

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER
CC: MANAGER INFRASTRUCTURE CAPITAL WORKS
FROM: DIRECTOR ASSETS
FILE REF: 28880 19/205078
DATE: 1 July 2019

**TENDER NO 19083
PROVISION OF MAJOR WORKS FOR WANNEROO CITY SOCCER CLUB
CHANGEROOM EXTENSION IN MADELEY**

Issue

To consider the award of Tender No. 19083 for the provision of major works for the Wanneroo City Soccer Club Changeroom Extension in Madeley.

Background

Kingsway Regional Sporting Complex (the Reserve) is located at 100 Kingsway, Madeley and is classified as a Regional Active Reserve. The property type is Crown Land vested in the City of Wanneroo for the purposes of recreation.

At Council's meeting on 21 August 2018 (CP04-08/18), the concept design for the Wanneroo City Soccer Clubrooms Change Rooms Extension was endorsed.

The City is now seeking to appoint a suitably qualified and experienced head-contractor to coordinate and provide construction services aligned with the tender document. The scope of works includes (but is not limited to the following):

- Bulk earthworks;
- Retaining walls;
- Service connections to main supply;
- Building construction and fitout works; and
- Paths, making good to grass and re-establishment of irrigation.

Detail

The Tender was advertised on 6th April 2019 and closed on Thursday 2nd May 2019.

A non-mandatory site inspection and tender briefing was held at 11:00am on Wednesday 10 April 2019. The tender briefing provided tenderers the opportunity to clarify any tender enquiries they have in relation to the tender prior to the closing of the tender.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Major Works
Contract Type	Lump Sum
Contract Duration	8 Months
Commencement Date	1 July 2019
Expiry Date	29 February 2020
Extension Permitted	N/A
Rise and Fall	N/A

Tender submissions were received from the following:

- | | | | |
|---|---|----|---|
| 1 | Bistel Construction Pty Ltd | 9 | Linkbuilding Construction Pty Ltd |
| 2 | Candor Contractors Pty Ltd | | |
| 3 | Classic Contractors Pty Ltd | 10 | Quality Group Services Pty Ltd (T/AS Cercon Building) |
| 4 | Construct360 Pty Ltd | 11 | Shelford Constructions Pty Ltd |
| 5 | Devlyn Australia Pty Ltd | 12 | Solution 4 Building Pty Ltd |
| 6 | Geared Construction Pty Ltd | 13 | Topend Living Pty Ltd (Buildon Construction) |
| 7 | Hoskins Investments Pty Ltd | | |
| 8 | Laneway Construction (WA) Pty Ltd T/A (Pearson Russ Builders) | 14 | Vera Builders Pty Ltd |

On initial review of the tender submissions by the Contracts Officer, it was confirmed that all tender submissions were deemed to be conforming tenders.

Section 8 of the Tender Document provided a shortlisting criteria; *"Price submissions that exceed 5% over the City' construction pre-tender estimate may not be considered and therefore excluded from further assessment Price for goods and / or services offered."* On this occasion the 5% exceedance of pretender construction estimate was increased to 10% to ensure a competitive tender process. Consequently, the following four submissions were short-listed for evaluation. Please refer to **confidential Attachment 1** for the comprehensive lump sum price submissions and shortlisting.

1. Construct360 Pty Ltd
2. Hoskins Investments Pty Ltd
3. Quality Group Services Pty Ltd (T/AS Cercon Building)
4. Solution 4 Building Pty Ltd

The Tender Evaluation panel comprised:

- Projects Engineer, Infrastructure Capital works
- Occupational Health and Safety Officer, Corporate Strategy & Performance
- Project Manager, Infrastructure Capital works

- Architect, Lantern Architecture
- Contracts Officer, Corporate Strategy & Performance

Tender submissions were evaluated in accordance with the Procurement Evaluation Plan (PEP). The PEP included the following selection criteria:

Item No	Description	Weighting
1	Organisational Experience	25 %
2	Key Personnel Experience	25 %
3	Methodology	25 %
4	Occupational Health & Safety	25 %

Price was not included in the qualitative criteria; however it was considered as part of the overall value for money assessment. The minimum acceptable baseline for qualitative criteria was 50%.

Probity Oversight

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

Evaluation Criteria 1 – Tenderers' Organisation Experience (25%)

Assessment of this criterion considered the tenderers' experience in supplying services of a similar nature and circumstances, with considerations given to project relevance, type, size, complexity and resourcing availability as presented in their tender submission in order to evaluate their capability to meet the requirements of the contract. Based on the response provided by the tenderers, the assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
Hoskins Investments Pty Ltd	1
Quality Group Services Pty Ltd (T/AS Cercon Building)	1
Solution 4 Building Pty Ltd	1
Construct360 Pty Ltd	4

Evaluation Criteria 2 - Key Personnel Experience (25%)

The tenderers' proposed team as presented within tender submissions were assessed in order to evaluate their capacity to meet the requirements of the contract. Assessment of this criterion considered the tenderer's key personnel with considerations given to project experience, type, size and complexity. Based on the response provided by the tenderers, the assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
Solution 4 Building Pty Ltd	1
Hoskins Investments Pty Ltd	1
Quality Group Services Pty Ltd (T/AS Cercon Building)	1
Construct360 Pty Ltd	4

Evaluation Criteria 3 - Methodology (25%)

The tenderers' 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 tenderers' project management procedures, project methodology, understanding, methods and construction programme to meet the relevant timeframe, budget and project/quality management, of the contract. Based on the response provided by the tenderers, the assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
Solution 4 Building Pty Ltd	1
Hoskins Investments Pty Ltd	2
Quality Group Services Pty Ltd (T/AS Cercon Building)	2
Construct360 Pty Ltd	4

Evaluation Criteria 4 - Tenderer's Occupational Health & Safety (25 %)

Evidence of safety and quality management policies and practices was assessed from the tender submissions. The assessment for safety management was based on the tenderers' responses to an Occupational Health and Safety Management System Questionnaire included within the tender documentation. Based on the response provided by the tenderers, the assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
Hoskins Investments Pty Ltd	1
Solution 4 Building Pty Ltd	2
Quality Group Services Pty Ltd (T/AS Cercon Building)	3
Construct360 Pty Ltd	4

Overall Qualitative Criteria Weighted Assessment and Ranking

The tenderers' bids were evaluated in accordance with the selection criteria and were assessed for having the necessary resources, previous experience, capability, safety and quality management systems to undertake the tender. The overall qualitative weighted assessment resulted in the following tender ranking:

Tenderer	Ranking
Solution 4 Building Pty Ltd	1
Hoskins Investments Pty Ltd	2
Quality Group Services Pty Ltd (T/AS Cercon Building)	3
Construct360 Pty Ltd	4

The baseline for the Qualitative Criteria was set at 50% and the top three tenderers (of the shortlisted group) achieved an acceptable qualitative assessment.

Overall Comment

Of the three short-listed tenderers who achieved an acceptable qualitative assessment, the combined assessment of Price vs Qualitative scores was reviewed. The tender submission from Solution 4 Building Pty Ltd provided the lowest priced tender, achieved an acceptable qualitative assessment score and is recommended as the successful tenderer for this project.

Relevant Stakeholder Consultation

Throughout the design phase of the project, the City has worked collaboratively with key stakeholders; sports clubs and internal stakeholders. In the development of the proposed concept design, the City undertook consultation with the Wanneroo City Soccer Club, meeting with club representatives on site on two occasions throughout May-June 2018 to review the draft drawings and obtain feedback.

The City held a third and final consultation meeting with the Club and Elected Members on 2nd July 2018 at the Civic Centre to present the revised drawings including 3D Image Views and concept for the Club's approval.

The City has received correspondence from the Club via email confirming acceptance of the concept designs on 20th July 2018. A subsequent letter was then received from the Club on 30th July 2018 providing official confirmation of acceptance of the plans.

Broader community engagement has not been undertaken on the basis that the proposed development sits within the Reserve and, as such, will have minimal impact on the surrounding community.

Key internal stakeholders have been engaged during various stages of the design phase, and were invited to provide comment at several stages.

Council endorsed the concept design for the Wanneroo City Soccer Clubrooms Change Rooms and Storerooms extension in August 2018.

Post tender award and during the construction phase, the City will provide regular progress updates on key project milestones or events; posting of 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*.

Necessary building permit application will be made by the recommended tenderer following the tender award.

Strategic Implications

The proposal aligns with the following objective with the Strategic Community Plan 2017 – 2027:

“1 Society

1.1.1 Healthy and Active People

1.1.1.1 Create opportunities that encourage community wellbeing and active and healthy lifestyles

Enterprise Risk Management Considerations

The risks relating to the issues contained within this report 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
CO-O07 Purchasing	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage

Risk Title	Risk Rating
CO-O08 Contract Management	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage

Risk Title	Risk Rating
CO-O17 Financial Management	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage

Social and Environmental (Sustainable Procurement) Considerations

The Tender brief included broader social and environmental implications as a non-weighted criterion through the use of Schedule 3B within the tender. Solution 4 Building Pty Ltd informed that it will be implementing an Access and Inclusion Plan to provide adequate access for patrons with disability, ensuring that the deviations from the current path are wheelchair and vision impairment friendly.

Broader Economic Impact Implications for the City of Wanneroo

The Tender brief included broader economic impact implications as a non-weighted criterion through the use of a “Buy Local” questionnaire. In this context ‘local’ is defined as all suburbs within the City of Wanneroo and City of Joondalup or within a 5 kilometre radius of the project site.

Solution 4 Building Pty Ltd has two current employees and six subcontractors whom are locally based in the City of Wanneroo.

Purchasing Policy Implications

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

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 by Corporate Scorecard Pty Ltd advised that Solution 4 Building Pty Ltd has been assessed with 'sound' financial capacity to meet the requirements of the contract.

As per tender requirements, Solution 4 Building is required to provide two bank guarantees with a combined total of 5.0% of the contract value, 2.5% to be returned at practical completion and 2.5% to be returned at finalisation of defects liability, to be paid to the City within 14 days of acceptance of tender.

Performance Risk

Over the past five years, Solution 4 Building Pty Ltd has successfully completed several projects for City of Bayswater, Shire of Kalamunda and VenuesWest. Further to that an independent reference checks have also indicated that the recommended tenderer has provided good service and delivery to its clients.

Operational Risk

Operational risk and mitigation will be addressed through the risk assessment process of the project management framework.

Prior to the commencement 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 OHS requirements.

Financial (Budget) Implications

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

PR- 4108

Wanneroo City Soccer Clubrooms, Madeley - New Change Rooms and Storerooms

Description	Expenditure	Budget
Budget:		
Allocated Capital Works Budget for 2017/18 (PR-4108)		\$ 80,000.00
Allocated Capital Works Budget for 2018/19 (PR-4108)		\$ 34,000.00
Allocated Capital Works Budget for 2019/20 (PR-4108) * Unspent funds from prior years will be carried forward to the 2019/20 FY		\$ 816,000.00
Allocated Capital Works Budget for 2020/21 (PR-4108)		\$ 62,500.00
Expenditure/Commitments to date:		
Expenditure incurred in 2017/18 (PR-4108)	\$ 19,712.00	
Expenditure incurred to date 2018/19 (PR-4108)	\$ 40,633.00	
Outstanding commitments to date	\$ 27,827.00	
Proposed Commitments		
Project Management costs	\$ 22,891.90	
Tender 19083 – Solution 4 Building Pty Ltd tendered price	\$ 839,462.95	
Contingency	\$ 41,973.15	
Total Expenditure	\$ 992,500.00	
Total Funding		\$ 992,500.00

Recommendation

That the Chief Executive Officer, in accordance with Delegation 1.1.14 - Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of tenders ACCEPTS the tender submitted by Solution 4 Building Pty Ltd for Tender 19083 for the construction of new change rooms and storerooms at the Wanneroo City Soccer Club Madeley, at a fixed lump sum of \$839,462.95.

APPROVED BY CHIEF EXECUTIVE OFFICER



SIGNATURE

6 /07/2019
DATE