.

Value for Money Assessment

NACMS and Landmark met the minimum acceptable baseline for Qualitative Criteria and therefore progressed to the Value for Money Assessment.

The Confidential Attachment provides details on the relative value for money outcome.

Overall Assessment and Comment

The tender submission from NACMS had the highest qualitative ranking and provided the best overall value for money outcome in accordance with the assessment criteria and weightings. Therefore, NACMS was recommended as the successful tenderer.

Consultation

Consultation with project stakeholders and the local community will occur as part of both the design and construction works. This work will be undertaken through on-site signage, notification of works notices and updates to the City’s website and Facebook page.

Statutory Compliance

Tenders invited were in accordance with the requirements of Section 3.57 of the *Local Government Act 1995*. The tendering procedures and evaluation complied with the requirements of Part 4 of the *Local Government (Functions and General) Regulations 1996*.

Strategic Implications

The proposal aligns with the following objectives with the Strategic Community Plan 2017 – 2026:

- “3 A healthy and sustainable natural and built environment
 - 3.1.1 Minimise the impacts of climate change;
 - 3.2.1 Maximise the environmental value of beaches, natural reserves and parklands; and
 - 3.2.3 Optimise retention of significant vegetation and habitat.”

Enterprise Risk Management Considerations

| | |
|--------------------------------------|-------------------------------|
| Risk Title | Risk Rating |
| ST-S06 Climate Change | Moderate |
| Accountability | Action Planning Option |
| Director Planning and Sustainability | Manage |
| Risk Title | Risk Rating |
| ST-S24 Strategic Asset Management | Moderate |
| Accountability | Action Planning Option |
| Director Assets | Manage |
| Risk Title | Risk Rating |
| IN-O29 Asset Maintenance | Low |
| Accountability | Action Planning Option |
| Manager Assets Maintenance | Manage |

The above risks relating to the issue contained within this report are relevant to the City's Strategic/Corporate/Operational risk register with action plans developed to manage/mitigate/accept these risks to support existing management systems.

Financial and Performance Risk

Financial Risk

As the City has a number of ongoing contracts with the company, an internal financial assessment concluded that the company is within appropriate capacity and risk-based thresholds to undertake the proposed contract. The following conditions incorporated into the contract in accordance with the recommendations of the financial assessment:

- Ongoing financial assessments will be undertaken throughout the duration of the project;
- A termination clause is included in the contract document in the event of an unsatisfactory financial assessment; and
- Payment made upon satisfactory completion of the service in accordance with the scope of works.

Performance Risk

NACMS has demonstrated the capacity and experience to deliver this contract effectively, based on their previous recent contracts with the City and other Local Councils.

A reference check has also indicated that the recommended tenderer has completed recent similar works to excellent standards and within agreed timeframes and budgets.

Purchasing Policy Implications

Tenders invited were in accordance with the requirements of the City's Purchasing Policy.

Financial (Budget) Implications

Capital Works 2020/21 Budget

Based on the recommended tenderer's lump sum price for the **Detailed Design** component of the Mary Street Beach Access Way Tender, 2020/21 expenditure and commitments, adopted Capital Works Budget for 2020/21 and estimated uncommitted remaining expenditure for 2020/21, the project cost/estimated expenditure for implementation of the proposed works under this Tender is summarised in the table below.

| PR-2672 (2020/21) | | |
|---|---------------------|--------------|
| Description | Expenditure | Budget |
| <u>Budget:</u> | | |
| Capital Works Budget for 2020/21 (PR-2672) | | \$327,992.00 |
| <u>Expenditure:</u> | | |
| Expenditure incurred to date in 2020/21. | \$4,985.00 | |
| Commitment to date | \$177,273.00 | |
| Project Management | \$30,000.00 | |
| <i>Detailed design of Mary Street Beach Access Staircase</i> | \$36,000.00 | |
| Dune Rehabilitation Works | \$20,000.00 | |
| Project Savings | \$33,000.00* | |
| Contingency | \$26,734.00 | |
| Total Expenditure | \$327,992.00 | |

*As identified in the February Project Status Report (HPE #17/256428[v44]).

Draft Capital Works 2021/22 Budget

Based on the recommended tenderer's lump sum price for the **Demolition, Installation and Construction** component of the Mary Street Beach Access Way Tender, the Draft Capital Works Budget for 2021/22, the project cost/estimated expenditure for implementation of the proposed works under this Tender is summarised in the table below.

| PR-2672 (2021/22) | | |
|--|---------------------|--------------|
| Description | Expenditure | Budget |
| <u>Budget:</u> | | |
| Draft Capital Works Budget for 2021/22 (PR-2672) | | \$437,000.00 |
| <u>Expenditure:</u> | | |
| <i>Construction of Mary Street Beach Access Staircase</i> | \$319,962.85 | |
| Detailed design of beach access way | \$62,000.00 | |
| Dune Rehabilitation Works | \$23,000.00 | |
| Contingency | \$32,037.15 | |
| Total Expenditure | \$437,000.00 | |

Recommendation

That the Chief Executive Officer, in accordance with Delegation 1.1.14 - Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of tenders ACCEPTS the tender submitted by Natural Area Consulting Management Services for Tender 21011, for the Provision of the Design and Construction of Mary Street Beach Access Way, at a Fixed Lump Sum of \$355,962.85 noting that:

- a) Design will be undertaken in 2020/21 for a lump sum fee of \$36,000.00; and**
- b) Construction will be undertaken in 2021/22 for a lump sum fee of \$319,965.85 subject to council adoption of the 2021/22 Capital Works Budget.**