

TENDER RECOMMENDATION REPORT

TO: ACTING CHIEF EXECUTIVE OFFICER

CC: COORDINATOR FACILITY PROJECTS
MANAGER INFRASTRUCTURE CAPITAL WORKS

FROM: DIRECTOR ASSETS

FILE REF: 26811V02 23/262688

DATE: 12 October 2023

TENDER 23137

**REPLACEMENT OF MECHANICAL EQUIPMENT AT AQUAMOTION WANNEROO
PR-4465 - PMO17039-Y24**

Issue

To consider Tender No: 23137 for the Replacement of Mechanical Equipment at Aquamotion Wanneroo.

Background

As part of the City's Aquamotion Building Assets Renewal Program in the 2023-24 financial year (FY), approximately 40 pieces of existing mechanical equipment including but not limited to pumps, flow switches, flow meters, motorised control valves and hot water systems 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 23137 for the Replacement of Mechanical Equipment at Aquamotion Wanneroo was advertised on 26 July 2023; an addendum was issued to extend the tender closure date from 10 August 2023 to 21 August 2023.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Minor Works
Contract Type	Lump Sum
Commencement Date	October 2023
Expiry Date	March 2025 (inclusive of DLP)
Extension Permitted	Nil

One tender submission was received from Jako Industries Pty Ltd (Jako).

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	Sustainable Procurement: a) Environmental Considerations 5% b) Buy Local 10% c) Reconciliation Action Plan 2.5% d) Disability Access & Inclusion 2.5%	20%
2	*Demonstrated Experience	30%
3	*Methodology, Resources and Capacity	30%
4	*WHS Demonstrated Working Documents	20%
5	Lump Sum Price (assessed under Value for Money)	Non-Weighted

All tenderers must meet the City's minimum requirements (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.

The submission from Jako was conforming and progressed for further evaluation.

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%)

An assessment was made to determine Jako's competency regarding environmental policy and practices. On this occasion through their submission, Jako demonstrated good environmental policy and practices to meet the requirements of this tender.

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.

In this instance through their submission, Jako provided three positive responses regarding local employees, employment of local subcontractors and purchasing goods from local businesses meeting the Buy Local requirements of this tender.

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

An assessment was made to evaluate Jako's response regarding RAP in the following areas:

- 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.

Through their submission, Jako demonstrated adequate capacity to meet the RAP requirements of the City.

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

An assessment was made to evaluate Jako's competency regarding AIP in the following areas:

- People with disabilities have 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 have the same opportunities as other people to make complaints.
- People with disabilities have the same opportunities as other people to participate in any employment opportunities.

Jako provided information specifying considerations for access and inclusion provisions with marginal to adequate capacity meeting the minimum AIP requirements of this tender.

Overall Sustainable Procurement Ranking Summary

Jako's overall assessment of the Sustainable Procurement criteria is deemed to be adequate to meet the Sustainable Procurement provision of this tender.

Evaluation Criteria 2 – Demonstrated Experience (30%)

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

Evaluation Criteria 3 – Methodology, Resources and Capacity (30%)

Jako's methodology as presented in their tender submission was assessed 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. In this instance through their submission, Jako demonstrated adequate methodology to meet the requirements of this tender.

Evaluation Criteria 4 - Work Health & Safety (WHS) (20%)

Evidence of safety management policies and practices was assessed from Jako's submission. The assessment for safety management was based on Jako's response to the Work Health and Safety Management System Questionnaire included in Jako's documentation. This assessment showed that Jako has a good safety capacity to meet the requirements of this tender.

Overall Qualitative Weighted Assessment and Ranking

Jako's submission was reviewed in accordance with the Procurement and Evaluation Plan. In this instance through their submission, Jako has met the minimum requirements of the City's qualitative weighted criteria to qualify for this tender.

Pricing for the Goods/Services/Works Offered (Non-Weighted)

Jako's lump sum price submission is deemed to be aligned with the current market demand for multidisciplinary projects.

Value for Money Assessment

Jako has met the City's value-for-money assessment to qualify for this tender.

Overall Assessment and Comment

The tender submission from Jako 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 therefore recommended as the successful tenderer.

The assessment of Jako's tender submission noted the following:

- Jako demonstrated a good Work Health and Safety system in place to meet the City's requirements.
- Jako demonstrated satisfactory local employment to meet the City's Buy Local policy.
- Jako demonstrated good environmental policy to meet the City's Environmental Considerations.

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 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 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 are 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 Planning & Sustainability	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 was undertaken as part of the tender evaluation process and the outcome of this independent assessment advised that Jako has been assessed with a 'very strong' financial capacity to meet the requirements of the contract.

Performance Risk

Performance and operational risk are 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 works will be undertaken to ensure compliance with the WHS requirements.

Independent reference checks have also indicated that the recommended tenderer was rated highly in all reference checks criteria including WHS, quality assurance, documentation, and standard of work.

Policy Implications

Tenders were invited 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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PMO17039Y24 RECURRING PROGRAM RENEW WANNEROO AQUAMOTION BUILDING ASSETS - 23-24 (PLANTS REPLACEMENT)

Description	Expenditure	Budget
Budget:		
Allocated budget in 2023/24		\$ 360,000.00
Budget adjustment approved by the Council on 10/10/23		\$ 110,000.00
Expenditure:		
Expenditure incurred to date	\$ 1,736.85	
Commitment to date	\$ 1,849.00	
HVAC, lighting replacement, project management cost and project contingency	\$ 68,624.15	
Tender 23137 tendered Price 2023/24	\$ 397,790.00	
Total Expenditure	\$ 470,000.00	
Total Funding		\$ 470,000.00

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 Jako Industries Pty Ltd for Tender 23137, for the Replacement of Mechanical Equipment at Aquamotion Wanneroo for the tendered Fixed Lump Sum of \$397,790.00 as specified in Schedule 1A.