

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: MANAGER ASSET MAINTENANCE
PRINCIPAL COASTAL ENGINEER
PROJECT MANAGER – COASTAL

FROM: DIRECTOR ASSETS

FILE REF: 23/437028

DATE: 3 January 2024

TENDER 23167

JINDALEE BEACH ACCESS WAY SOUTH DEMOLITION AND CONSTRUCTION

Issue

To consider Tender No: 23167 for the Demolition and Construction of Jindalee Beach Access Way South.

Background

The City of Wanneroo (City) manages over 30 formal beach accessways which require ongoing inspections, maintenance and renewal works. The recurring program for the renewal of beach access ways is an ongoing annual program involving the renewal and upgrade of the City's beach access ways. Site locations are selected for implementation on a prioritised basis dependent on community usage, public safety risks and structural defects. The recurring program was developed in 2017/18 following the identification of numerous beach access ways along the City's coastline with significant maintenance requirements, structural defects and public safety issues. The program includes a five-yearly structural assessment of the City's assets as well as design and construction of one beach access way each financial year.

The latest structural assessment was completed in 2021. Following a review of the 2021 assessment, two Jindalee Beach Access Ways, namely Jindalee BAW South and Jindalee BAW Central, were identified as requiring renewal/upgrade within the next five years due to the following structural concerns:

- Undercutting and ongoing limestone erosion at Jindalee BAW South leading to portal frames being unsupported and a high risk of foundation failure;
- Undercutting and erosion of a footing at Jindalee BAW Central;
- Failing retaining walls at Jindalee BAW Central resulting in loss of sand on the dune slope below the stairs; and
- High-risk foundation installation into eroding limestone with limited redundancy for both structures.

A Concept Options Assessment and Detailed Design was undertaken in 2022/23 for both structures by coastal engineering consultant, M P Rogers & Associates.

Jindalee BAW South was prioritised for renewal in 2023/24 due to the severity of structural defects. The renewal of Jindalee BAW Central is listed in the Long Term Financial Plan for 2025/26.

Detail

Tender 23167 for the Demolition and Construction of Jindalee Beach Access Way South was advertised on 7 October 2023 and closed on 21 November 2023. Four Addenda were issued during this period which included two extensions of time and two clarifications on the required construction sequence within the scope of works.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Minor Works
Contract Type	Fixed Lump Sum
Contract Duration	12 Months
Commencement Date	January 2024
Expiry Date	January 2025
Extension Permitted	No

Tender submissions were received from the following companies:

Legal Name	Trading Name	Abbreviation
Alldin Pty Ltd	Alldin Pty Ltd	Alldin
Landscape Elements Pty Ltd	Landscape Elements	Landscape Elements
Terpstra Constructions Pty Ltd	Terpstra Constructions	Terpstra

Probity Oversight

Oversight to the tender assessment process was undertaken by the City's Acting 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% d) Access and Inclusion 2.5%	20%
2	*Work Health & Safety (WHS)	20%
3	*Methodology	20%
4	*Demonstrated Experience in Similar Works	40%

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.

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
Landscape Elements	1
Alldin	2
Terpstra	3

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; and
- 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
Alldin	1
Landscape Elements	2
Terpstra	3

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; and
- 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
Landscape Elements	1
Terpstra	2
Alldin	2

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; and
- 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
Landscape Elements	1
Alldin	2
Terpstra	3

Overall Sustainable Procurement Ranking Summary

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

Tenderer	Ranking
Landscape Elements	1
Alldin	2
Terpstra	3

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 resulting in the following ranking:

Tenderer	Ranking
Landscape Elements	1
Alldin	2
Terpstra	3

Evaluation Criteria 3 - Tenderer's demonstrated understanding of the project scope and proposed methodology (20%)

The tenderer's proposed methodology and project schedule were assessed to evaluate their understanding of the project complexities and their capacity to meet the requirements of the contract. Assessment of this criterion considered the tenderer's preliminary project schedule, proposed construction methodology, proposed Fibre Reinforced Plastic (FRP) supplier and proposed methodology for maintenance works. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
Terpstra	1
Landscape Elements*	2
Alldin*	3

*Landscape Elements and Alldin did not meet the City's minimum requirement for this criterion.

Evaluation Criteria 4 – Demonstrated Experience in Similar Works

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 and experience in construction of structures adjacent to the coast. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
Terpstra	1
Landscape Elements	2
Alldin*	3

*Alldin did not meet the City's minimum requirement for this criterion.

Overall Qualitative Weighted Assessment and Ranking

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

Tenderer	Ranking
Landscape Elements ^a	1
Terpstra	2
Alldin ^b	3

Pricing for the Goods/Services/Works Offered

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

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

Tenderer	Ranking
Alldin	1

Terpstra	2
Landscape Elements	3

Value for Money Assessment

Alladin and Landscape Elements did not meet the City’s minimum requirements for at least one of the mandatory criteria and therefore did not proceed to the value for money assessment stage.

Terpstra’s fixed lump sum pricing is comparable to other tenderers’ pricing and the cost estimate for renewal works developed during the design phase of the project.

Overall Assessment and Comment

The tender submission from Terpstra Constructions satisfied all assessment criteria and weightings as detailed in the PEP. Terpstra have proven experience in the successful construction of staircase structures in complex and remote environments. These structures were completed on schedule and to the satisfaction of the client. Terpstra demonstrated an understanding of the project complexities within their submission, and provided a realistic construction schedule which was in accordance with the City’s expectations. Terpstra were the only tenderer to satisfy these conditions and criteria and are therefore recommended as the successful tenderer.

Consultation

Community consultation was undertaken in the Concept Option phase of the project. Three concept options were developed for the renewal of Jindalee BAW Central and Jindalee BAW South which included an option for the renewal of just one of the BAWs and removal of the other. The community were presented with concept option sketches and cost estimates for each option and were asked for their feedback via an online community survey, mail-out, drop-in session and Facebook post.

In total, the City received 107 community feedback submissions. The majority of respondents (67%) supported renewing the stair sections of both structures (Jindalee BAW Central and Jindalee BAW South).

For the construction works, the community will be notified via on-site signage, notification of works letter mail out and updates to the City’s website and Facebook page. The City’s events team have been notified of the planned 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 5 - A well-planned, safe and resilient city that is easy to travel around and provides a connection between people and places

Priority 5.3 ~ Manage and maintain assets”

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

Risk Title	Risk Rating
ST-S06 Climate Change	Medium
Accountability	Action Planning Option
Director Planning and Sustainability	Manage

Risk Title	Risk Rating
ST-S24 Strategic Asset Management	Medium
Accountability	Action Planning Option
Director Assets	Manage

Risk Title	Risk Rating
IN-O29 Asset Maintenance	Low
Accountability	Action Planning Option
Manager Assets Maintenance	Manage

Financial and Performance Risk

Financial Risk

A financial risk assessment was undertaken by Equifax Australasia Credit Ratings Pty Ltd as part of the tender evaluation process and the outcome of this independent assessment advised that Terpstra is assessed with the financial capacity to meet the requirements of the contract.

Performance Risk

An independent reference check was completed for Terpstra and the feedback provided was positive. The feedback was provided by the Department of Biodiversity, Conservation and Attractions (DBCA) who have had an ongoing working relationship with Terpstra for four years. The DBCA stated that Terpstra Constructions maintained a high standard of work, had a strong ability to manage time and overcome delays and were compliant with all Work Health and Safety standards with no infringements to date.

Policy Implications

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

Financial (Budget) Implications

The demolition and construction of Jindalee Beach Access Way will be undertaken across two financial years, with the project starting in 2023/24 and completion

scheduled for 2024/25. The budget considerations for this project are outlined in the tables below.

Recurring Program Upgrade Beach Access Ways		
Description	Expenditure	Budget
Budget:		
Capital Works Budget for 2023/24 (PR-4498)		\$400,000.00
Capital Works Budget listed in LTFP for 2024/25		\$390,000.00 ¹
Expenditure:		
Expenditure incurred to date	\$2,354.00	
Commitment to date	\$0	
Project Management	\$20,000.00	
Tender Advertisements (Tender and Public Notices)	\$1,000.00	
Jindalee BAW Construction Activities	\$603,947.00 ²	
Jindalee BAW South Dune Rehabilitation	\$20,000.00	
Mindarie Tees Ct BAW Detailed Design	\$30,000.00	
<i>Project Contingency</i>	\$82,699.00	
Total Expenditure	\$740,000.00	
Total Funding		\$790,000.00

¹The listed budget for 2024/25 in the Long-Term Financial Plan (LTFP) will be adjusted to \$340,000.00 to align with the forecast project expenditure detailed above.

²Cashflow projections for Jindalee BAW Construction confirms that the allocated budget for 2023/24 will be sufficient to cover the construction expenditure for the remainder of this financial year.

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 Terpstra Constructions for Tender 23167, for the Demolition and Construction of Jindalee Beach Access Way, at a Fixed Lump Sum of \$603,947.00 Fixed Lump Sum.