

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER
CC: MANAGER INFRASTRUCTURE CAPITAL WORKS
FROM: DIRECTOR ASSETS
FILE REF: 25868 20/129262
DATE: 4 June 2020

**TENDER NUMBER: 20027 PROVISION OF MINOR WORKS FOR KINGSWAY
OLYMPIC EXISTING TOILETS REFURBISHMENT WORKS**

Issue

To consider Tender No: 20027 for Provision of Minor Works – Kingsway Olympic Existing Toilets Refurbishment Works.

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.

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):

- Complete refurbishment of male, female and staff toilets including installation of new sewer line;
- Ceiling replacement, painting and tiling associated with female ante-room
- Four optional items as stipulated in the tender document

Detail

Tender 20027 was advertised on 15th February 2020 and closed on Tuesday 10th March 2020.

Two non-mandatory site inspections and tender briefings were held at 11:00am on Monday the 24th of February 2020 and 9:30am Friday the 6th of March 2020. The tender briefings provided tenderers the opportunity to clarify any tender enquiries they have in relation to the tender prior to the closing of the tender and a total of 4 addenda were issued.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Minor Works
Contract Type	Lump Sum
Contract Duration	2 months
Commencement Date	June 2020
Completion Date	August 2020
Extension Permitted	N/A
Rise and Fall	N/A

Tender submissions were received from the following:

Full Name	Short form
Access Without Barriers Pty Ltd T/A AWB Co	AWB Building
Budo Group Pty Ltd	Budo Group
Cambercentric Pty Ltd Atf The Hyde Family Trust T/A HS Hyde & Son	HS Hyde & Son
Candor Contractors Pty Ltd	Candor Contractors
Geared Construction Pty Ltd	Geared Construction
Hickey Constructions Pty Ltd	Hickey Constructions
Hoskins Investments Pty Ltd ATF M R Hoskins Family Trust t/a AE Hoskins Building Services	AE Hoskins
LKS Constructions (WA) Pty Ltd	LKS Constructions
Palace Homes and Construction Pty Ltd Trading As Palace Construction	Palace Construction
Vera Builders Pty Ltd	Vera Builders
West One Property Group Pty Ltd	West One Constructions

All tenders were deemed to be conforming and were included in the evaluation process.

Section 5.4 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."* Consequently, the following submissions were short-listed for evaluation. Please refer to **Confidential Attachment** for the comprehensive lump sum price submissions and shortlisting.

1. AWB Building
2. HS Hyde & Son
3. LKS Constructions
4. Palace Construction
5. Vera Builders

The Tender Evaluation panel comprised:

- Coordinator Facility Projects, Facilities Projects
- Supervisor Building Maintenance
- Projects Engineer, Infrastructure Capital works
- Coordinator Safety Systems Safety & Injury Management, Corporate Strategy & Performance

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 Procurement: <ul style="list-style-type: none">• Environmental Considerations 5%• Buy Local 10%• Reconciliation Action Plan 2.5%• Disability Access & Inclusion 2.5%	20 %
2	*Demonstrated experience of tenderer and personnel performing the services	30 %
3	*Methodology, resources and capacity for maintenance services	30 %
4	*OSH demonstrated working documents	20 %

Pricing is not included in the qualitative criteria and is considered as part of the overall Value for Money (VFM) assessment. *The minimum acceptable baseline for Qualitative Criteria is set by the City with acceptable minimum scores required for each qualitative criterion marked with an **.

Evaluation Criteria 1 - Sustainable Procurement (20 %)

Sub criteria a) Environmental Considerations (5%)

An assessment was made to determine the ranking based on tenderers' Environmental policy and practices.

Sub criteria b) Buy Local (10%)

An assessment was made to determine the ranking based on the responses provided, detailing the following information:

- Purchasing arrangements through local businesses;
- Location of tenderer's offices, depots and production facilities;
- Residential addresses of staff and subcontractors; and
- Requirement for new employees arising from award of the contract.

Sub criteria c) Reconciliation Action Plan (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, development and mentoring.

Sub criteria d) Disability Access & Inclusion (2.5%)

An assessment was made to determine the ranking based on the responses provided that relate to:

- People with disabilities have the same buildings and facilities access opportunities as other people
- People with disabilities receive information in a format that will enable them to access information as readily as other people are able to access it.
- People with disabilities receive 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.

The consolidated overall Sustainable Procurement tender ranking outcome from the assessment is stipulated below:

Tenderer	Ranking
LKS Constructions	1
Palace Construction	2
Vera Builders	2
HS Hyde & Son	4
AWB Building	5

Evaluation Criteria 2 - Demonstrated Experience (30 %)

The tenders' relevant experience as presented within tender submissions was assessed in order to evaluate their capacity to meet the requirements of the contract. Assessment of this criterion considered the tenderer's key personnel and organisational experience 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
HS Hyde & Son	1
AWB Building	1
Palace Construction	1
LKS Constructions	1
Vera Builders	5

Based on the information supplied for assessment, all tenderers achieved a minimum acceptable score for this criterion.

Evaluation Criteria 3 - Methodology (30 %)

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 objective of this contract. Based on the response provided by the tenderers, the assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
HS Hyde & Son	1
Palace Construction	2
LKS Constructions	2
Vera Builders	4
AWB Building	5

Based on the information supplied for assessment, all tenderers achieved a minimum acceptable score for this criterion.

Evaluation Criteria 4 - Occupational Health & Safety OSH (20 %)

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
LKS Constructions	1
Vera Builders	2
AWB Building	3
Palace Construction	3
HS Hyde & Son	5

Based on the information supplied for assessment, HS Hyde & Son did not achieve a minimum acceptable score for this criterion.

Overall Qualitative Assessment and Ranking

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

Tenderer	Ranking
LKS Constructions	1
Palace Construction	2
Vera Builders	3
AWB Building	4
HS Hyde & Son*	5

* Based on the information supplied for assessment, HS Hyde & Son did not achieve a minimum acceptable score for the OSH criterion and therefore did not progress to the overall value for money assessment.

Non Weighted Evaluation Criteria 5 – Lump Sum Pricing for the Goods and Services Offered

Tenderer	Ranking
AWB Building	1
Palace Construction	2
Vera Builders	3
LKS Constructions	4

Value for Money Assessment

The combined assessment of Price vs Qualitative Scores resulted in the following tenderer ranking (highest to lowest):

Tenderer	Ranking
AWB Building	1
Palace Construction	2
Vera Builders	3
LKS Constructions	4

Please refer to the **Confidential Attachment** for the comprehensive Value for Money Assessment.

Overall Assessment and Comment

Of the four short-listed tenderers who achieved an acceptable qualitative assessment, the combined assessment of Price vs Qualitative scores was reviewed. The tender submission from AWB Building achieved the highest ranking in the relative value for money index and displayed good capacity in demonstrated experience and adequate capacity in methodology and OSH. AWB Building is therefore recommended as the successful tenderer for this project.

Consultation

Throughout the initiation and design phase of the project, the City has worked collaboratively with key stakeholders; sports clubs and internal stakeholders. Hence optional items were generated in the project scope to achieve a desirable outcome for all project stakeholders.

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

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*.

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

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 AWB Building has been assessed with a 'sound' financial capacity to meet the requirements of the contract.

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

Performance Risk

Over the past four years, AWB Building has successfully completed several projects for Public Transport Authority, Dudley Park Primary School, North Parmelia Primary School, Gingin District High School, Cannington Community College and John Forrest Senior High School.

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.

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.

PR-2565

RECURRING PROGRAM, RENEW LEASED BUILDING ASSETS
KINGSWAY OLYMPIC EXISTING TOILETS REFURBISHMENT WORKS

Description	Expenditure	Budget
Budget:		
Recurring program allocated budget in 2019/20 (PR-2565)		\$502,500.00
Expenditure:		
Expenditure incurred to date	\$ 190,749.00	
Commitment to date	\$ 16,498.00	
Uncommitted to date to be utilised by the program	\$ 23,023.00	
Tender 20027 - AWB Building tendered price including all 4 options	\$ 168,606.00	
Tender 20027 project management cost	\$ 20,330.00	
Tender 20027 contingency	\$ 61,064.00	
Total Expenditure	\$502,500.00	
Total Funding		\$502,500.00

The works are anticipated to commence during June 2020 and all unexpended funds will be carried forward to 2020/21 capital works budget.

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 AWB Building for Tender 20027, for the Kingsway Olympic Existing Toilets Refurbishment Works, at a fixed lump sum of \$168,606.00 (excl GST), being for the main works and the four options.