

## **TENDER RECOMMENDATION REPORT**

**TO:** CHIEF EXECUTIVE OFFICER

**CC:** COORDINATOR FACILITY PROJECTS  
MANAGER INFRASTRUCTURE CAPITAL WORKS

**FROM:** DIRECTOR ASSETS

**FILE REF:** 40359 22/87430

**DATE:** 20 April 2022

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**TENDER 21271**  
**SHELTER REPLACEMENT AND SEWER LINE EXTENSION AT WANNEROO**  
**BMX PEARSALL**  
**004267 - PMO20045**

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### **Issue**

To consider Tender No: 21271 for the Shelter Replacement and Sewer Line Extension at Wanneroo BMX Pearsall.

### **Background**

The Wanneroo BMX Club (Club) has been a long-term tenant of the City leasing a portion of Lot 1100 located at 276 Shiraz Boulevard, Pearsall. This is a State level facility in need of upgrades to improve access and inclusion functionality.

A site audit undertaken by administration has determined that the bike ramp and kiosk shelter structures are in poor condition and are not connected to sewer line. It is proposed the existing kiosk shelter only be replaced and head works including a sewer connection is provided to Lot 1100 for future development.

### **Detail**

Tender 21271 for the Shelter Replacement and Sewer Line Extension at Wanneroo BMX Pearsall was advertised on 2 February 2022 and closed on 22 February 2022. No addendum was issued.

Essential details of the proposed contract are as follows:

<b>Item</b>	<b>Detail</b>
Contract Form	Minor Works
Contract Type	Lump Sum
Contract Duration	3 months plus 12 months DLP
Commencement Date	May 2022
Completion Date	July 2023 (inclusive of DLP)

Item	Detail
Extension Permitted	Nil
Rise and Fall	Nil

Tender submissions were received from the following companies:

Legal Name	Trading Name	Abbreviation
Schlager Construction Group Pty Ltd	Schlager Construction Group Pty Ltd	Schlager
Solution 4 Building Pty Ltd	Solution 4 Building Pty Ltd	S4B

The Tender Evaluation Panel (**Panel**) comprised:

- Project Manager, Infrastructure Capital works
- Coordinator Community Facilities Planning, Community Facilities
- Community Facilities Planning Officer, Community Facilities
- Coordinator Safety Systems, People & Culture

### 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	Lump Sum Price (assessed under Value for Money)	Non Weighted
2	Sustainable Procurement: a) Environmental Considerations 5% b) Buy Local 15% c) Reconciliation Action Plan 2.5% d) Disability Access & Inclusion 2.5%	25%
3	*Demonstrated Experience	25%
4	*Methodology, Resources and Capacity	30%
5	*OSH Demonstrated Working Documents	20%

Pricing is not included in the qualitative criteria and is considered as part of the overall value for money assessment. Minimum acceptable scores are required for each mandatory qualitative criterion (marked with an \* in the table above).

The tender submissions were reviewed and were deemed to be conforming.

**Evaluation Criteria 1 - Pricing for the Goods/Services/Works Offered**

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

<b>Tenderer</b>	<b>Ranking</b>
Schlager	1
S4B	2

Administration have undertaken a Quantity Surveyor review of the proposed works and their report confirms the available budget and bids received.

**Evaluation Criteria 2 – Sustainable Procurement (25%)**

**Sub criteria a) Environmental Considerations (5%)**

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

<b>Tenderer</b>	<b>Ranking</b>
S4B	1
Schlager	2

**Sub criteria b) Buy Local (15%) - (Broader Economic Impact Implications for the City of Wanneroo)**

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

- 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.

<b>Tenderer</b>	<b>Ranking</b>
S4B	1
Schlager	2

**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

- OPPORTUNITIES – attracting, developing and retaining organisational talent to build opportunities for aboriginal employment, training, development and mentoring

Tenderer	Ranking
Schlager	1
S4B	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 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;
- People with disabilities receive the same level and quality of service from staff as other people;
- People with disabilities have the same opportunities as other people to make complaints;
- And people with disabilities have the same opportunities as other people to participate in any employment opportunities.

Tenderer	Ranking
S4B	1
Schlager	2

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

Tenderer	Ranking
S4B	1
Schlager	2

**Evaluation Criteria 3 – Demonstrated Experience (25%)**

The tenderer's relevant experience 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 tenderer's key personnel project experience including, type, size and complexity of projects previously delivered. The assessment of this criterion has resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
S4B	1
Schlager	2

#### **Evaluation Criteria 4 – Methodology, Resources and Capacity (30%)**

The tenderer's 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 tenderer's project management procedures, project methodology, understanding, methods and construction programme to meet the objective of this contract. The assessment of this criterion has resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
S4B	1
Schlager	2

#### **Evaluation Criteria 5 - Occupational Health & Safety OSH (20%)**

Evidence of safety management policies and practices were assessed from the tenderer's submissions. The assessment for safety management was based on the tenderers' responses to the Occupational Health and Safety Management System Questionnaire included in the tenderer's documentation. The assessment of this criterion has resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
S4B	1
Schlager	2

The Confidential Attachment to this recommendation provides further details regarding OSH rankings.

#### **Overall Qualitative Weighted Assessment and Ranking**

Tenderer's submissions were reviewed in accordance with the Procurement and Evaluation Plan with the following key observations:

- Price is not weighted and is included in the overall value for money assessment;
- The tender submissions were evaluated in accordance with the qualitative criteria and weightings as detailed in the Procurement and Evaluation Plan, and assessed against sustainable procurement, relevant experience, resources and safety management systems to meet the requirement of the City.
- The recommended tenderer's submission included sufficient evidence that the company has the necessary experience and resources to meet the requirements of this contract.

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

Tenderer	Ranking
S4B	1
Schlager	2

### Value for Money Assessment

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

Tenderer	Ranking
Schlager	1
S4B	2

The Confidential Attachment to this recommendation provides further details to the value for money assessment undertaken.

### Overall Assessment and Comment

The tender submission from Schlager ranked highest overall and the Panel considers it satisfies the overall value for money assessment in accordance with the assessment criteria and weightings as detailed in the Procurement and Evaluation Plan and is therefore recommended as the successful tenderer.

### Consultation

The City has worked collaboratively with key internal and external stakeholders throughout this project. Both internal and external stakeholders were invited to provide comments as part of project development.

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 2021-2031:

**Goal 5:**

Priority 5.3 - Manage and maintain assets

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Wanneroo will be a City known for having high quality new and existing assets that are well managed, maintained to be fit for purpose and valued by local communities. The City's assets will be future proofed by design and also provide maximum return on investment into the future.

### 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.

<b>Risk Title</b>	<b>Risk Rating</b>
CO-O17 Financial Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage
<b>Risk Title</b>	<b>Risk Rating</b>
CO-O22 Environmental Management	Moderate
Accountability	Action Planning Option
Director Community & Place	Manage
<b>Risk Title</b>	<b>Risk Rating</b>
CO-O23 Safety of Community	Moderate
Accountability	Action Planning Option
Director Community & Place	Manage

### Financial and Performance Risk

#### Financial Risk

The City is satisfied as to the financial position of the recommended tenderer. For further details refer to attached Confidential Memorandum.

#### Performance Risk

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

Prior to the commencement of 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.

**004267**

**PMO20045 WANNEROO BMX PEARSALL UPGRADE EXISTING FACILITIES**

<b>Description</b>	<b>Expenditure</b>	<b>Budget</b>
<b>Budget:</b>		
Allocated budget in 2021/22		\$ 355,700.00
<b>Expenditure:</b>		
Expenditure incurred to date	\$ 44,508.39	
Commitment to date	\$ 0.00	
Other consultancy cost	\$ 15,000.00	
Schlager Tender 21271 tendered price 2021/22	\$ 181,387.50	
Project management cost	\$ 10,000.00	
Project contingency	\$ 20,000.00	
<b>Total Expenditure</b>	<b>\$ \$270,895.89</b>	
<b>Total Funding</b>		<b>\$ 355,700.00</b>



**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 Schlager for Tender 21271, for the Shelter Replacement and Sewer Line Extension at Wanneroo BMX Pearsall at Fixed Lump Sum of \$125,387.50 for Schedule 1A and Fixed Lump Sum of \$56,000.00 for Schedule 1B, subject to the execution of a cross company guarantee.**