

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER
CC: MANAGER INFRASTRUCTURE CAPITAL WORKS
FROM: DIRECTOR ASSETS
FILE REF: 21/205481
DATE: 25 MAY 2021

**TENDER 21075: CONSTRUCTION OF A FAMILY CHANGEROOM ADDITION TO
THE WANNEROO AQUAMOTION FACILITY**

Issue

To consider Tender No. 21075 for the construction of a family changeroom addition to the Wanneroo Aquamotion facility.

Background

The need for the additional change room was identified in 2016 during a community consultation survey that was undertaken as part of the Aquamotion Building Assets Renewal Program. There was an overwhelming response from the community in favour of areas available for families and schools to change children.

It was therefore proposed to construct a new family change area on the southern elevation of the existing Wanneroo Aquamotion facility to improve the standard of service, accessibility and safety of the patrons and staff at the facility. The project was initially approved in the 2019/20 capital works program.

The location of the proposed addition is highlighted in green in Figure 1.



Figure 1: Proposed Location for Family Change Room

Tender 21075: Construction of a Family Changeroom Addition to the Wanneroo Aquamation Facility

Detail

Tender 21075 for the construction of a family changeroom addition to the Wanneroo Aquamation was advertised on 3 April 2021 and closed on 28 April 2021. Two Addenda were later issued to provide the outcome of the non-mandatory tender briefing and confirm that the City will consider the use of aquatic plumbing contractors not specified in the RFT document.

The family changeroom addition was designed in two stages prior to the receipt of economic stimulus funding. Given the volatility of the current construction industry the tender sought prices for the individual stages, but with the intent to construct both stages simultaneously should the submissions be in keeping with construction pre-tender estimates. This report recommends the construction of both stages simultaneously to complete the family change area project.

Essential details of the proposed contract are as follows:

| Item | Detail |
|---------------------|----------------------------|
| Contract Form | Major Works |
| Contract Type | Lump Sum |
| Contract Duration | 19 Months (including DLP) |
| Commencement Date | June 2021 |
| Expiry Date | December 2022 (end of DLP) |
| Extension Permitted | Nil |
| Rise and Fall | N/A |

Tender submissions were received from the following companies:

| Legal Name | Trading Name | Abbreviation |
|------------------------------|------------------------------|----------------|
| Geared Construction Pty Ltd | Geared Construction Pty Ltd | Geared |
| ENSO Construction Pty Ltd | ENSO Construction Pty Ltd | ENSO |
| Hickey Constructions Pty Ltd | Hickey Constructions Pty Ltd | Hickey |
| M Construction (WA) Pty Ltd | M Construction (WA) Pty Ltd | M Construction |
| Vidal Construction | Vidal Construction | Vidal |

The Tender Evaluation Panel (TEP) comprised:

- Acting Coordinator Facility Projects – Facility Projects
- Project Manager Infrastructure Capital works – Facility Projects
- Aquatic Operations Team Leader – Community Facilities
- Coordinator Safety Systems – People & Culture

Probity Oversight

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

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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 | *OSH | 20% |
| 3 | *Methodology & Programme | 25% |
| 4 | *Experience | 15% |
| 5 | *Resources and Capacity | 20% |

Tenderers must achieve a minimum acceptable qualitative score (as determined by the City) and for each of qualitative criteria detailed above (*) to be considered for further evaluation.

Although pricing is not a weighted criteria, the RFT included a clause to exclude submissions from further assessment if they exceeded 5% over the City's construction pre-tender estimate. Based on this, the submissions from Vidal and M Construction were excluded from further assessment due to being in excess of 5% of the pre-tender estimate.

The remaining tender submissions from ENSO, Geared and Hickey, were deemed to be conforming.

Evaluation Criteria 1 – Sustainable Procurement (20%)

Environmental Considerations (5%)

The following environmental consideration ranking was attained based on CO² emission, water efficiency, bio-diversity conservation, environmental management, waste and recycling with the following ranking:

| Tenderer | Ranking |
|----------|---------|
| Hickey | 1 |
| Geared | 1 |
| ENSO | 2 |

Buy Local (10%)

The Buy Local assessment based on five questions to determine a ranking with following ranking:

| Tenderer | Ranking |
|----------|---------|
| Geared | 1 |
| Hickey | 2 |
| ENSO | 3 |

Reconciliation Action Plan (RAP) (2.5%)

The RAP assessment based on opportunity creation, respect, inclusion, equal opportunity and other initiatives for employment of native Australians with the following ranking:

| Tenderer | Ranking |
|-----------------|----------------|
| Geared | 1 |
| ENSO | 2 |
| Hickey | 3 |

Access & Inclusion Plan (AIP) (2.5%)

The AIP assessment based on the respondent's approach to AIP policy and practices which achieved the following ranking:

| Tenderer | Ranking |
|-----------------|----------------|
| Hickey | 1 |
| ENSO | 1 |
| Geared | 2 |

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

| Tenderer | Ranking |
|-----------------|----------------|
| Geared | 1 |
| Hickey | 2 |
| ENSO | 3 |

Evaluation Criteria 2 – OSH - Tenderer's Safety Management Systems (20%)

Evidence of safety 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.

All tenderers provided details of their safety management systems with the following ranking:

| Tenderer | Ranking |
|-----------------|----------------|
| Geared | 1 |
| ENSO | 2 |
| Hickey | 3 |

Evaluation Criteria 3 - Tenderer's methodology and programme (25%)

Assessment of the tenderers' methodology and programme to evaluate their understanding of the project and capability to deliver the works on schedule and on budget. The assessment of this criterion has resulted in the following ranking:

| Tenderer | Ranking |
|-----------------|----------------|
| Geared | 1 |
| ENSO | 2 |
| Hickey | 3 |

Evaluation Criteria 4 - Tenderer's relevant experience in delivering similar projects (15%)

The tenderers' relevant experience in demonstrating the achievement of meeting client expectations as presented in their tender submission were assessed in order 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. The assessment of this criterion has resulted in the following ranking:

| Tenderer | Ranking |
|-----------------|----------------|
| Geared | 1 |
| Hickey | 2 |
| ENSO | 3 |

Evaluation Criteria 5 – Tenderer's resources and capacity to meet the requirements of the Contract (20%)

The tenderer's resources as presented in their tender submission were assessed in order to evaluate their capacity to meet the requirements of the contract. Assessment of this criterion considered the tenderer's staff resources, vehicles, plant/equipment and workshop support to manage the contract. The assessment of this criterion has resulted in the following ranking:

| Tenderer | Ranking |
|-----------------|----------------|
| Geared | 1 |
| Hickey | 2 |
| ENSO | 3 |

Overall Qualitative Weighted Assessment and Ranking

The overall qualitative weighted assessment resulted in the following tenderer ranking:

| Tenderer | Ranking |
|-----------------|----------------|
| Geared | 1 |
| Hickey | 2 |
| ENSO | 3 |

Tendered Lump Sum Price Ranking

Lump sum prices for Staging Option 2 were ranked as detailed in the table below:

| Tenderer | Ranking |
|-----------------|----------------|
| Hickey | 1 |
| ENSO | 2 |
| Geared | 3 |

Relative Value for Money Assessment

The combined assessment of Price vs Qualitative Scores on a relative value for money basis resulted in the following tenderer ranking (highest to lowest):

| Tenderer | Ranking |
|-----------------|----------------|
| Hickey | 1 |
| Geared | 2 |
| ENSO | 3 |

Overall Assessment and Comment

Hickey ranked highest in providing the best Relative Value for Money for the City, and recommended as the successful tenderer. The tenderer's submission contained the following key observations:

- Hickey is located within the City (Yanchep) and 100% of its employees are based in the City. Furthermore, they aim to procure goods and services from local businesses within the City;
- Hickey has delivered several projects successfully for the City;
- Hickey has demonstrated excellent understanding of the project methodology, programme and has confirmed that the works can be completed before the 31 December 2021 Federal Government deadline.

Consultation

The need for the family change area was identified from a survey of existing users of the facility. Consultation has been undertaken with the relevant internal stakeholders throughout the design process to ensure that user requirements are met.

Communication with both internal and external stakeholders will continue throughout the duration of the construction works in the form of facility posters, website updates and notification to nearby residents.

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 *Healthy and Active People*

1.1.1 *Create opportunities that encourage community wellbeing and active and healthy lifestyles*

Enterprise Risk Management Considerations

| <i>Risk Title</i> | <i>Risk Rating</i> |
|-------------------------------|--------------------------------------|
| CO-O20 Productive Communities | Moderate |
| <i>Accountability</i> | <i>Action Planning Option</i> |
| 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 Hickey has been assessed with a 'sound' financial capacity to meet the requirements of the contract.

Performance Risk

Hickey has previously completed a number of successful projects for the City and overall feedback from within the City has been positive.

Operational Risk

The project management framework for risk assessment will identify the operational risk mitigation strategies for implementation.

Prior to commencement of the works, the appointed contractor will be inducted into the City's OSH system and 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 operational health and safety requirements of the City.

Policy Implications

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

Financial (Budget) Implications

Based on the tenderer's lump sum, the expenditure for the project is summarised below and is contained within the existing 21/22 capital works budget.

PR-4196 PMO18016 Wanneroo Aquamation, New Family Change Area

| Description | Expenditure | Budget |
|---|------------------|------------------|
| Budget: | | |
| PR4196 - LRCIP grant | | \$760,000 |
| PR4196 - Municipal | | \$111,000 |
| Expenditure: | | |
| Expenditure incurred to date | \$71,609 | |
| Commitment to date | \$39,762 | |
| Project Management | \$15,000 | |
| Other fees (chlorine audit and signage) | \$5,000 | |
| Construction (this tender) | \$657,189 | |
| Contingency | \$50,000 | |
| Total Expenditure | \$838,560 | |
| Total Funding | | \$871,000 |

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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 Hickey Constructions Pty Ltd for Tender 21075: Construction of a Family Changeroom Addition to the Wanneroo Aquamotion Facility, as per the tender submission fixed lump sum of \$657,189 (Staging Option 2).