

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: COORDINATOR FACILITY PROJECTS
MANAGER INFRASTRUCTURE CAPITAL WORKS

FROM: DIRECTOR ASSETS

FILE REF: 26811V02 23/15195

DATE: 24th February 2023

TENDER 22184

**REPLACEMENT OF MECHANICAL EQUIPMENT AT AQUAMOTION WANNEROO
002947 - PMO17039**

Issue

To consider Tender No: 22184 for the Replacement of Mechanical Equipment at Aquamotion Wanneroo.

Background

As part of the City's Aquamotion Building Assets Renewal Program in the 2022-23 financial year (FY), 15 pieces of existing mechanical equipment are scheduled for replacement. The mechanical equipment audit in 2021-22 FY indicated that most of this mechanical equipment is more than 10+ years old and needs to be replaced over the next 1-5 years.

Detail

Tender 22184 for the Replacement of Mechanical Equipment at Aquamotion Wanneroo was advertised on 26 November 2022 and closed on 20 of January 2023. A total of three addenda were issued, two extensions of tender closing time and provision of additional information to tenderers.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Minor Works
Contract Type	Lump Sum
Commencement Date	March 2023
Expiry Date	July 2023
Extension Permitted	Nil

Tender submissions were received from the following companies:

Legal Name	Trading Name	Abbreviation
Commercial Aquatics Australia Pty Ltd	Commercial Aquatics Australia Pty Ltd	CAA
Jako Industries Pty Ltd	Jako Industries Pty Ltd	Jako

The Tender Evaluation Panel (**Panel**) comprised:

- Project Manager, Infrastructure Capital works
- Acting Coordinator Building Maintenance, Building Maintenance
- Facilities Specialist, Community & Place
- Pool Supervisor, Community & Place
- Occupational Safety & Health Officer, Corporate Strategy & Performance

Probity Oversight

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

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

Item No	Description	Weighting
1	Lump Sum Price (assessed under Value for Money)	Non-Weighted
2	Sustainable Procurement: a) Environmental Considerations 5% b) Buy Local 10% c) Reconciliation Action Plan 2.5% d) Disability Access & Inclusion 2.5%	20%
3	*Demonstrated Experience	30%
4	*Methodology, Resources and Capacity	30%
5	*WHS Demonstrated Working Documents	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.

Both submissions progressed for further evaluation.

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

An assessment was made to determine the ranking based on the lump sum pricing provided with the tender documentation with the following result.

Tenderer	Ranking
CAA	1
Jako	2

Administration has undertaken a Quantity Surveyor review of the proposed works and their report confirms the available budget for tenders received. Please refer to the Confidential Memo for further details in respect to the lump sum price assessment.

Evaluation Criteria 2 – Sustainable Procurement (20%)

Evidence of Sustainable (Corporate Social Responsibility) Procurement was assessed based on the Tenderer's responses provided to the Questionnaires within Schedules 3A, 3B, 3C and 3D which formed part of the tender documentation.

Sub Criteria a) Environmental Considerations (5%)

An assessment was made to determine the ranking based on the tenderers' Environmental policy and practices with the following outcome.

Tenderer	Ranking
Jako	1
CAA	2

Sub Criteria b) Buy Local (10%) - (Broader Economic Impact Implications for the City of Wanneroo)

An assessment was made to determine the ranking based on the responses provided, detailing the following information with the following result:

- Location of tenderer's offices and workshops;
- Residential addresses of staff and company addresses of subcontractors;
- Purchasing arrangements through local businesses;
- Requirement for new employees arising from the award of the contract.

Tenderer	Ranking
CAA	1
Jako	2

Sub Criteria c) Reconciliation Action Plan (RAP) (2.5%)

An assessment was made to determine the ranking based on the responses provided that relate to:

- RELATIONSHIPS - building positive relationships between indigenous and non-indigenous people;
- RESPECT – recognising the contribution of Indigenous people to Australia and learning more about the history, culture and diversity in a two-way communication process;
- OPPORTUNITIES – attracting, developing and retaining organisational talent to build opportunities for aboriginal employment, training, and development and mentoring.

Tenderers provided information specifying different levels of actions in relation to indigenous reconciliation action with assessment resulting in the following ranking:

Tenderer	Ranking
CAA	1
Jako	1

Sub Criteria d) Access & Inclusion Plan (AIP) (2.5%)

An assessment was made to determine the ranking based on the responses provided that relate to:

- People with disabilities having the same buildings and facilities access opportunities as other people;
- People with disabilities receiving information in a format that will enable them to access information as readily as other people are able to access it;
- People with disabilities receiving the same level and quality of service from staff as other people receive;
- People with disabilities having the same opportunities as other people to make complaints;
- People with disabilities having the same opportunities as other people to participate in any employment opportunities.

Tenderers provided information specifying considerations for access and inclusion provisions with assessment resulting in the following ranking:

Tenderer	Ranking
CAA	1
Jako	2

Overall Sustainable Procurement Ranking Summary

The overall assessment of the Sustainable Procurement criteria has resulted in the following overall ranking:

Tenderer	Ranking
CAA	1
Jako	2

Evaluation Criteria 3 - Demonstrated Experience (30%)

The tenderer’s relevant experience as presented in their tender submission was assessed in order to evaluate their capacity to meet the requirements of the contract. Assessment of this criterion considered the tenderer’s key personnel project experience including, type, size and complexity of projects previously delivered. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
CAA	1
Jako	2

Evaluation Criteria 4 – Methodology, Resources and Capacity (30%)

The tenderer's methodology as presented in their tender submission was assessed in order to evaluate their capacity to meet the requirements of the contract. Assessment of this criterion considered the tenderer's project management procedures, project methodology, understanding, methods and construction programme to meet the objective of this contract. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
CAA	1
Jako	2

Evaluation Criteria 5 - Work Health & Safety (WHS) (20%)

Evidence of safety management policies and practices was assessed from the tenderer's submissions. The assessment for safety management was based on the tenderers' responses to the Occupational Health and Safety Management System Questionnaire included in the tenderer's documentation. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
CAA	1
Jako	2

Overall Qualitative Weighted Assessment and Ranking

Tenderer's submissions were reviewed in accordance with the Procurement and Evaluation Plan. The overall assessment of qualitative weighted criteria resulted in the following ranking:

Tenderer	Ranking
CAA	1
Jako	2

Value for Money Assessment

The combined assessment of Lump Sum Price vs Qualitative Scores resulted in the following tenderer ranking:

Tenderer	Ranking
CAA*	1
Jako	2

Overall Assessment and Comment

*Following further due diligence by the Panel, the tender submission from CAA is not recommended due to a number of commercial departures which were deemed unacceptable to the City from a risk perspective.

Jako is therefore recommended by the Panel as the successful tenderer. The Confidential Attachment to this Memo provides further detail to support the recommendation. The assessment of Jako's tender submission noted the following:

- Jako has relevant experience, including previous works for the City; and
- Jako has demonstrated safety systems in place which meet the City's Work Health and Safety Management System assessment requirements.

Consultation

The City has worked collaboratively with key internal and external stakeholders throughout this project. Post tender award and during the construction phase, the City will provide regular progress updates on key project milestones or events; posting information on City's webpage and media channels.

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 objective with the Strategic Community Plan 2021-2031:

Goal 5:

Priority 5.3 - Manage and maintain assets

Wanneroo will be a City known for having high quality new and existing assets that are well managed, maintained to be fit for purpose and valued by local communities. The City's assets will be future proofed by design and also provide maximum return on investment into the future.

Risk Appetite Statement

In pursuit of strategic objective goal 5, we will accept a Medium level of risk, extended to High in the areas of Community / Reputation & Financial / Commercial impacts.

Enterprise Risk Management Considerations

The risks relating to the issues contained within this report identified and considered within the City's Strategic and Corporate risk register with action plans developed to manage/mitigate/accept these risks to support existing management systems.

Risk Title	Risk Rating
CO-O17 Financial Management	Low
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage

Risk Title	Risk Rating
CO-O22 Environmental Management	Medium
Accountability	Action Planning Option
Director Community & Place	Manage
Risk Title	Risk Rating
CO-O23 Safety of Community	Medium
Accountability	Action Planning Option
Director Community & Place	Manage

Financial and Performance Risk

Financial Risk

A financial risk assessment undertaken as part of the tender evaluation process confirmed that Jako assessed with a 'very strong' financial capacity to meet the requirements of the contract.

Performance Risk

Performance and operational risk addressed through the risk assessment process of the project management framework. Prior to the commencement of works, the appointed contractor will be inducted to the project site. Ongoing auditing of the contractor's work practices during the course of the works will be undertaken to ensure compliance with the WHS requirements.

Policy Implications

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

Financial (Budget) Implications

The table below summarises the available funding for the project and current expenditures.

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PMO17039 RECURRING PROGRAM RENEW WANNEROO AQUAMOTION BUILDING ASSETS (PLANTS REPLACEMENT)

Description	Expenditure	Budget
Budget:		
Allocated budget in 2022/23 PR 2947		\$ 944,087.00
Budget adjustment approved by Council on 21/03/23 PR 2947		\$245,000.00
Expenditure:		
Expenditure incurred to date	\$ 267,644.47	
Commitment to date	\$ 96,145.50	
Other consultancy cost	\$ 15,000.00	

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**PMO17039 RECURRING PROGRAM RENEW WANNEROO AQUAMOTION
BUILDING ASSETS (PLANTS REPLACEMENT)**

Description	Expenditure	Budget
Tender 22184 tendered Price 2022/23	\$ 736,160.00	
Project management cost	\$ 12,000.00	
Project contingency	\$ 62,137.03	
Total Expenditure	\$ 1,189,087.00	
Total Funding		\$1,189,087.00

Recommendation:

That the Chief Executive Officer, in accordance with Delegation 1.1.13 - Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of tenders ACCEPTS the tender submitted by Jako for Tender 22184, for the Replacement of Mechanical Equipment at Aquamotion Wanneroo for the tendered Fixed Lump Sum of \$736,160.00 as specified in Schedule 1A subject to minor variation prior to contract award.

Memorandum

TO: CHIEF EXECUTIVE OFFICER

FROM: DIRECTOR ASSETS

FILE REF: 26811* (23/108296)

DATE: 27 MARCH 2023

SUBJECT: MINOR VARIATION PRIOR TO AWARD – TENDER 22184 REPLACEMENT OF MECHANICAL EQUIPMENT AT WANNEROO AQUAMOTION

Issue

To consider a Minor Variation prior to award of contract.





Background

Tender 22184 for Replacement of Mechanical Equipment at Wanneroo Aquamotion was approved by Chief Executive Officer on 22 March 2023 (copy attached). The recommendation was subject to a Minor Variation prior to award of contract.

During the Tender evaluation process, the Evaluation Panel requested clarification from both tenderers to ensure their tendered prices were reflective of the work requested. Through this exercise, errors were identified in the line summation of Jako's tender price (double inclusion of items), resulting in a revised lower lump sum price of \$699,360. The reduction of \$36,800 to Jako's tendered lump sum price is considered a minor variation having regard to the total goods or services provided under this contract.

Recommendation

That the Chief Executive Officer, in accordance with Delegation 1.1.14 Minor Variation in Goods or Services, approves the minor variation to reduce the contract sum to \$699,360.

Submitted by Acting Manager Infrastructure Capital Works		27/3/2023
Endorsed by Manager Contracts and Procurement		27 March 2023
Recommended by: Director Assets		Date: 28.03.2023
Approved by: Chief Executive Officer		Date: 29-3-23