

## **11.4 Confidential - Contract award Happy Valley Sports Park redevelopment – stage two implementation tender 11025**

*This report is seeking Council approval to award the contract for the Happy Valley Sports Park redevelopment – stage two implementation.*

*This is information seeking Council direction.*

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Contact Number: 8384 0629  
Attachments: 1 Tender Evaluation Summary (2 pages)

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### **1 Executive summary**

#### **1.1 Topic**

This report is seeking Council approval to award the contract for the Happy Valley Sports Park redevelopment – stage two implementation.

#### **1.2 Context**

The tender and evaluation processes are complete and award of this contract will allow on ground works to commence by November 2011 and be completed by mid 2012.

Tenders were invited through an **open tender** process and assessed through our Tender Management System (TMS) as tender 11025.

The contract value for the Happy Valley Sports Park redevelopment – stage two implementation 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 Adciv Pty Ltd 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 Adciv Pty Ltd, tender 11025 at a cost of \$814,761.33 (including GST).
  3. That Council delegate authority to the Chief Executive Officer to sign all required documentation to finalise the contract with Adciv Pty Ltd for works associated with the Happy Valley Sports Park redevelopment – stage two implementation.
  4. That Council delegate authority to the Chief Executive Officer to authorise all expenditure in relation to the contract with Adciv Pty Ltd for works associated with the Happy Valley Sports Park redevelopment – stage two implementation.
  5. 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

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

<b>Tenderer</b>	<b>Price (GST inclusive)</b>	<b>Price (GST exclusive)</b>
Adciv Pty Ltd	\$814,761.33	\$740,692.12
Axis Constructions Pty Ltd	\$782,410.00	\$711,281.82
Coombs & Barei Constructions Pty Ltd	\$1,122,373.90	\$1,020,339.91
Hakea Landscape & Revegetation Services	\$1,071,392.36	\$973,993.05
T & J Constructions Pty Ltd	\$924,727.63	\$840,661.48
Total Commercial Maintenance Pty Ltd	\$1,294,932.10	\$1,177,211.00

Tenders were assessed in accordance with our 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. This criteria was provided to tenderers as part of our tender documentation.

The tender attracted submissions from a range of contractors including those with backgrounds in building, landscaping and civil works. With stage two having a dominant focus on work of a civil nature, submissions with limited experience in this field tended to score lower for demonstrated ability.

Whilst Axis Constructions Pty Ltd offered the lowest price to complete this project, being primarily a building company their tender submission demonstrated a lack of necessary expertise and experience required to satisfactorily deliver this civil project as reflected in the scoring.

Adciv provided information on numerous projects they have completed of a similar nature to this project. This includes specific demonstrated ability in delivery of earthworks, road and stormwater works, landscaping, shared paths and retaining walls all of which are required as part of HVSP stage two. Adciv have also

successfully completed projects for the City of Onkaparinga in the past, providing greater confidence that they understand our systems and expectations in project delivery.

The submission provided information about Adciv personnel and a team of sub contractors and suppliers that would be involved in delivery of the project. The team includes nine specialist sub contractors across a broad range of disciplines providing the specialist expertise required to deliver this complex project. The submission also included a methodology confirming the timely commencement and completion of the project.

While the scope of stage two has been slightly modified since completing detailed design, Adciv's tender price remains consistent with the independent quantity surveyor cost estimate and unit rates prepared at that time. Accounting for these changes in scope, the cost estimate for stage two works is approximately \$800,000 (ex GST) including a construction contingency, compared to Adciv's tender price of \$740,692.12 (ex GST).

The tender price is within the project budget and the evaluation panel is confident they can satisfactorily complete the project. The tender evaluation panel assessment identified Adciv to have the highest weighted score and recommends them as the preferred contractor to undertake this project.

### **3.4 Financial implications**

The HVSP project is funded through the Major Projects Fund (MPF). The total project budget is \$3,791,000 (including income) over five years (2008-09 to 2012-13).

Stage one work was recently completed with a budget of \$2.3M. The budget for stage 2 works is approximately \$890,000 with the balance of funding to be used as a project contingency during project construction.

Stage 3 works will be considered as part of the 2012-2013 budget process.

