

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: PROJECT MANAGER, INFRASTRUCTURE CAPITAL WORKS

FROM: DIRECTOR ASSETS

FILE REF: 22/364683

DATE: 21 September 2022

TENDER 22115 PROVISION OF ROAD & DRAINAGE UPGRADE WORKS FOR EXISTING NEERABUP INDUSTRIAL AREA

Issue

To consider the decline of Tender No 22115 for the Provision of Road and Drainage Upgrade Works for Existing Neerabup Industrial Area.

Background

It is proposed to upgrade Neerabup Industrial Area Infrastructure, Warman Street, Turnbull Road and Avery Street, to a dual lane carriageway with parking embayments and new street lighting.

The scope of works under Tender 22115 includes:

- Road widening of the existing carriageway of Warman Street, Turnbull Road and Avery Street and tie into the existing intersections.
- Upgrade of the existing intersections to suit the new carriageway layout.
- Drainage upgrades and services relocations to the widened carriageways.
- Street lighting upgrade to suit current standard for the widening of the carriageways.
- Landscaping and irrigation to improve the amenity and aesthetic of the widened road

Warman Street, Turnbull Road and Avery Street all service the Industrial Area retrospectively, with Warman Street and Avery Street providing intersections with Mather Drive. It is also critical that the appointed contractor interact with Main Roads WA/ Land Developers and Business owners to ensure any/all future pre-planning for new links are known with the possibility of preventing any clash of services and or new design development.

The Contract includes all operations and the provision of all necessary materials, labour, plant, equipment and cartage for the construction and completion of the works, described in the scope of works, specifications and the drawings.

Detail

Tender 22115 for the Provision of Road and Drainage Upgrade Works for Existing Neerabup Industrial Area was advertised on 06 August 2022 and closed on 30 August 2022.

Tender Number 22115 ROAD & DRAINAGE UPGRADE WORKS FOR EXISTING NEERABUP INDUSTRIAL ARE

Five addenda were issued in response to queries from the tenderers to the Tender documents.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Major Works (Amended AS 4000)
Contract Type	Lump Sum
Contract Duration	15 Months
Commencement Date	November 2022
Expiry Date	February 2024
Extension Permitted	NO

At the close of tenders, only one tender submission was received from the following company:

Legal Name	Trading Name	Abbreviation
Delta Pty Ltd	Delta Group	Delta

Probity Oversight

Oversight to the tender assessment process was undertaken by the City's Contracts Officer.

The Tender submission assessment was in accordance with the Procurement and Evaluation Plan (PEP), which included the following selection criteria:

Item No.	Criteria	Weighting
1	Sustainable (Corporate Social Responsibility) Procurement a. Environmental Considerations 5% b. Buy Local 10% c. Reconciliation Action Plan 2.5% d. Disability Access & Inclusion 2.5%	20%
2	*Experience	30%
3	*Methodology Resources & Capacity	30%
4	*WHS	20%

All tenderers must achieve a minimum acceptable score (as determined by the City) for each of the qualitative criteria detailed above (*) in order to be considered for further evaluation.

Pricing is not included in the qualitative criteria and is considered as part of the overall value for money assessment.

Overall Assessment and Comment

Prior to the qualitative evaluation consensus meeting, the Panel noted that:

- The tender pricing for the submission received for this project is significantly higher than the project budget allocations;
- The tender response contained exclusions relating to working in and around utility services that relate to a significant part of the scope of works and risks associated with the project; and
- The sole submission does not represent an acceptable value for money outcome for the City regardless of any qualitative assessment undertaken and that the tender submission be declined.

Statutory Compliance

Tenders were invited 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*.

Policy Implications

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

Financial (Budget) Implications

The tender price received from the sole tenderer is significantly higher than the project budget. In addition to the quoted tender price, the tenderer also excluded a significant part of the scope of works from its tender bid relating items such as working in and around utility services, and verge reinstatements. The exclusions are likely to result in additional costs to the project, above the quoted tender price.

The tender price does not represent an acceptable value for money outcome for the City when considering both the quoted tender price and the likely additional costs associated with the scope exclusions.

Tender Number 22115 ROAD & DRAINAGE UPGRADE WORKS FOR EXISTING
NEERABUP INDUSTRIAL ARE

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 DECLINES the tender submitted by DELTA for Tender 22115, for the ROAD & DRAINAGE UPGRADE WORKS FOR EXISTING NEERABUP INDUSTRIAL AREA.