
11.1 Confidential - Contract No. 09032 Christie Creek Upgrade - Morrow Road Sedimentation Ponds

This report is seeking Council approval to award the contract for the construction of the Morrow Road sedimentation ponds.

This is information seeking council direction.

General Manager: Bruce Williams General Manager Projects & Services
Report Author: Benjamin Hall, Project Leader
Contact Number: 8384 0595
Attachments: 1. The Tender Process and Tender Evaluation by Contractor Summary (3 pages)
2. Preliminary Probity Audit (Contracting and Tendering Services) (1page)

1 Executive summary

1.1 Topic

This report is seeking Council approval to award the contract for the construction of the Morrow Road sedimentation ponds.

1.2 Context

Tenders were received through an open tender process and assessed through Council's Tender Management System (TMS) Contract No. 09032 OT.

The contract value falls outside the Chief Executive Officer's delegated authority (\$500,000), therefore requiring a decision of Council for approving a tender.

A separate non-confidential report has been included in this agenda that provides tendering background information and a status update to Council on the Christie Creek Upgrade – Morrow Road Sedimentation Ponds element of Water Proofing the South.

1.3 Suggested outcome

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

The possible implications of not considering this item in confidence could reasonably be expected to prejudice the commercial position of the companies that supplied the information, or to confer a commercial advantage on a third party.

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 the 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 for the construction of the Morrow Road sedimentation ponds, Council accept the tender proposed by ADCIV Pty. Ltd for Contract No. 09032 for the value of \$1,524,690.33 (GST inclusive).
 3. That Council authorise the Chief Executive Officer to sign all required documentation.
 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 purchase order has been placed and confirmed.

Key Factors

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.

3.2 Number of Tenders Received

Five tenders were received.

The following table summarises the tender amounts received.

Name of Tenderer	Price (inc GST)
McMahon Services	\$1,882,541.00
ERTECH Pty Ltd	\$1,559,768.24

ADCIV Pty Ltd	\$1,524,690.33
PD Excavations Pty Ltd	\$1,371,021.85
SA Civil	\$1,195,266.33

3.3 Tender Management System (TMS)

Council staff used the TMS database program to enter all tender prices. 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 team based on the weighted criteria selected for this tender as shown in the attached Tender Evaluation Summary (Attachment 1).

3.3.1 Tender Assessment

The tender evaluation panel scored the tenders in accordance with the agreed selection criteria which were made available in the tender document. The criteria are presented within attachment 1.

A representative from the Adelaide and Mount Lofty Ranges Natural Resources Management Board participated in the evaluation. The Board is contributing \$250,000 toward the construction of the project.

A representative from Contracting and Tendering Services (CTS) was present to audit the tender process. CTS is engaged as probity advisor/auditor for all major procurements relating to Water Proofing the South. The auditing role ensures that the award of contracts process is fair and transparent. A copy of the preliminary probity audit for the procurement is contained in attachment 2.

The evaluation process considers the outcomes of an assessment against the mandatory criteria and qualitative criteria.

ADCIV Pty Ltd submission scored well with regard to cost, accreditations and certifications, appreciation of the task and capability. They provided a comprehensive, acceptable level of information with regard to capacity to undertake the task. ADCIV also demonstrated compliance with all mandatory criteria and is therefore recommended by the tender evaluation panel as the preferred contractor.

On receipt, the Ertech Pty. Ltd. submission did not include evidence of the company holding a builders/contractors licence, which is a mandatory requirement of the successful tenderer. The evaluation panel elected to evaluate the Ertech submission on the assumption that the company was licensed and that evidence would be requested. Subsequent investigations identified that Ertech did not have the necessary builders/contractors licence required to perform the works hence the evaluation panel are unable to recommend Ertech for the award of contract.

Any company which carries on business as a building work contractor, must be licensed as a contractor under the Building Work Contractors Act 1995. Some

elements of the Morrow Road sedimentation ponds (i.e. retaining walls, bulk excavations) are considered to be building works under the Development Act 1999 hence, having a licence is a mandatory requirement.

McMahon Services scored well on all criteria; however their cost proposal was significantly more than all other tenderers. The evaluation panel agreed that the scope of works that was costed was comparable; however the nominated rates were significantly greater than other tenderers affecting the total cost.

SA Civil and PD Excavations provided the least expensive cost submissions, and were appropriately accredited and certified however they only provided an acceptable level of evidence regarding their capacities and methodologies when compared against other submissions. Both companies presented limited experience in relevant areas of civil construction and as a result were deemed by the evaluation panel to be marginally adequate, and were scored accordingly.

3.4 Budget details and allocation

The cost for the delivery of the Christie Creek Morrow Road sedimentation ponds element is \$1.4M of the \$14.8M (excluding GST) allocated through Water Proofing the South. This element is funded by the Federal Government and the Adelaide and Mount Lofty Ranges Natural Resource Management Board.

The use of remaining funds from this element will be allocated to the delivery of the Wilfred Taylor reserve element of the Christie Creek upgrade.

11.2 2012 Surf Life Saving World Championships

Surf Life Saving Australia (SLSA) has been invited by the International Lifesaving Federation (ILS) to present a detailed bid to host the 2012 Championships. Events South Australia in-conjunction with Surf Life Saving Australia has submitted a bid for South Australia to host the 2012 event.

This is a regular or standard report.

Report Author: Jeff Tate, Chief Executive Officer

Contact Number: 8384 0550

File Reference:

Attachments:

1 Executive summary

1.1 Topic

Surf Life Saving Australia (SLSA) has been invited by the International Lifesaving Federation (ILS) to present a detailed bid to host the 2012 Championships. Events South Australia in-conjunction with Surf Life Saving Australia has submitted a bid for South Australia to host the 2012 event.

1.2 Context

Preliminary discussions have been held with Surf Life Saving Australia, Events SA and also senior staff members of the Cities of Holdfast Bay Marion. It is expected that the three Councils will be asked to contribute both financially and in kind to this event.

The sponsorship request would be for Tier 1 sponsorship and will need to be considered in more detail by Council.

1.3 Suggested outcome

It is suggested that Council consider this item in Confidence. Section (ii) 90(3)(j) 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 because negotiations between Surf Life Saving Australia and Events SA are currently underway. We have been asked by Events SA to keep the matter confidential at this stage.

**This report is presented as a confidential item on the agenda but depending on the outcomes of any announcements it may or may not be dealt with in confidence at the meeting.*

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) the Council is satisfied that it is necessary that the public be excluded to enable the Council to discuss the report at the meeting on the following grounds:**
 - (j) information the disclosure of which -**
 - (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the Council); and**
 - (ii) would, on balance, be contrary to the public interest;**
 - (c) that 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 a report be submitted to Council on the 2012 World Life Saving Championships by 31 August 2009.**
- 3. 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)(j) until the formal announcement of the winning bid*.**

Key Factors

3 Discussion

It is anticipated that on 16 June 2009 Adelaide will be announced as the venue for the 2012 Surf Life Saving World Champions. The events will be held over three venues, Christies Beach, Glenelg Beach and the new State Aquatic Centre at Marion.

We are advised that the event is likely to attract between 4000 and 5000 competitors and officials along with thousands of spectators. The economic benefit to the state is expected to be in excess of \$18m.

We will actively pursue opportunities to maximise the benefit to our city. This would include introducing the McLaren Vale Grape Wine and Tourism Association at an early stage to identify opportunities for their wines to be the official wines for the

event and to promote the available accommodation within the region for the event itself and the holiday makers who choose to stay on after the competition.

12 Closure

Declarations of Interest

Council Meeting Date:		Councillor:
Item No. (e.g. 3.1)	Declaration of Interest <i>(where a member has an interest that does not lead to a conflict)</i>	Declaration of Conflict of Interest <i>(where a member has an interest that leads to a conflict)</i>