

TENDER RECOMMENDATION REPORT

TO: ACTING CHIEF EXECUTIVE OFFICER

FROM: DIRECTOR ASSETS

FILE REF: 42657 23/363971

DATE: 22 NOVEMBER 2023

TENDER 22190: Construction of Flynn Drive from Wanneroo Road to Pinjar Road

Issue

To consider the decline of Tender No: 22190 for the construction of Flynn Drive from Wanneroo Road to Pinjar Road.

Council at its meeting dated 15 August 2023 considered a report (AS05-08/23) and adopted the following resolutions:

- 1. NOTES the results of the Community Engagement on the detail design of the Flynn Drive Duplication Project;**
- 2. AUTHORISES the Chief Executive Officer to award Tender 22190, ensuring effective scheduling of the Flynn Drive major project works being dependent on the timing of ATCO Gas awarding their relocation of the high-pressure gas main works and subject to the Tender 22190 meeting the following criteria:**
 - a) Project budget is allocated in the annual budget and listed in the Long Term Financial Plan;**
 - b) A value for money outcome to the City; and**
 - c) Is compliant with the requirements of the Local Government Act 1995, the Local Government (Functions and General) Regulations 1996 and statutory requirements.**

Due to the high cost for the relocation of the high-pressure gas main it has meant that the relocation of the gas high-pressure main is cost prohibitive to the project. Administration along with the design consultant have managed to reduce a number of design constraints previously put on the original design which results in a new design that does not require the relocation of the ATCO high-pressure gas main.

Background

To upgrade existing Flynn Drive to a dual carriageway to accommodate extra traffic capacity generated by industrial development of Lot 9100 Mather Drive and subsequent development of additional land in the Neerabup Industrial Estate. Flynn Drive will also provide an important East / West link to the future Whiteman / Yanchep Highway

Flynn Drive serves as an arterial link from Wanneroo Road to Old Yanchep Road and the adjoining Neerabup Industrial Area, the community in Banksia Grove residential area and provides connectivity, in the future, to a realigned Neaves Road and the Whiteman to Yanchep Highway.

Flynn Drive has been listed on the City's Advocacy Agenda for a number of years with growing urgency for action due to the increased traffic volumes and need by residential and commercial road users.

As part of the 2021 Western Australian state election, the Labor government have pledged \$20M, with the Federal Government providing a further \$2.5M toward the upgrade of Flynn Drive.

Detailed design of the dual carriageway for the full length from Wanneroo Rd to Old Yanchep Road has been undertaken as part of the overall project brief.

- Stage 1 construction for the western section from Wanneroo Rd to Pinjar Rd, which is broken into two separable portions: Separable Portion 1 (SP1) Wanneroo Road to Tranquil Drive and Separable Portion 2 (SP2) Tranquil Drive to Pinjar Road. Stage 1 was broken into these two separable portions as we have an existing clearing permit for SP1 and anticipate the clearing permit for SP2 to be issued later this year.
- Stage 2 construction for the eastern section from Pinjar Rd to Old Yanchep, which has approved further funding from the Federal Government of \$15M.

Detail

Tender No. 22190 for the Construction of Flynn Drive from Wanneroo Road to Pinjar Road was advertised on 14 January 2023 and closed on 14 March 2023. A non-mandatory briefing session was held on 24 January 2023. All Tenderers who submitted a tender response attended this briefing.

During the tender period there were nine addenda issued:

- Addenda 1 – Transition Chainages for SP1 & SP2
- Addenda 2 – Additional Documents for Information
- Addenda 3 – Bidder Q&A
- Addenda 4 – Bidder Q&A – Stormwater Drainage
- Addenda 5 – Bidder Q&A and Extension of Time to closing date
- Addenda 6 – Further Extension of Time to closing date
- Addenda 7 - Clarification
- Addenda 8 – Clarification & Updated Design Drawings
- Addenda 9 – Replacement Returnable Schedule 4

A request to extend the Bid Validity was accepted by all Tenderers.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Major Works
Contract Type	Lump Sum
Contract Duration	40 weeks per separable portion
Commencement Date	February 2024
Expiry Date	Anticipated Practical Completion SP1 – October 2024, SP2 - February 2025

Item	Detail
Extension Permitted	No
Rise and Fall	Not applicable

Tender submissions were received from the following companies:

Tenderer (full entity name)	Tenderer (abbreviated name)
Wormall Civil Pty Ltd	Wormall
Tracc Civil Pty Ltd	TRACC
Ralmana Pty Ltd T/A RJ Vincent	RJV
Densford Civil Pty Ltd	Densford
Civcon Civil & Project Management Pty Ltd	Civcon

All tenders received were deemed conforming and proceeded for further evaluation.

Probity Oversight

Oversight to the tender assessment process was undertaken by William Buck Consulting (WA) Pty Ltd and in conjunction with the City's Contracts Officer. The Probity Advisory Letter is referenced within the Confidential Attachment.

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	*WHS	20%
3	*Experience	30%
4	*Methodology, Resources & Capacity	30%

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.

Overall Assessment and Comment

The Tender Evaluation Panel (TEP) has concluded that due the circumstances beyond the control of the City all tender submissions are to be declined.

Additional commentary supporting this recommendation is provided within the Confidential Attachment.

Consultation

Design & Tender Phase

In accordance with Section 3.51 of the *Local Government Act 1995* relating to level and alignment changes, property owners/occupiers located within the area deemed to be impacted by the proposed works were notified and requested to provide the City with feedback or submissions on the proposed alteration to Flynn Drive.

The City has held two community information sessions and also provided a “Your Say” page on the City’s website regarding the proposed works for the Flynn Drive Duplication. These sessions were held on the 21 November 2022 at the Banksia Groves Residents Association meeting and at the City of Wanneroo on Tuesday 23 May 2023. Both information sessions have provided the community with an overview of the works required and the nature of the project. See Council Report No.AS05-08/23 and Resolution Memo AS05-08/23 for reference.

The City will be advising the community through the City’s webpage and through email of the revised construction program due to the Decline of the Construction tender.

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*.

It is noted that a development approval or Building Permit are not required for this project.

Both State and Federal Clearing approvals are required for both SP1 & SP2. The City has obtained all relevant clearing approvals for SP1 and the application for SP2 is currently being accessed by DWER with the approval to be issued in February 2024.

Strategic Implications

The proposal aligns with the following objective within the Strategic Community Plan 2021 – 2031:

5 ~ A well planned, safe and resilient City that is easy to travel around and provides a connection between people and places

5.1 - Develop to meet current need and future growth

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. Shifting transport modes and usage in the City may require short term pain for longer term gain as the City supports the development, maintenance and connection of alternatives to car use (e.g. cycle ways) and the supporting infrastructure.

Enterprise Risk Management Considerations

The below risks relating to the issue contained within this tender have been identified and considered within the City’s Strategic and Corporate risk register. Action plans have been developed to manage/mitigate/accept these risks to support existing management systems.

Risk Title	Risk Rating
ST-S04 Integrated Infrastructure and utility planning	Moderate
Accountability	Action Planning Option
Director Assets	Manage

Risk Title	Risk Rating
CO-004 Asset management	Moderate
Accountability	Action Planning Option
Executive leadership Team	Manage

Risk Title	Risk Rating
ST-S23 Stakeholder Relationships	Moderate
Accountability	Action Planning Option
Director Assets	Manage
Risk Title	Risk Rating
Financial Management	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage

Policy Implications

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

Recommendation:

That the Acting Chief Executive Officer, in accordance with Delegation 1.1.13(4) – Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of tenders DECLINES all tenders submitted for the Construction of Flynn Drive Duplication from Wanneroo Road to Pinjar Road.