

## **TENDER RECOMMENDATION REPORT**

**TO: CHIEF EXECUTIVE OFFICER**

**FROM: MANAGER ADVOCACY & ECONOMIC DEVELOPMENT**

**FILE REF: 21/99385**

**DATE: 11 May 2021**

---

**TENDER 20253: Consultancy Services for the Development of a Request Tender Document and Additional Services for Solar Generation and Energy Supply at the Neerabup Industrial Area.**

---

### **Issue**

To consider Tender No: 20253 for Consultancy Services for the Development of a Request Tender Document and Additional Services for Solar Generation and Energy Supply at the Neerabup Industrial Area (NIA).

### **Background**

A specialist consultant was engaged to investigate whether renewable energy supply to the City's industrial development at the NIA could be feasible. The feasibility study concluded that solar generated energy supply could be feasible and provided a solar procurement strategy. At 25 August 2020 Ordinary Council Meeting *'the investigation of energy options for the City of Wanneroo's Neerabup Industrial Area landholdings'* was supported.

Tender No: 20253 requested pricing for a specialist consultant to develop a request for tender document for the design, construction and operation of a solar generator to be located on the City's landholding at the NIA. The scope of work includes finalising and agreeing with Council the service type (Engineering, Procurement, Construction and Management or other).

Tender No: 20253 also provides for engineering support services during the design, construction and operation of the solar generator.

Council approval for each of the various stages (Service Type, Tender scope, Tender award) will progressively be sought as the project progresses.

### **Detail**

Tender 20253 for Consultancy Services for the Development of a Request Tender Document and Additional Services for Solar Generation and Energy Supply at the Neerabup Industrial Area was advertised on 16 January 2021 and closed on 23 February 2021.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Consultancy Services
Contract Type	Lump Sum (Stage 1). Schedule of Rates (Stage 2, 3 & 4)
Contract Duration	36 months – (Stage 1 – 12 months, Stage 2 6 months, Stage 3 – 6 months, Stage 4 – 12 months)
Commencement Date	May 2021
Expiry Date	April 2024
Extension Permitted	No
Rise and Fall	No

One Tender submission was received from the following company:

Legal Name	Trading Name	Abbreviation
EPC Technologies Pty LTD	EPC Technologies Pty LTD	EPC Technologies

The Tender Evaluation panel comprised:

- Project Manager Neerabup, Advocacy & Economic Development
- Project Manager Facility Projects, Infrastructure Capital Works
- Contracts Officer, Contracts & Procurement

### Probity Oversight

An external Probity Advisor (William Buck Consulting (WA) Pty Ltd) provided oversight to the tender assessment process with facilitation support from the City's Contracts Officer.

Please refer to the Confidential Attachment for reference to the Final Probity Advisor Report.

Tender submissions evaluated in accordance with the Procurement and Evaluation Plan (PEP) and included the following selection criteria:

Item No	Description	Weighting
1	Price (assessed under Value for Money)	Not Weighted
2	Sustainable Procurement	17.5%
3	Occupational Health and Safety*	10%
4	Experience*	36%
5	Methodology & Resources*	36.5%

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

Tenderers must achieve a minimum acceptable qualitative score (as determined by the City) and for each of the qualitative criteria detailed above (\*) to be considered for further evaluation.

EPC Technologies submitted a conforming offer and proceeded for qualitative assessment.

### **Evaluation Criteria 1 - Pricing for the Goods/Services/Works Offered**

An assessment was made on the fixed lump sum pricing provided with the tenderer. Please refer to the Confidential Attachment for details on lump sum pricing.

### **Evaluation Criteria 2 – Sustainable Procurement (Weighting 17.5%)**

- **Environmental Considerations**

EPC Technologies is involved in promoting clean energy technology and using energy efficient business practices for its operations.

**Buy Local (Broader Economic Impact Implications for the City of Wanneroo)** EPC Technologies was founded in Joondalup. Approximately 20% of the company's employees live within the City of Wanneroo and 50% within the City of Joondalup.

- **Reconciliation Action Plan (RAP)**

EPC Technologies strongly supports respecting the culture and protocols of aboriginal people and creating opportunities for aboriginal people and businesses and will work closely with the City of Wanneroo to integrate identified RAP outcomes in to the work scope deliverables. The company is involved at feasibility stage with a large scale solar project with an aim to include partnering with the Larrakia people in regards to construction and operation and maintenance.

- **Access & Inclusion Plan (AIP)**

EPC Technologies will comply with all City of Wanneroo requirements.

### **Evaluation Criteria 3 - Tenderer's Safety Management Systems (Weighting 10%)**

Evidence of safety management policies and practices was assessed from the tender submission. The assessment for safety management was based on the tenderers' responses to an Occupational Health and Safety Management System Questionnaire included within the tender documentation.

### **Evaluation Criteria 4- Tenderer's demonstration of their understanding of the methodology to deliver their services and allocation of sufficient resources to meet the requirements of the Contract (Weighting 36.5%)**

The tenderer's understanding of the methodology to deliver the scope of work and the resources as presented in their tender submission were assessed in order to evaluate their capacity to meet the requirements of the contract. Assessment of this criterion considered also the tenderer's staff resources to manage the contract.

### **Evaluation Criteria 5 - Tenderer's relevant experience with achievement of meeting client expectations (Weighting 36%)**

The tenderer's relevant experience in demonstrating the achievement of meeting client expectations as presented in their tender submission were assessed in order to evaluate their capability to meet the requirements of the contract. Assessment of this criterion considered the tendering entity's credentials to fulfil the requirements of the contract.

### **Overall Qualitative Weighted Assessment and Ranking**

Assessment of the Tenderer's submission is in accordance with the Procurement and Evaluation Plan with the following key observations:

- Only one submission was received. This wasn't completely unexpected as the scope of the Tender was specialised and also because Australia, and in particular Western Australia is witnessing a boom in construction activity.
- The company that provided the submission (EPC Technologies) has worked previously for the City of Wanneroo and has demonstrated full understanding and experience of power generation and renewable energy, specifically Solar.
- The submission received from EPC Technologies demonstrated their understanding of the scope of work and met the required rating for all assessment criteria.

### **Value for Money Assessment**

The time allocated to complete the scope of work, the resources required and the lump sum and hourly rates provided were used to calculate and assess the 'Value for Money'.

The hourly rates were in line with comparable consultancy firm rates charged for current and previously awarded contracts.

The scope of work will primarily be completed by EPC Technologies as Principal which makes the delivery cost effective.

EPC Technologies have provided reasonable hourly rates for engineering and designer support if required due to an increase in scope of work increases.

### **Overall Assessment and Comment**

The tender submission from EPC Technologies satisfied the overall value for money assessment in accordance with the assessment criteria and weightings as detailed in the Procurement and Evaluation Plan and is recommended as the successful tenderer.

EPC Technologies demonstrated their full understanding of the scope of work and their experience and planned methodology to deliver the scope of work within the required time frame.

EPC Technologies have previously worked for the City of Wanneroo in regards to a renewable energy feasibility study and procurement strategy. EPC Technologies worked well with the City of Wanneroo and fulfilled the requirement of their contract providing clear understanding of renewable energy possibilities for the NIA, provided quality reports and delivered articulate presentations at project working group meetings.

### **Consultation**

The Council and NIAWG consultation timeframe and key milestones are outlined below:

- Council agreed at the 18 August 2015 Ordinary Meeting (CS08-08/15) to proceed with the development of the City's landholdings within the NIA.

- Council accepted at the 4 June 2019 Ordinary Meeting (CE02-06/19) the tender submitted by Urban Resources Pty Ltd for NIA Resource Extraction works.
- At the 4 June 2019 Ordinary Meeting, Council approved the establishment of the Neerabup Industrial Area Development Working Group to support the implementation of the project (CE01-06/19). The Neerabup Industrial Area Development Working Group has been an important platform for presentation and discussion of a number of complex issues relating to the City's development of its Neerabup landholdings.
- At the 11 March 2020 NIADWG meeting, it was noted that Administration would present the cash flow modelling and recommended scenario at a Council Forum for discussion. A comprehensive briefing note was prepared and presented at the 9 June Council Forum.
- On 25 August 2020, Council endorsed a set of recommendations (CE03-08/20)
  - Supports development of the subdivision engineering design of Lot 9100
  - Supports the investigation of energy supply options for the City of Wanneroo's NIA landholdings.
  - Supports the investigation of water supply and management options for the City of Wanneroo's NIA landholdings.

### 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*.

### Strategic Implications

The proposal aligns with the following objective with the Strategic Community Plan 2017 – 2027:

“2 Economy – Progressive, connected communities that enable economic growth and employment.

2.2. Strategic Growth

2.2.6 Focus on industry development in key strategic areas such as Neerabup.”

### Risk Management Considerations

Risk Title	Risk Rating
ST-S12 Economic Growth	Moderate
Accountability	Action Planning Option
Chief Executive Officer	Manage

The above risk relating to the issue of this report has been identified and considered within the City's Strategic risk register. Action plans have been developed to manage this risk to support existing management systems.

The recommendation to accept the tender submission aligns with the Economic objective of the existing Strategic Community Plan. Accepting the tender submission will progress with the development of the City’s landholding within the NIA leading to local jobs generation.

The City’s defined risk appetite statement 2.1 Local Jobs, refers to the development of “strong economic hubs for growth and employment within the region” including Neerabup. The City’s risk appetite statement concludes that “the city is prepared to accept a high level of financial risk providing that the City implements a risk management strategy to manage any risk exposure”

**Financial and Performance Risk**

Financial Risk

An express credit check was carried out which reported a “Strong” financial rating.

Performance Risk

EPC Technologies have previously worked for the City of Wanneroo in regards to a renewable energy feasibility study and procurement strategy. EPC Technology worked well with the City of Wanneroo and fulfilled the requirement of their contract providing clear understanding of renewable energy possibilities for the NIA, provided quality reports and delivered articulate presentations at project working group meetings.

Independent reference checks have also indicated that the recommended tenderer has a satisfactory rating.

**Policy Implications**

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

**Financial (Budget) Implications**

**Capital Works:**

Based on the tenderer’s lump sum and schedule of rates, a calculation was made to determine the total annual estimated value of the works for the contract (Stage 1 – Stage 4) and is accommodated in the existing PR-4088 capital works budget.

**PR-4088 PMO 18063 (March 2021)**

Description	Expenditure	Budget
<b>Budget:</b>		\$15,855,000
<b>Expenditure:</b>		
Expenditure incurred to date	\$393,458	
Commitment to date		
Project Management		
Tender Advertisements (Tender and Public Notices)		
Construction Activities		
- Resource Extraction lot 9003	\$6,000,000	
- Design & Construction of lot 9100 subdivision	\$8,606,542	

Tender Number 20253 - Consultancy Services for Tender Documentation and Services for Solar Generation and Energy Supply at the NIA

**PR-4088 PMO 18063 (March 2021)**

<b>Description</b>	<b>Expenditure</b>	<b>Budget</b>
- Water Provisions (consultancy)	\$370,000	
- Renewable Energy Delivery (consultancy)	\$350,000	
- Environmental reports & Services	\$135,000	
-		
<b>Total Expenditure</b>	<b>15,855,000</b>	
<b>Total Funding</b>	<b>15,855,000</b>	
<b>Funding Provision required in 2021/2022</b>	<b>1,210,024</b>	

**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 EPC Technologies Pty Ltd for Tender 20253, for the Consultancy Services for the Development of a Request Tender Document and Additional Services for Solar Generation and Energy Supply at the Neerabup Industrial Area for the Fixed Lump Sum of \$79,310 (Stage 1) and schedule of rates component (Stages 2 to 4) as per the tender submission.**