

## ***TENDER RECOMMENDATION REPORT***

**TO:** CHIEF EXECUTIVE OFFICER

**CC:** COORDINATOR CONSTRUCTION  
MANAGER INFRASTRUCTURE CAPITAL WORKS

**FROM:** DIRECTOR ASSETS

**FILE REF:** 45533 22/384167

**DATE:** 7 OCTOBER 2022

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**REQUEST FOR TENDER 22093  
PROVISION OF GENERAL CIVIL CONSTRUCTION SERVICES**

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### **Issue**

To consider the decline of Tender 22093 Provision of General Civil Construction Services.

### **Background**

Supplementary term service delivery contractors are increasingly necessary to supplement in-house project delivery.

Request for Tender 22093 was sought as a standalone total civil construction services solution to deliver the full scope of any civil works project to complement the in-house project delivery.

The tender schedule included a separable portion basis for an initial term of 12 months with a further 2 x 12 month options to extend at the City's discretion. Separable portion 1 covered predominately road construction and related activities; Separable portion 2 covered the upgrade / installation of new tracks a within conservation reserves and bushland trails; Separable portion 3 requested the collection of A-SPEC as constructed data for capital work projects.

### **Detail**

Tender 22093 for the Provision of General Civil Construction Services was advertised on 30 July 2022 and closed on 6 September 2022. 1 addenda was issued to extend the advertised tender closing date.

## Tender No. 22093 – Provision of General Civil Construction Services

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Minor Works
Contract Type	Schedule of Rates
Contract Duration	12 Months
Commencement Date	1 November 2022
Expiry Date	31 October 2023
Extension Permitted	Yes, two (2) extension periods of 12 months
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions. No other rise and fall provisions apply.

At the expiry of the initial contract period, provision exists to extend the contract for two additional periods of one year each or part thereof. Any extension would be in accordance with the terms and conditions contract and at the discretion of the City.

### Tenders Received

At the close of tenders, only one tender submission (for Separable Portion 2 only) was received from the following company:

Tenderer's Legal Name	Trading Name	Abbreviation
Dowsing Group Pty Ltd	Dowsing	Dowsing

The submission was accepted for assessment on the basis that it was compliant.

### Probity Oversight

The City's Contracts Officer undertook oversight of the tender assessment process. William Buck Consulting (WA) was engaged to provide consultancy probity adviser services in response to the tender being potentially large for a diverse range of new term contract civil construction services associated with a significant portion of the annual capital program delivery.

The tender submission was evaluated in accordance with the Procurement and Evaluation Plan (PEP). The PEP included the following selection criteria:

Item No	Description	Weighting
1	Sustainable (Corporate Social Responsibility) Procurement a. Environmental Considerations 5% b. Buy Local 15% c. Reconciliation Action Plan 2.5% d. Disability Access & Inclusion 2.5%	25%
2	*WHS	20%
3	*Relevant Experience	35%
4	*Resources, Capacity, Product Availability and Methodology	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 undertaking the qualitative evaluation consensus meeting, the Panel noted that:

- Tender pricing for the sole submission received only included pricing for the minor contract portion defined in Schedule 1B.
- Pricing for Schedule 1B is significantly higher than typical recently completed project activity rates.
- The sole submission is not comprehensive and does not represent an acceptable value for money outcome for the City regardless of any qualitative assessment undertaken and that the tender submission should therefore be declined.
- Essential line items suitable for term contract procurement should be defined and retendering should occur with a reduced scope of work to attract improved market interest.

#### 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*.

#### Purchasing Policy Implications

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

#### Financial (Budget) Implications

The tender rates received from the sole tenderer are significantly higher than rates quoted for recent projects and are not indicative of the generally lower market rates.

The tendered rates do not represent an acceptable value for money outcome for the City and do not include an adequate portion of the defined schedule of rates line items.

**Recommendation:**

**That the Chief Executive Officer, in accordance with Delegation 1.1.14 (2) - Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of tenders DECLINES the tender submitted by Dowsing for Tender 22093 for the Provision of General Civil Construction Services (Separable Portion 2).**