



City of Busselton
Geographe Bay

LATE ITEM

Council Agenda

9 November 2016

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

CITY OF BUSSELTON

LATE ITEMS FOR THE COUNCIL MEETING TO BE HELD ON 9 NOVEMBER 2016

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12. ENGINEERING AND WORKS SERVICES REPORT

12.1 TENDER AWARD - RFT19/16 - THE DESIGN & CONSTRUCTION OF THE BUSSELTON FORESHORE COASTAL DEFENCES CENTRAL CORE AREA

SUBJECT INDEX:	Busselton Foreshore
STRATEGIC OBJECTIVE:	Infrastructure assets are well maintained and responsibly managed to provide for future generations.
BUSINESS UNIT:	Engineering and Works Services
ACTIVITY UNIT:	Engineering & Works Services
REPORTING OFFICER:	Director, Engineering and Works Services - Oliver Darby
AUTHORISING OFFICER:	Director, Engineering and Works Services - Oliver Darby
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A Confidential Tender Evaluation and Recommendation Report - RFT 19/16 Design and Construction of the Busselton Foreshore Coastal Defences Central Core Area at the Busselton Foreshore

Attachment A is confidential under section 5.23 - 2(c) of the Local Government Act 1995 in that it deals with “a contract entered into or which may be entered into, by the local government”. Copies have been provided to Councilors, the Chief Executive Officer and Directors only.

This item is presented for Council consideration for acceptance as a late Item for the 9 November 2016 Council Meeting so that the award of Tender can be awarded and construction can commence.

PRÉCIS

The City of Busselton invited RFT 19/16 Design and Construction of the Busselton Foreshore Coastal Defences Central Core Area at the Busselton Foreshore and received 5 submissions. This report summarises the tender responses and makes recommendation to award the tender.

BACKGROUND

The objectives of this Request for Tender are to appoint a suitably qualified contractor for the Design and Construction of the Busselton Foreshore Coastal Defences Central Core Area at the Busselton Foreshore for the City of Busselton.

This Request for Tender specified the requirements of the City and invited suitably qualified and experienced respondents to submit bids to enter into a Contract for the Design and Construction of the Busselton Foreshore Coastal Defences Central Core area from the Busselton jetty abutment west to Queen Street (to the existing Granite sea wall), in accordance with the preliminary design and specification sent out in the request for tender.

The requirements for the new coastal defences include:

- Detailed design of the coastal defences in accordance with design criteria and appropriate standards;
- Supply and installation of sheet piling;
- Supply and installation of exposed aggregate reinforced concrete paths, steps, ramps and other associated coastal infrastructure which will be constructed to meet specific elements of the overall foreshore landscape design;

- Supply and installation where required of a geotextile sand bag groyne elements;
- Integration to the Busselton Jetty abutment;
- Integration to existing granite sea wall to the west;
- Queen Street Look out;
- Beach access ramp;
- Handrails;
- Specific timelines for the completion of works;

The successful tenderer will be reporting to the Director of Engineering and Works Services to fulfil the requirements as described in this report.

The contract will be a design and construction contract. The City of Busselton will engage specialised consultants to assist officers with peer reviews and to ensure the works have been completed in accordance with the detailed design. This will form part of the overall budget.

The Request for Tender for the construction of the Design and Construction of the Busselton Foreshore Coastal Defences Central Core area was advertised from 17 September 2016 for a period of five weeks(5) and (5) days, closing on the 27 October 2016. The tender advertising period of (5) weeks and (5) days included an extension of two days to allow interested tenderers to complete tender submissions.

The City received forty six (46) requests for the tender documents and received five (5) tender responses. A tender evaluation panel was formed to evaluate all tender submissions and prior to the evaluation meeting, each panel member was provided with a copy of each submitted tender and a copy of the Evaluation Score sheet and Panel Guide. Each panel member then scored each tender, with the scores being averaged to determine a final score.

The Evaluation Panel met on 1 November and 4 November 2016 to discuss and evaluate each tender submission. The basis for the scoring and rationale for each score was discussed and final comments for the averaged scores agreed upon.

A rating scale of zero to five (0 – 5) was used for evaluating each tender submission in accordance with the Qualitative Criteria, with 0 being lowest and 5 being highest. The scoring has taken place in accordance with the RFT – Evaluation Scoring Guide and Procedural Fairness Guidelines as published by WALGA.

A comprehensive summary of these responses and pricing schedules has been included in the confidential attachment.

STATUTORY ENVIRONMENT

Section 3.57 of Local Government Act 1995 requires “A local government to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods and services”.

Part 4 (Tenders) of the Local Government (Functions and General) Regulations 1996 require that tenders be publicly invited for such contracts where the estimated cost of providing the total service exceeds \$150,000.

Compliance with the Local Government Act 1995 section 3.57 is required in the issuing and tendering of contracts.

RELEVANT PLANS AND POLICIES

The City's Busselton Foreshore Master Plan includes construction of coastal defences to the West of the Busselton Jetty as part of the Busselton Foreshore Development.

The City's purchasing, tender selection criteria, occupational health and safety and engineering technical standards and specifications, were all relevant to this tender and have been adhered to in the process of requesting and evaluating tenders.

FINANCIAL IMPLICATIONS

The total budget for the Design and Construction of the Busselton Foreshore Coastal Defences Stage 3 is \$2.5million.

To date, preliminary design costs and tender preparation costs associated with these works have been completed in house.

The tender contract value will be \$1,904,626.73 (ex GST) which is under budget.

There will, however, be additional costs for consulting engineers/peer reviews and other supervisory works, reinstatements, contingencies of works outside the current scope of works which will be required to be spent against this budget. This figure cannot be specified at this point however we recommend that this be 10% of the contract value which equates to approximately \$200,000.

The above contract figure does not include any provisional sums or variations. Due to the nature of these works there is the potential of an unforeseen element which may require a variation to be paid to the contractor.

It is expected that any variation will be paid from the \$2.5 million budget line item, but will not exceed the budget. It is expected that all works associated with the Coastal Defences Central Core Area will be completed for \$2,105,000 (ex GST). The balance of unspent funds is likely to be required for the central core area.

Long-term Financial Plan Implications

This is incorporated in the 2016/17 Budget and 2016/17 Long Term Financial Plan onwards.

STRATEGIC COMMUNITY OBJECTIVES

The Foreshore Coastal Defences Central Core Area are consistent with following the City of Busselton's strategic objectives:

- Well Planned, Vibrant and Active Places;
- Infrastructure Assets that are well maintained and responsibly managed to provide for future generations.

RISK ASSESSMENT

An assessment of the potential implications of implementing the Officers Recommendation has been undertaken using the City's risk assessment framework. The assessment sought to identify 'downside' risks only rather than 'upside' risks and where the risk, following implementation of controls has been identified as medium or greater are included below;

<i>Risk</i>	<i>Controls</i>	<i>Consequence</i>	<i>Likelihood</i>	<i>Risk Level</i>
The contractor fails to complete the defences by the end of the financial year.	Weekly project meetings to monitor progress. Liquidated damages to be imposed for delays that cause loss to City.	Medium	Likely	Medium
The contractor causes delays or losses to other contractors working on the Busselton Foreshore project.	Monitor contractors' compliance with requirement to work/co-ordinate with other contractors.	Medium	Likely	Medium
The costs associated with the construction is over the Council endorsed budget due to variations to the contractors scope of work.	Tender contract terms & conditions; Weekly project meetings to monitor progress and any variations to scope.	Medium	Likely	Medium
The contractor fails to construct the defences in accordance with the design.	This is a design and construction contract, contractor to provide sign off on construction in accordance with design and specified hold points. City supervision.	High	Unlikely	Medium

CONSULTATION

Nil

OFFICER COMMENT

The tender assessment was carried out by a tender review panel consisting of Oliver Darby, Director of Engineering and Works Services, Daniell Abrahamse, Manager of Engineering and Facility Services and Lisa McDonald, Contract and Tendering Officer. Tender submissions were received from the following organisations:

- Advantearing Civil Engineers
- BCL Group Pty Ltd
- Ertech Pty Ltd
- Leeuwin Civil Pty Ltd
- BCP Contractors Pty Ltd

All tenders were found to comply with the terms and conditions and mandatory requirements of the RFT. Accordingly, each tender was scored according to the qualitative criteria endorsed by Council and included in the tender documentation as follows:

Criteria Weighting

- | | | |
|-----|-------------------------------------|-----|
| (a) | Relevant Experience | 20% |
| (b) | Key Personnel Skills and Experience | 5% |
| (c) | Tenderer's Resources | 5% |
| (d) | Demonstrated Understanding | 20% |

The net tendered price was scored using the 'Average Based Scoring Method' recommended by WALGA in the 'Local Government Purchasing and Tender Guide'.

The panel members individually assessed the compliance and qualitative criteria and then applied an average to provide a final rating. The scores were then added together to indicate the rankings for the tender. The Confidential report attached provides further detail in relation to the relative merits of each of the individual tenderers. Following this evaluation, Ertech Pty Ltd is the preferred tenderer for the reasons outlined in the confidential report.

CONCLUSION

The tender evaluation panel have completed their assessment in line with the City's tender process and Officers now recommend the Council award RFT 19/16 Design and Construction of the Busselton Foreshore Coastal Defences Central Core Area at the Busselton Foreshore to Ertech Pty Ltd.

OPTIONS

The Council may consider the following alternate options:

1. The Council choose not to accept the Officers Recommendation and award the Tender to an alternate tenderer. In the view of the Officers this could result in a Tender being awarded to a tenderer that has not presented the "best value" for money offer.
2. The Council may choose not to accept the Officers Recommendation and not award the tender. This would mean going back out to tender, resulting in significant delays to the contract award and potential significant delays to the Busselton Foreshore Development project

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The award of the tender can be made immediately after the Council has endorsed the Officers recommendation. Subject to finalisation of a number of minor contractual points, the successful tenderer will receive formal written notification within seven (7) days of the resolution. All unsuccessful tender applicants will also be notified at this time.

OFFICER RECOMMENDATION

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Council:

1. Endorses the outcomes of the evaluation panel's assessment in relation to Tender RFT19/16 Design and Construction of the Busselton Foreshore Coastal Defences Central Core Area for which has resulted in the tender submitted by Ertech Pty Ltd being ranked as the best value for money.
2. Delegate authority to the CEO to award the contract for Tender RFT19/16 – Design and Construction of the Busselton Foreshore Coastal Defences Central Core Area at the Busselton Foreshore to Ertech Pty subject to negotiations over the final price sum.