

15.1 Contract Award - Concrete Works - Kerb Repair Works - contract number 13063

This report is seeking Council approval to award the contract for the concrete works as required for the PCW, MPF and other associated programs

This is a new proposal, concept or issue.

Director: Kirk Richardson, Director City Operations

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Attachments: 1. Tender Evaluation Summary (4 pages)

1. Recommendations

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 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;

The Council is satisfied that it is reasonably foreseeable that the public disclosure or discussion of the information at the meeting may:

- prejudice the commercial position of the companies that supplied the information; or
- confer a commercial advantage on a third party; or
- prejudice any ongoing negotiations with the preferred supplier potentially causing damage to the interests of the Council.

- 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 award the tenders proposed by Kites Concrete Pty Ltd ATF the Kite Family Trust, Trueline Kerbing Pty Ltd and Civil Mining Group Pty Ltd for contract no. 13063 as they:
 - passed mandatory criteria;
 - presented a commercially acceptable offer.
 3. That Council delegate authority to the Chief Executive Officer to sign all required documentation to finalise the contracts with Kites Concrete Pty Ltd ATF the Kite Family Trust, Trueline Kerbing Pty Ltd and Civil Mining Group Pty Ltd for works associated with the Concrete Works – Kerb Repair Works project, Contract Number 13063.
 4. That Council delegate authority to the Chief Executive Officer to authorise all expenditure in relation to the contract with Kites Concrete Pty Ltd ATF the Kite Family Trust, Trueline Kerbing Pty Ltd and Civil Mining Group Pty Ltd for works associated with the Concrete Works – Kerb Repair Works project, Contract Number 13063, within approved budgets.

- 5. That the matter of Contract Award - Concrete Works – Kerb Repair Works, Contract Number 13063 having being considered in confidence under Sections 90(2) and 90(3)(k) of the *Local Government Act 1999* an order be made under the provisions of Section 91(7) and (9) of the *Local Government Act 1999* that the Contract Award - Concrete Works – Kerb Repair Works, Contract Number 13063 and the minutes and the report of the council relating to discussion of the subject matter, with the exception of part 2 of the recommendation and resolution, be kept confidential until the contract has been awarded and signed.**
- 6. That, pursuant to Section 91(9)(a) of the *Local Government Act 1999*, Council delegates the duty to conduct an annual review of the confidentiality order to the Chief Executive Officer, or his sub-delegate.**
- 7. That, pursuant to Section 91(9)(c) of the *Local Government Act 1999*, Council delegates the power to revoke the confidentiality order to the Chief Executive Officer, or his sub-delegate.**

2. Background

The contract value of the project exceeds the Chief Executive Officer's financial delegated authority (\$500,000) and therefore requires a decision of Council. The anticipated value of the contracts is approximately \$3 million per annum.

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.

The report 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 focusses on ensuring the confidentiality of all information in the course of tendering preserved.

The road reseal program is an annual asset management program to preserve and maintain the road network. The bitumen component of these works is carried out using the G6 Roadworks contract.

Prior to the bitumen works commencing many streets require preparatory works, in particular repairs to damaged kerbs, paths and driveway inverts.

The preparatory works are required to be completed by no later than February of the financial year to ensure the reseal program can be completed by the end of the financial year.

Historically, these preparatory works have been carried out by council's maintenance teams and contractors identified in an existing standing exemption contract or City of Onkaparinga panel contracts. Due to increases in budget allocations in the reseal program in recent years, as well as the necessity for larger concrete contracts (kerbs, footpaths, etc.) within the Projects and Capital Works (PCW) and Major Project Fund (MPF) programs to be completed in a timely and cost effective manner, it was appropriate to test the market to obtain best value for money.

The contract was issued for open tender on 29 October 2013 and Thursday 21 November 2013. During the open tender period 2 tender addenda were issued and distributed in accordance with the conditions of tender.

3. Financial Implications

As the contracts will be set up as Schedule of Rates contracts, the approved budgets for each financial year will govern the expenditure on these contracts. Funding for the contracts will be through the various approved budgets within the Projects and Capital Works, Major Project Fund and other associated programs over the next three years.

4. Risk and Opportunity

Key opportunity	Opportunity details and analysis
Stakeholder project delivery outcomes	Improved coordination of project delivery of the programs with scheduled works allocated prior to commencement of major roadwork tasks.
Community benefits	Contracts will enable timely and efficient delivery of the programs, minimising delays and reducing inconvenience to the community.
Key risks	Risk details and analysis
Financial	Schedule of Rates contracts with all expenditure to be undertaken within approved budgets.
Project Delivery	Project methodologies provided in tender submissions demonstrate a high level appreciation of the task.
Traffic management and control	Contract and tender documents requested that the Schedule of Rates were to include traffic management costs for all aspects of the works.
Community consultation prior to works commencing	Contract and tender documents requested that the Schedule of Rates were to include all costs associated with community consultation / resident notifications for all aspects of the works.

5. Discussion

Details of tender

In accordance with our Contracts, Tenders and Purchasing Policy and Procedures, a select tender invitation was issued through SA Tenders and Contracts.

Tenders received

At the time of closing, seven tenders were received:

Name of Tenderer
Civil Mining Group Pty Ltd
D.M.L. Constructions Pty Ltd
Kent Civil Pty Ltd ATF the Kent Civil Trust
M & B Civil Engineering Pty Ltd
Nova Group Services Pty Ltd
Kites Concrete Pty Ltd ATF the Kite Family Trust
Trueline Kerbing Pty Ltd

Tenders were assessed in accordance with our procurement procedures.

Tender Management System (TMS)

As the tenders were based on Schedule of Rates, prices for evaluation were calculated by weighting each of the key items, and applying the weightings over the total sum of the items.

The evaluated prices were then entered into the TMS database program which calculated (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).

Criteria assessment

The tender attracted submissions from a suitable range of contractors representing a broad cross section of the market. The tender evaluation panel scored the tenders in accordance with the agreed selection criteria. Due to the projects diverse requirements the demonstrated ability, methodology and resources were discussed in great detail.

It was agreed to shortlist the tender submissions to three preferred contractors based on the highest criteria scoring. The contractors in order of ranking of criteria scores were:

1. Kites Concrete Pty Ltd ATF the Kite Family Trust
2. Trueline Kerbing Pty Ltd
3. Civil Mining Group Pty Ltd

After clarification with Civil Mining Group Pty Ltd, to confirm their Integrated Management Plan and negotiate on an exclusion noted, the panel agreed to recommend all three shortlisted contractors for contract award based on the following supportive information:

- Top three ranked contractors based on the assessment criteria as evaluated by the tender assessment panel
- Competitive schedule of rates from all three tender submissions
- Good understanding of the requirements of the project with enough evidence provided (including demonstrated ability, methodology and available resources) to ensure satisfactory delivery of this contract

Whilst M & B Civil Engineering Pty Ltd and Kent Civil Pty Ltd ATF the Kent Civil Trust both offered the top two scores respectively, for the price based score for their Schedule of Rates, their tender submissions demonstrated a lack of expertise, understanding of the works required and resourcing capabilities to satisfactorily deliver this contract as reflected in the scoring. For these reasons, the tender assessment panel made the decision not to recommend Kent Civil Pty Ltd or M & B Civil Engineering Pty Ltd for this contract.

The submission from D.M.L. Constructions Pty Ltd provided acceptable evidence that they could undertake the works to deliver the project however, the price based score for their Schedule of Rates was the lowest of all submissions received. For these reasons, the tender assessment panel made the decision not to recommend D.M.L. Constructions Pty Ltd for this contract.

The submission from Nova Group Services Pty Ltd scored second lowest of the price based score for their Schedule of Rates and the scored lowest of all other evaluated criteria indicating that their submission demonstrated a lack of expertise, understanding of the works required and resourcing capabilities to satisfactorily deliver this contract. For these reasons, the tender assessment panel made the decision not to recommend Nova Group Services Pty Ltd for this contract.

RELEASED

Attachment 1



Tender evaluation summary

Contract No: 13063

Contract Name: Kerb Repair Works

The tender and evaluation process has been observed by John Braun, Contracts Officer, Procurement Services.

Tenders were invited by an open request advertised on 29 October 2013, and scheduled to close at 2.00pm on Thursday 21 November 2013. During the open tender period 2 tender addenda were issued and distributed in accordance with the conditions of tender.

At the time of closing, seven (7) tenders were received from the tenderers who are listed in table 1 (below)

Table 1 – Tenders received from:

Name of Tenderer
Civil Mining Group Pty Ltd
D.M.L. Constructions Pty Ltd
Kent Civil Pty Ltd ATF the Kent Civil Trust
M & B Civil Engineering Pty Ltd
Nova Group Services Pty Ltd
Kites Concrete Pty Ltd ATF the Kite Family Trust
Trueline Kerbing Pty Ltd

The Tenders were assessed in accordance with Clause 23 "Evaluation of Tenders" of Council's Administration Procedure "Procurement". This procedure requires that tenders are assessed by an evaluation panel using a weighted matrix to rank the tenderers in order of preference.

The evaluation panel comprised the people listed as recommended by in table 2 (below).

Table 2 – Evaluation Panel Members

Name	Position Title
Bruce Conry	Contract Surveillance Officer
Paul Wreford	Senior Technical Officer
Dawyd Pinter	Acting Team Leader Construction
Simon Pettman	Manager Civil Infrastructure

The scores for Price were generated by the Contract Officer, John Braun, using the formula adopted from Association Consulting Engineers Australia (ACEA) as follows:

$$S = 5 + 10 \times \frac{(\$M - \$T)}{\$M}$$

Where: S = Score (Max 10), \$M = Median Price, \$T = Tendered Price

Scores for the remaining criteria were allocated qualitatively by agreement of the evaluation panel using standard procedure based on scoring in the range of 0 to 10, with 5 being acceptable. A full summary of the evaluation criteria, weightings and allocated scores is provided as table 3.

Attachment 1

Evaluation was split over two meetings, with the first being at 9.30am Thursday 5 December 2013, in which the first five (5) responses were evaluated. The second was held at 2pm Tuesday 10 December, at which time the scores for price were also provided to the evaluation panel as part of the final evaluation.

Table 3 – Evaluation Criteria, Weightings and Scores

Criteria	Weighting %	Tenderer									
		Civil Mining Group Pty Ltd		D.M.L. Constructions Pty Ltd		Kent Civil Pty Ltd ATF the Kent Civil Trust		M & B Civil Engineering Pty Ltd		Nova Group Services Pty Ltd	
		Score (Max 10)	Weighted Score %	Score (Max 10)	Weighted Score %	Score (Max 10)	Weighted Score %	Score (Max 10)	Weighted Score %	Score (Max 10)	Weighted Score %
Price	30	4.56	13.68	3.66	10.98	4.98	14.94	5.03	15.09	4.08	12.24
Demonstrated Ability	15	6	9.00	5	7.50	5	7.50	5	7.50	2	3.00
Current Commitments	15	6	9.00	6	9.00	5	7.50	6	9.00	4	6.00
Methodology	25	5	12.50	6	15.00	4	10.00	4	10.00	2	5.00
Resources	15	7	10.50	6	9.00	5	7.50	5	7.50	4	6.00
Totals	100	3 rd	54.68	4 th	51.48	6 th	47.44	5 th	49.09	7 th	32.24

Criteria	Weighting %	Tenderer			
		Kites Concrete Pty Ltd ATF the Kite Family Trust		Trueline Kerbing Pty Ltd	
		Score (Max 10)	Weighted Score %	Score (Max 10)	Weighted Score %
Price	30	4.80	14.40	4.68	14.04
Demonstrated Ability	15	8	12.00	7	10.50
Current Commitments	15	8	12.00	7	10.50
Methodology	25	7	17.50	7	17.50
Resources	15	8	12.00	7	10.50
Totals	100	1 st	67.90	2 nd	63.04

Based on the results provided in table 3, the evaluation panel agreed to shortlist Kites Concrete Pty Ltd ATF the Kite Family Trust, Trueline Kerbing Pty Ltd and Civil Mining Group Pty Ltd for further process and negotiation.

After clarification with Civil Mining Group Pty Ltd, to confirm their Integrated Management Plan and negotiate on an exclusion, the panel has agreed to recommend all three shortlisted contractors for contract award.

The evaluation panel has selected Kites Concrete Pty Ltd ATF the Kite Family Trust, Trueline Kerbing Pty Ltd and Civil Mining Group Pty Ltd as preferred suppliers and recommends that their Tenders be accepted

I declare that within my knowledge, the process has been undertaken in accordance with the Contracts, Tenders and Purchasing Policy and relevant procedures			
John Braun	Contracts Officer	24/12/2013	