

## **11.1 Confidential: Tender 10019 - Port Noarlunga Foreshore Redevelopment car park reconstruction**

*This report seeks Council approval for expenditure of budgeted funds in excess of \$500,000 for the Port Noarlunga Foreshore Redevelopment car park reconstruction.*

*This is information seeking council direction.*

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Attachments: 1. Tender Evaluation Summary (2 pages)

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### **1 Executive summary**

#### **1.1 Topic**

This report seeks Council approval for expenditure of budgeted funds in excess of \$500,000 for the Port Noarlunga Foreshore Redevelopment car park reconstruction.

#### **1.2 Context**

In accordance with our Contracts, Tenders and Purchasing Policy and Procedures an open tender invitation was issued for the reconstruction of the public car park associated with the Port Noarlunga Foreshore Redevelopment.

In order to implement the project Council approval is now sought for the award of the contract.

A separate non-confidential report has been included in this agenda that provides details in relation to the foreshore redevelopment and car park reconstruction project.

#### **1.3 Suggested outcome**

This report is presented subject to Council endorsement of the separate non-confidential item on this agenda which provides background information for this project.

Our procurement policy and process focuses on ensuring that the confidentiality of all information provided in the course of tendering is preserved. The possible implication of not considering this item in confidence is that, in the event that Council elects not to award the contract and further negotiation with prospective tenderers is required extending the course of the tendering, these discussions would no longer be able to be held commercially in confidence.

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

That Council approve the award of the contract for the reconstruction of the public car park associated with the Port Noarlunga Foreshore Redevelopment to McMahon Services Australia Pty Ltd for the sum of \$738,980 inclusive of GST.

## 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 Council accept the tender proposal by McMahon Services Australia Pty Ltd and approve the award of Contract 10019 for the car park reconstruction works associated with the Port Noarlunga Foreshore Redevelopment for the sum of \$738,980 inclusive of GST.
  3. That Council authorise the Chief Executive Officer to finalise the contract and all associated documentation for the car park reconstruction works.
  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 Discussion

The open tender call for the car park reconstruction works closed on 20 April 2010. At the time of closing eight proposals were received as detailed below. A further proposal was received after the nominated closing. This was deemed non-conforming by the evaluation panel and therefore not evaluated.

All conforming proposals complied with the conditions of tendering and all parties were judged to have the expertise and capability to satisfy the requirements of the tender.

Tenderer	Fee Proposal (inclusive of GST)
Lorenzon Constructions Pty Ltd	<i>Company in liquidation</i>

McMahon Services Australia Pty Ltd	\$738,980.00
SEM Civil Pty Ltd	\$853,217.64
Fulton Hogan Pty Ltd	\$987,144.22
SA Civil Pty Ltd	\$1,101,769.52
ADCIV Pty Ltd	\$962,226.99
Southern Garden Supplies / JR Civil	\$919,906.55
Badge Constructions (SA) Pty Ltd	\$958,430.00

### 3.1 Tender Evaluation

The tendered fee proposals were compared against our cost estimator's assessment of quantities and prices.

In following up responses to issues requiring clarification Lorenzon Constructions advised that since submitting their proposal the company had been placed in liquidation and withdrew their interest. Accordingly the proposal was excluded from further consideration.

An evaluation panel consisting of five council staff assessed the submissions against a range of mandatory, weighted and other criteria nominated for this tender as shown in the Tender Evaluation Summary (attachment 1).

The evaluation panel utilised a Tender Management System (TMS) database program to evaluate tender fee proposals. 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 a weighting of the criteria nominated for this tender. A summary of the tenderers, tender pricing, evaluation criteria and attributable weightings, and an explanation of the weightings and aggregate score for each tender is outlined in attachment 1.

Based on the assessment criteria the evaluation panel has nominated McMahon Services Australia Pty Ltd (McMahon Services) as the preferred contractor for the car park reconstruction works. McMahon Services are the highest ranked tenderer (by over 13%) and have demonstrated expertise, resources and capacity to satisfactorily perform the specified works. In addition, McMahon Services have site specific knowledge having successfully completed stage 1 of the Port Noarlunga Foreshore Redevelopment and has also undertaken early works demolition on behalf of the managing contractor for the Witton Centre upgrade.

## **3.2 Financial**

### **3.2.1 Current**

An amount of \$800,000 has been allocated for this element of the project as part of the Port Noarlunga Foreshore Redevelopment/Witton Centre Upgrade budget over 2009/10 and 2010/11 within the Major Projects Fund.

### **3.2.2 Future**

No further funding will be required in subsequent years for project implementation.

### **3.2.3 Operational**

The car park will require ongoing maintenance in accord with the relevant asset management plan.

## **4 Next steps**

Subject to Council approval the contractor will be appointed and works will commence in May 2010. Completion is currently scheduled for August 2010.

