

10.3 Confidential Contract Award: Noarlunga Library Redevelopment Project – Tender No 09006 OT

This report is seeking Council approval to award the contract for the construction of the Noarlunga Library redevelopment project.

This is information seeking council decision.

General Manager: Bruce Williams, General Manager Projects and Services

Report Author: Andrew Furman, Major Projects Officer

(andfur@onkapinga.sa.gov.au)

Contact Number: 8384 0522

Attachments: 1. Council Tender Evaluation Summary (2 pages)

1 Executive Summary

1.1 Topic

This report is seeking Council approval to award the contract for the construction of the Noarlunga Library redevelopment project.

1.2 Context

Tenders were received through an open tender process and assessed through Council's Tender Management System (TMS) Tender No 09006 OT.

The contract value of the Noarlunga Library redevelopment project falls outside the Chief Executive Officer's delegated authority (\$500,000), therefore requiring a decision of Council to approve the expenditure.

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

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.

1.3 Suggested Outcome

The proposed outcome of this report is that Council approve the awarding of the contract as determined by the assessment team in conjunction with the Manager Strategic Projects to Cox Constructions Pty Ltd.

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 this 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 Noarlunga Library, Council:

- a. Accept the tender proposed by Cox Constructions Pty Ltd number 09006 at a cost of \$753,817 (GST inclusive).**
- b. Authorise the Chief Executive Office to sign all required documentation.**

- 1. 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

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 for the construction associated with the Noarlunga Library redevelopment project.

3.2 Number of Tenders Received

Six (6) tenders were received as a result of the open tender process.

Tender	Tendered Amount (GST Inclusive)	Tendered Amount (GST Exclusive)
BE Building Services	\$775,720 (inclusive of GST)	\$705,200 (exclusive of GST)
Cox Constructions Pty Ltd	\$753,817 (inclusive of GST)	\$685,288.18 (exclusive of GST)
ISIS Projects Pty Ltd	\$838,846 (inclusive of GST)	\$762,587.27 (exclusive of GST)
Sitzler Pty Ltd	\$819,839 (inclusive of GST)	\$745,308.18 (exclusive of GST)
Tagara Builders Pty Ltd	\$849,033 (inclusive of GST)	\$771,848.18 (exclusive of GST)
Axis Constructions (SA) Pty Ltd	\$554,433 (inclusive of GST)	\$504,030 (exclusive of GST)

Council's Open Tender Assessment process has been followed. The Council Tender Evaluation Summary is detailed in Attachment 1.

3.3 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 panel based on the weighted criteria nominated for this tender as shown in the Council Tender Evaluation Summary (Attachment 1).

3.3.1 Tender Assessment

The tender evaluation panel scored the tenders in accordance with the agreed criteria. The selection criteria are made available in the tender document.

Cox Constructions Pty Ltd scored highest and are recommended as the preferred contractor. They responded to all criteria within the tender submission providing the most comprehensive and advanced methodology which includes detailed staging and construction programmes. These two items are critical for the successful and timely delivery of the project. They also

confirmed and appreciated the need for close liaison with Council and Library staff to ensure concurrently staged works need to occur in safe and healthy environments without affecting the daily operations of the Library.

In addition, their appreciation of the task and demonstrated ability and experience was superior to all other tender submissions. Whilst they are not the lowest priced tenderer, the tender assessment panel believe they have demonstrated (via the new Aberfoyle Community Centre and the new Stirling Library) they are the most skilled and appropriate tenderer to undertake the project. Through these projects, they have also indicated an understanding and empathy with Local Government and its associated ideologies and procedures.

Axis Constructions presented a significantly lower priced tender however the tender evaluation panel believe their tender submission demonstrated a clear lack of understanding for the task and no sound methodology to deliver the project. Their overall submission was very basic and did not promote and support their abilities and expertise.

3.4 Funding

The total project budget excluding GST is \$750,000. The lump sum contract for the construction excluding GST is \$685,288 thus the approved funding is adequate for the project.

Subject to relevant approvals and the contractor's staging programme it is anticipated that the works are to be completed and handed over in July 2009.

