

TENDER RECOMMENDATION REPORT

TO: ACTING CHIEF EXECUTIVE OFFICER

CC: MANAGER INFRASTRUCTURE CAPITAL WORKS

FROM: DIRECTOR ASSETS

FILE REF: 42551: 23/321240

DATE: 20 September 2023

TENDER 23098 - Construction of New Kiosk - Little Athletics Kingsway

Issue

To consider Tender No: 23098 for the Construction of Kingsway Little Athletics New Kiosk.

Background

The project entails the construction of a Kiosk and Storage Room for the Kingsway Little Athletics Club. Following a petition to Council in February 2020, Council approved the delivery of a new Kiosk under the Capital Works Program as per CP02-03/21. The Kiosk will allow the Athletics Club to provide healthy food and drink options and assist the club to raise funds, which will in turn lower membership fees and increase participation.

Detail

Tender 23098 for the Construction of Kingsway Little Athletics New Kiosk was advertised on 15 July 2023 and closed on 8 August 2023. Two addenda were issued to provide a response to Tenderers questions.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Minor Works Contract
Contract Type	Fixed Lump Sum
Contract Duration	7 Months construction from possession of site
Commencement Date	2 weeks after receipt of Letter of Award ¹²
Expiry Date	12 months after Practical Completion
Extension Permitted	As per contract conditions

Tender submissions were received from the following companies:

Legal Name	Trading Name	Abbreviation
The trustee for MR Hoskins Family Trust T/A as AE Hoskins Building Services	AE Hoskins Building Services	AE Hoskins
Orixon Pty Ltd	Orixon Pty Ltd	Orixon
Construct360 Pty Ltd	Construct360 Pty Ltd	Construct360
LKS Constructions (WA) Pty Ltd	LKS Constructions (WA) Pty Ltd	LKS Constructions
Schlager Group Pty Ltd	Schlager Group Pty Ltd	Schlager Group

Probity Oversight

Oversight to 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	Sustainable (Corporate Social Responsibility) Procurement a. Environmental Considerations 5% b. Buy Local 10% c. Reconciliation Action Plan 2.5% Disability Access and Inclusion 2.5%	20%
2	*Work Health & Safety (WHS)	20%
3	*Methodology	30%
4	*Organisation Experience	30%

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.

All tenderers provided a conforming submission.

Evaluation Criteria 1 – 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%)

The City is committed to procuring goods and services that provide positive environmental, social and economic impacts over the entire life cycle of a product or service. Respondents are encouraged to provide credentials of any environmental claims of the goods and/or services submitted in this tender.

Tenderers provided details of their environmental considerations within Schedule 3A, with the following ranking:

Tenderer	Ranking
AE Hoskins	1
Schlager	1
Orixon	3
LKS Construction	4
Construct 360	5

Sub Criteria b) Buy Local (10%)

An assessment was made based on the response provided, detailing the following information:

- 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 award of the contract.

Tenderers provided details of their “Buy Local” considerations within Schedule 3B, with the following ranking:

Tenderer	Ranking
Construct 360	1
AE Hoskins	2
LKS Construction	3
Orixon	3
Schlager	5

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 differing levels of actions in relation to indigenous reconciliation action with assessment resulting in the following ranking:

Tenderer	Ranking
AE Hoskins	1
Schlager	2
Orixon	3
Construct 360	4
LKS Construction	4

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
AE Hoskins	1
LKS Construction	1
Schlager	1
Orixon	4
Construct 360	5

Overall Sustainable Procurement Ranking Summary

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

Tenderer	Ranking
AE Hoskins	1
Construct 360	2
LKS Construction	3
Orixon	3
Schlager	4

Evaluation Criteria 2 - Tenderer’s Safety Management Systems (20%)

Evidence of WHS management policies and practices was assessed from the tender submissions. The assessment for safety management was based on the tenderer’s responses to a specific Questionnaire included within the tender documentation.

Tenderers provided details of their safety management systems with the following ranking:

Tenderer	Ranking
LKS Construction	1
AE Hoskins	2
Orixon	3
Schlager	3
Construct 360	5

Evaluation Criteria 3 - Tenderer’s methodology (including resources and capacity to meet the requirements of the Contract) (30%)

The tenderer’s resources as presented in their tender submission were assessed to evaluate their capacity and proposed methodology to meet the requirements of the contract. Assessment of this criterion considered the tenderer’s staff resources, vehicles, plant/equipment, and workshop support to manage the contract. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
LKS Construction	1
Schlager	2
AE Hoskins	3
Construct 360	3
Orixon	3

Evaluation Criteria 4 - Tenderer’s relevant experience with achievement of meeting client expectations (30%)

The tenderer’s relevant experience in demonstrating the achievement of meeting client expectations as presented in their tender submission were assessed 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. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
AE Hoskins	1
LKS Construction	2
Construct 360	3
Orixon	3
Schlager	3

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
AE Hoskins	1
LKS Construction	2
Orixon	3
Construct 360	4
Schlager	5

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.

Based on the information provided, tenderers are ranked as follows:

Tenderer	Ranking
Schlager	1
Orixon	2
AE Hoskins	3
Construct 360	4
LKS Construction	5

Value for Money Assessment

The combined assessment of lump sum pricing and qualitative criteria resulted in the following tenderer ranking (highest to lowest):

Tenderer	Ranking
Schlager*	1
Orixon	2
AE Hoskins	3
Construct 360	4
LKS Construction	5

Overall Assessment and Comment

*Schlager did not meet the City's overall risk assessment threshold. Further details to this assessment are provided within the Confidential Memo.

The second ranked tender submission from Orixon satisfied the overall value for money assessment and satisfied the City's overall risk threshold. Consequently, Orixon are recommended as the successful tenderer. Their tendered lump sum price is within the approved capital works budget.

Consultation

Consultation using the concept design has been undertaken with City's internal stakeholders and the Little Athletics Club. No objections were received.

The proximate local community will be informed with construction start and end dates via a letter drop and onsite poster notices, prior to the commencement of works.

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 2021-2031:

“Goal # 3 - A vibrant, innovative city with local opportunities for work, business and investment: Attract and support new and existing business.

3.2 - Attract and support new and existing business

Risk Appetite Statement

Goal # 3

In pursuit of strategic objective goal 3, we will accept a Medium level of risk, extended to High in the areas of where there may be Governance, Community / Reputation & Financial / Commercial impacts. For the City to realise a future role as a self-sustainable, vibrant and viable business and corporate centre, the City recognises higher risk will be required to attract investors, build a contemporary environment which ensures regulation is efficient but effective and realise a higher return on investment for the City. It is recognised that land acquisitions, environmental development and management processes and community support could all be challenged in the short term to realise the future successful offset of longer-term strategic risk.

Enterprise Risk Management Considerations

Risk Title	Risk Rating	Accountability	Action Planning Option
ST-S23 Stakeholder Relationships	Low	Director Corporate Strategy and Performance	Manage

Financial and Performance Risk

Financial Risk

The financial risk assessment undertaken as part of the tender evaluation process identified that Orixon is assessed with a 'strong' financial capacity to meet the requirements of the contract.

Performance Risk

Orixon have demonstrated the capacity and experience to delivery this contract effectively, based on their tender submission and previous projects with the City of Wanneroo and other Local Governments. The performance risk to the project is regarded as acceptable to the project management team.

Independent reference checks have also indicated that the recommended tenderer has the capacity to undertake the Construction of a Kiosk for Kingsway Little Athletics.

Policy Implications

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

Financial (Budget) Implications

PR-4342 Construction of a new Kiosk for Kingsway Little Athletics Centre

Description	Expenditure	Budget
Budget:		\$510,500.00
Municipal Funding (2023/24)		
Expenditure:		
Expenditure incurred to date		
Commitment to date		
Project Management		
Tender Advertisements (Tender and Public Notices)		
Construction Activities		
- <i>Project Management Fees</i>	\$19,100.00	
- <i>Professional and Other Fees</i>	\$8,134.00	
- <i>Construction Works of Kiosk and Storage Room</i>	\$435,672.00	
- <i>Construction Contingency</i>	\$47,594.00	
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Total Expenditure	\$510,500.00	
Total Funding		\$510,500.00

Recommendation:

That the Acting 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 Orixon Pty Ltd for Tender 23098 for the Construction of Kingsway Little Athletics New Kiosk, as per the fixed Lump Sum of \$435,672 ex GST.