

10.2 Confidential - Contract award Sturt River Linear Park stage one

This report is seeking Council approval to award the contract to implement the Sturt River Linear Park project (stage one).

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Attachments: 1 Tender Evaluation Summary (2 pages)

1 Executive summary

1.1 Topic

This report is seeking Council approval to award the contract to implement the Sturt River Linear Park (stage one) project.

1.2 Context

Following Council endorsement of the Sturt River Linear Park concept on 20 May 2008, detailed design and further community engagement has been completed. The tender and evaluation processes for stage one implementation is now complete and award of this contract will enable work to commence in early 2010.

The tender includes three sections of work, one of which is within the City of Mitcham. Stage one work will be managed through separate contracts with the City of Mitcham and Onkaparinga to reflect the works within each council area.

Tenders were invited through an open tender process and assessed through council's Tender Management System (TMS) as tender number 09034 OT.

The contract value for the development of Sturt River Linear Park stage one is outside the Chief Executive Officer's delegated authority (\$500,000) and therefore requires a decision of Council to approve the contract.

It is suggested that Council consider this item in Confidence. Section 90(3)(k) of the Local Government Act 1999 is suggested as the most appropriate to use for this purpose.

This item is presented as a confidential item as it presents commercial tenders for the carrying out of works for Council's consideration and award. Our procurement policy and process focuses on ensuring the confidentiality of all information in the course of tendering is preserved.

1.3 Suggested outcome

That Council approves the award of the contract to SA Civil as recommended by the tender assessment team.

2 Recommendation(s)

1. That

- a. under the provisions of Section 90(2) of the Local Government Act 1999 an order be made that the public be excluded from attendance at the meeting in order to consider in confidence this item.**
 - b. Council is satisfied that it is necessary that the public be excluded to enable the Council to consider the report at the meeting on the following grounds:**
 - Section 90 (3)(k) tenders for the supply of goods, the provision of services or the carrying out of works.**
 - c. accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or discussion confidential.**
- 2. That Council accept the tender proposed by SA Civil for Sturt River Linear Park stage one, tender number 09034 OT at a cost of \$631,415.86 (including GST), subject to Department for Planning and Local Government funding being received.**
 - 3. That Council authorise the Chief Executive Officer to sign all required documentation to finalise the contract with SA Civil for works associated with the Sturt River Linear Park Stage one.**
 - 4. That an order be made under the provisions of Section 91(7) and (9) of the Local Government Act 1999 that the abovementioned document (or part of such document) including the minutes and the report of the Council relating to discussion of the subject matter of that document, having been dealt with on a confidential basis under Section 90 of the Act, should be kept confidential on the grounds of information contained in 90(3)(k) until the contract has been awarded and signed.**

Key Factors

3 Discussion

3.1 Details of tender

In accordance with council's Contracts, Tenders and Purchasing Policy and Procedures, an open tender invitation was issued through SA Tenders and Contracts.

The tender process included a site meeting with potential tenderers and council staff to enable visual inspection and an opportunity to discuss construction methodologies (eg. access issues, etc).

3.2 Tenders received

Five tenders were received. The following table summarises the tender submission prices for both the entire scope of stage one work and the two sections within the City of Onkaparinga.

Tender	Total stage one project () (3 sections - GST Incl.)	Two Onkaparinga sections (inc. GST)
Earthscapes of Adelaide	\$2,320,302	\$1,464,796
Glasscott Group	\$1,222,988	\$703,600
Matag Constructions Pty Ltd	\$1,895,101	\$1,187,227
SA Civil	\$1,081,643	\$631,416
Southern Garden Supplies	\$2,151,101	\$1,269,703

Tenders were assessed in accordance with City of Onkaparinga's procurement procedures.

3.3 Tender Management System (TMS)

All tender prices were entered into the TMS database program. The database calculates (using the Australian Consulting Engineers Association calculation) the price score based on the median price.

All evaluation scores (other than price) are determined by the evaluation panel based on the weighted criteria nominated for this tender as shown in the Council Tender Evaluation Summary (attachment 1).

3.3.1 Criteria assessment

The tender evaluation panel scored the tenders in accordance with the agreed selection criteria provided to tenderers within the tender documentation.

The SA Civil tender submission included examples of work undertaken of a similar nature and scale demonstrating their ability and experience in delivery of similar types of work. Their submission provided information about current commitments and a detailed methodology showing timely commencement of works, a sound understanding of the project and committed approach to implementation.

Information was also provided about the personnel that would be involved in delivering the project including a group of sub contractors with specific skills and experience in the areas required to deliver this project.

The tender evaluation team assessment identified SA Civil to have the highest weighted score and as the preferred contractor to undertake this project.

3.4 Budget details

Tenders were evaluated based on a lump sum total for work that is divided into three sections, two of which are within the City of Onkaparinga and a third within the City of Mitcham. With endorsement to proceed, the City of Onkaparinga would contract SA Civil to undertake the extent of work (two of the three sections) within our Council area. The total cost for this work is \$631,415.86 (including GST), \$574,014.42 (excluding GST).

The following budget allocations have been identified for this project;

- Sturt River Linear Park (current budget) \$315,618
- anticipated Department for Planning and Local Government grant funding (not yet confirmed) \$447,000
- total Sturt River Linear Park budget (including anticipated income) \$762,618
- preferred tenderers cost to complete stage one work within the City of Onkaparinga \$631,415.86 (including GST).

There are sufficient funds available from these sources to complete the requirements of this contract. Should the grant application be unsuccessful the scope of work will be reduced to reflect available resources in negotiation with the successful contractor.