

## **11.2 Confidential - Tender No. 08113 - Old Noarlunga: Patapinda Road Streetscape Upgrade**

*Approval is sought for the expenditure of Council's budgeted funds in excess of \$500,000.*

*This is information seeking council direction.*

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Attachments: 1 – Tender Process Summary (3 pages)

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### **1 Executive Summary**

#### **Topic**

Approval is sought for the expenditure of Council's budgeted funds in excess of \$500,000.

#### **Context**

In accordance with Council's Contracts, Tenders & Purchasing Policy and Procedures, an open tender invitation was issued for the civil and landscaping works associated with the Patapinda Road streetscape upgrade. In order to implement the project Council approval is now sought for the award of the contract.

Council has allocated \$1,200,000.00 for this project from the 2008/2009 Major Projects Fund.

A separate non-confidential report has been included in this agenda that provides details in relation to the Old Noarlunga Patapinda Road Streetscape Upgrade.

#### **Suggested Outcome**

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 because it represents commercial tenders for the carrying out of works for Council's consideration and award.

Council's procurement policy and process focuses on ensuring that the confidentiality of all information provided in the course of tendering is

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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.

That Council approve the award of the contract for the civil and landscaping works associated with the Old Noarlunga Patapinda Road Streetscape Upgrade to Civilex Constructions Pty Ltd (Civilex) for the sum of \$657,030.00 (inclusive of GST).

### **Recommendation(s)**

1. **That**
  - **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.**
  - **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:**
    - (k) **tenders for the supply of goods, the provision of services or the carrying out of works;**
  - **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 fee proposal by Civilex Constructions Pty Ltd and approve the award of contract No. 08113 for the civil and landscaping works associated with the Old Noarlunga Patapinda Road Streetscape Upgrade for the sum of \$657,030.00 (inclusive of GST).**
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**

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## Discussion

In accordance with Council's Contracts, Tenders & Purchasing Policy and Procedures, an open tender invitation was issued for the civil and landscaping works associated with the Patapinda Road streetscape upgrade (between Edwards Street and Market Crescent North).

## Tender Details

Tenders closed on 24 July 2008. At the time of closing a total of five (5) tenders were received for the streetscape works:

<b>Tenderer</b>	<b>Fee Proposal</b>
Matag Constructions Pty Ltd	\$883,402.00 (inclusive of GST)
ADCIV Civil Engineering Pty Ltd	\$799,558.81 (inclusive of GST)
Civilex Constructions Pty Ltd	\$657,030.00 (inclusive of GST)
M&B Civil Engineering Pty Ltd	\$1,568,287.00 (inclusive of GST)
JMS Civil and Mining (AUST) Pty Ltd	\$1,032,111.41 (inclusive of GST)

## Tender Evaluation

Notwithstanding the large variation in the tendered fee proposals the tender responses were generally in accord with Council's estimation of the project scope and material quantities, etc.

The tenders have been evaluated by a panel of five (5) Council staff. The tendered fees were equalised to determine a score for price comparison, and a weighted matrix was used to rank the tenderers in order of preference.

The evaluation panel have nominated Civilex as the preferred contractor for the Patapinda Road streetscape upgrade works.

Given the large cost variation between the tendered fee offer by Civilex and those of the other tenderers, an investigation was undertaken to ensure that this contractor had appropriately addressed all criteria contained within the Tender Specification documentation, and that the contractor can capably undertake the required works.

The evaluation panel has assessed that Civilex has the resources and capacity and expertise to satisfactorily perform the works as specified, and in particular has taken into account the prevailing site factors and the precautions to be undertaken with respect to the works adjacent to historic buildings in different stages of repair.

The company operatives have in excess of 30 years experience in the civil and building construction industries and have recently satisfactorily completed similar works in terms of scope and scale for the Unley Council and Mercedes

College. Civilex is currently undertaking civil and landscaping elements for the O'Halloran Hill Streetscape Upgrade project.

Acknowledging the significant price advantage in accepting the Civilex proposal and possible unforeseen circumstances due to the sensitive operating environment (close proximity of historic buildings in various states of repair, the need to minimise disruption to business premises, sensitivities re past indigenous occupation, etc) a high order of supervision of the contract will be undertaken to ensure that Council's requirements are met.

#### Tender Management System (TMS)

Council staff utilise the 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 the weighted criteria nominated for this tender. A summary of the tender process comprising the identities of the tenderers, tender pricing, evaluation criteria and attributable weightings, an explanation of the weightings and aggregate scores for each tenderer is at Attachment 1.

