

## **11.2 Confidential - Contract award Aldinga Recreation Centre - Design and Construct**

*This report is seeking Council approval to award the design and construct contract for the Aldinga Recreation Centre development.*

General Manager: Bruce Williams, General Manager Projects and Services  
Report Author: Matt Buckell, Project Leader (matbuc@onkaparinga.sa.gov.au)  
Contact Number: 8384 0629  
Attachments: 1 Tender Evaluation Summary (3 pages)

---

### **1 Executive summary**

#### **1.1 Topic**

This report is seeking Council approval to award the design and construct contract for the Aldinga Recreation Centre development.

#### **1.2 Context**

The 16 February 2010 Council meeting resolved to proceed with a design and construct procurement process for a level one (one court) indoor recreation centre on the council owned land within the Aldinga District Centre (Allotment 2 Deposited Plan 72306 in certificate of Title Volume 5980 Folio 500). This is to be undertaken as part of the staged development of the site providing for future expansion of the recreation centre and possible co-location of other community and commercial facilities.

The tender and evaluation processes are complete and award of this contract will enable the project to begin in May 2010. With the timely progress of detailed design and necessary approvals (including development approval) construction is expected to commence in September/October 2010, with the project expected to be completed by May 2011.

Tenders were invited through an open tender process and assessed through our Tender Management System (TMS) as tender number 10012 OT.

The contract value for the Aldinga Recreation Centre – design and construct 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 Isis Projects 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 Isis Projects, tender number 10012 OT at a cost of \$3,577,387 (including GST).**
  3. **That Council authorise the Chief Executive Officer to sign all required documentation to finalise the contract with Isis Projects for works associated with the Aldinga Recreation Centre – Design and Construct.**
  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 our Contracts, Tenders and Purchasing Policy and Procedures, an open tender invitation was issued through SA Tenders and Contracts.

#### **3.2 Tenders received**

Eleven tenders were received. The following table summarises the tender submission prices.

<b>Tender</b>	<b>Price (GST inclusive)</b>
Ahrens Group	\$2,360,600
Axis Constructions	\$3,486,494
BMD	\$3,759,996
BuildTec Group	\$3,203,866
Cox Constructions	\$3,651,611
Hansen Yuncken	\$3,111,787.80
ISIS Projects	\$3,577,387
Minuzzo Project Management	\$2,695,000
ProActive Property	\$3,474,625
Schiavello	\$3,190,367
Sitzler	\$4,450,648

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 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 and detailed in attachment 1.

The tender review process resulted in 11 submissions, while a number of these organisations are involved in developing facilities as part of the Federal Government's *Building the Education Revolution* (BER) Program, their submission lacked the experience and depth of knowledge required to address the brief for this project, particularly as it is a design and construct project rather than just construction.

Many submissions, particularly at the lower end of the price scale, proposed very basic facilities that failed to reflect the scope of work and design outcomes as

detailed within our tender documentation. The eight lowest ranked submissions fall short of our facility planning and design expectations in a number of areas, including:

- inadequate expertise to deliver essential design outcomes including an aesthetically pleasing facility that complements and enhances connections to surrounding facilities and accommodates future expansion and community facility co-location.
- design deficiencies including provision of inadequate floor area and ceiling height in the main court for appropriate sport use and run offs, insufficient storage facilities, lack of mechanical ventilation to toilet and change rooms.
- very basic building finishes short of acceptable council standards.

Further information was requested of the three highest scoring tenderers to ensure submissions were comparable. These were then reassessed in light of the additional information and results are outlined below.

Hansen Yuncken's submission achieved a satisfactory score in the area of personnel/expertise and was competitively priced. However, it provided limited information about current project commitments and proposed a project completion date that would be after the agreed federal funding completion date. They also did not address the consideration of ESD initiatives within their brief.

Cox Constructions submission demonstrated ability and experience in development of facilities of a similar scale and provided a good project methodology demonstrating a sound appreciation of the project. Whilst identified as second preference, the Cox Construction proposal suggests that they would be capable of completing the project to our satisfaction. The main difference to ISIS being the higher cost of the proposal.

Isis Projects submission included specific evidence of all subcontractors' experience in delivery of projects of a similar scale and nature as the Aldinga Recreation Centre. A detailed methodology provided evidence of both an appreciation of the project and attention to specific project elements detailed within the tender scope. Information about current project commitments and a detailed program confirmed readiness to commence immediately and provide the resources required to meet the project time frames. The Isis Project submission also includes an allowance for design and implementation of green building features as part of the total lump sum contract price, reflecting the desire for the Aldinga Recreation centre to be a flagship green building.

The ISIS Projects tender price is within the project budget and cost estimate of \$3.5m presented to the 16 February 2010 Council meeting, once GST is excluded.

The tender evaluation team assessment identified ISIS Projects 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 to complete the project. Should the appointment of ISIS be approved by Council, the total cost for this work will be \$3,577,387 (including GST) or \$3,252,170 (excluding GST).

The following budget allocations have been identified for this project:

- Aldinga Recreation Centre Major Project Fund allocation \$1.5m
- Federal grant funding \$2m

Therefore, there are sufficient funds available from these sources to complete the requirements of this contract.

**4      Closure**

**Declarations of Interest**

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