

10.1 Confidential - Contract No. 07024 and 07025 – Moana Foreshore Upgrade Stage 2

Approval is sought to let a contract for an amount greater than \$500,000 (above which the CEO does not have authority).

This is information seeking council direction.

General Manager: Bruce Williams, General Manager City Projects
Report Author: Rob Bosley, Team Leader Major Contracts
(robbos@onkaparinga.sa.gov.au)
Contact Number: 8384 0583
Attachments: 1. Tender Process Summary (1 page)

1 Executive Summary

1.1 Topic

Approval is sought for the expenditure of Council's budgeted funds in excess of \$500,000.00 for Moana Foreshore Upgrade Stage 2.

1.2 Context

Council has allocated \$1,240,000.00 for this project as a part of the 2007/2008 budget. The total project budget is \$1,987,000.00 including grant funding of \$747,000.00 from the State's Coast Park and Open Space grant funding programs.

In accordance with our Contracts, Tenders and Purchasing Policy the prescribed method of purchase is by Contract resulting from the Select Tender process.

In order to implement the project the contract is now required to be let. Consistent with our Contracts, Tenders and Purchasing Policy, Council approval for this is now sought.

A separate non-confidential report has been included in this agenda that provides details in relation to Moana Foreshore Upgrade Stage 2.

1.3 Suggested Outcome

That Council approve Southern Garden Supplies as the Preferred Contractor for \$1,240,000.00 (inclusive of GST).

2 Recommendation(s)

- 1. (a) That under the provisions of Section 90(3) of the Local Government Act 1999 and order be made that the public be excluded from attendance at the meeting in order to consider in confidence this item.**
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- (b) **That 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) **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 Council approve the contract with Southern Garden Supplies.**
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)(k) until the purchase order has been placed and confirmed.**

Key Factors

3 Discussion

In accordance with Council's Contracts, Tenders & Purchasing Policy and Procedures, tenders for both civil and landscaping works were invited by Select Tender.

3.1.1 Details of Tender

The select call for tenders closed on 6 December 2007. At the time of closing a total of four (4) tenders were identified and received for both the civil and landscaping works.

3.1.2 Number of Tenders Received

At the time of closing a total of four (4) tenders were identified and received for both the civil and landscaping works.

For Tender No 07024 (civil works) tenders were received from Matag Constructions, ADVIC Pty Ltd, SEM Civil and Southern Garden Supplies.

For Tender No 07025 (landscaping works) tenders were received from Hakea Landscape & Revegetation Services, Landscape Environs, Landscape Construction Services and Southern Garden Supplies.

The tender prices received were:

Tender 07024 Civil Works

- Matag Constructions - \$936,729.20 inclusive of GST
- ADCIV Pty Ltd - \$1,024,171.87 inclusive of GST
- SEM Civil - \$1,088,174.42 inclusive of GST
- Southern Garden Supplies - \$644,793.43 inclusive of GST

Tender 07025 Landscaping Works

- Hakea Landscape & Revegetation Services - \$639,663.68 inclusive of GST
- Landscape Environs - \$517,572.90 inclusive of GST
- Landscape Construction Services - \$647,858.20 inclusive of GST
- Southern Garden Supplies - \$465,180.94 inclusive of GST

These tenders were evaluated by a panel of six Council staff.

The evaluation panel have selected Southern Garden Supplies as the preferred Contractor for both civil and landscaping works.

These tender prices were generally in accordance with the independently estimated costs and quantities. The sum of the two tender amounts by Southern Garden Supplies is \$1,109,974.37. In addition, a provisional sum of \$130,000.00 is required for electrical upgrade works.

Given the large cost variation between the Southern Garden Supplies tendered price and those of the other companies, an evaluation has been undertaken to ensure that they have appropriately addressed all criteria contained within the Tender Specification documents. This evaluation has determined that Southern Garden Supplies have addressed all these criteria.

The total budget allocated for the works tendered is \$1,310,115.00.

If awarded both contracts, Souther Garden Supplies have indicated a 3 to 4 week reduction on their programs with a further saving of \$50,000.00.

Southern Garden Supplies have incorporated with JR Civil and indicate they have 30 staff and 4 supervisors to undertake the works.

Southern Garden Supplies have indicated contract durations of 16 weeks for Civil and 9 weeks for landscaping, less the 3 to 4 weeks if awarded both contracts. Hence if contract commences on 1 February completion would be by 30 June 2008.

Southern Garden Supplies have successfully completed civil and landscaping elements for the Christies Beach Surf Club Foreshore Development.

Our Select Tender Assessment process has been followed. The Tender Process Summary (Attachment 1) detailing this process is attached.

3.1.3 Tender Management System (TMS)

Council staff use 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 Evaluation Criteria Summary (Attachment 1). The selection criteria are made available in the tender document.

The attached Tender Summary (Attachment 1) is automatically generated by the TMS.
