

**Subject 4.2 Tender 2016/04 Construction of SES
Communication Control Centre (10822459)**

To the General Manager

Directorate: Shellharbour Enterprises
Department: Parks, Aquatics, Landfill and Stadium

Manager: Daniel Brilsky – Manager Projects
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Reason for Confidentiality

This item is classified CONFIDENTIAL under the provisions of Section 10A(2)(d)(i) of the *Local Government Act 1993*, which permits the meeting to be closed to the public for business relating to the following:

- (d) commercial information of a confidential nature that would if disclosed:
 - (i) prejudice the commercial position of the person who supplied it

This report contains sensitive financial information received by Council and to disclose this in an open meeting would put Council and other organisations involved at a disadvantage should the tender be awarded.

Summary

The purpose of this report is to seek Council's resolution to award Contract 2016/04 for Construction of SES Communication Control Centre to Project Coordination (Australia) Pty Ltd as a suitably qualified and experienced contractor.

Tenders for the construction works were advertised on 13 August 2016 and closed on 13 September 2016.

Six tenders were received. Following detailed tender assessment, the most advantageous option for Council is to award the contract to Project Coordination (Australia) Pty Ltd for the contract price of \$419,500.

Background

At the Ordinary Council meeting of 5 February 2015, the Council endorsed the Partnership Agreement with NSW State Emergency Services SES. This Partnership Agreement clarifies the roles and responsibilities specifically in relation to NSW SES unit operating costs and building infrastructure that Council provides the NSW SES to fulfil its statutory functions.

The design and scope of works was developed by the NSW State Emergency Service in consultation with Albion Park SES Station Volunteers and Shellharbour City Council Projects Team.

A development application has been approved for the works and includes demolition of an existing amenities building and construction of a new communication control centre. As part of the application process, numerous heritage constraints of the site were addressed.

The purpose of the works is to provide the SES with new and improved facilities for emergency operations out of Council's existing old Council Chamber Building at 127 Tongarra Road, Albion Park. The land on which the new proposed facility sits is land owned by Council and is classified as operational land.

Procurement Process

The request for tender was advertised on Tenderlink. The Tender submission deadline was 13 September 2016.

Tenders formally received and opened:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

The tenders were assessed in accordance with the *Local Government (General) Regulation 2005*, the *NSW Government Code of Practice for Procurement (2005)*, Shellharbour City Council's Procurement Policy and the Tender Assessment & Evaluation Criteria document. The following criteria applied:

1. Price (50% weighting)
2. Non-Price (50% weighting)

The non-price criteria applied by the Tender Assessment Panel are listed below:

- a) Experience and capability of the organisation; minimum 3 years of experience must be provided on various projects involving construction of industrial/emergency type buildings with internal office fit out.
- b) Experience and skills of contractor's key personnel proposed for the project.
- c) Demonstrated understanding of the requirement.
- d) A WHS Management, Quality & Environment Management System which complies with the requirements contained within the schedule.
- e) Proposed Project Delivery and Methodology.
- f) Financial capacity to conduct the works.

The following was stipulated in the Conditions of Tendering - Section 10 Assessment and Acceptance of Tenders of Tenders:

"The Principal may treat any detail required by the tender documents which is omitted, illegible or unintelligible as failing to fulfil the relevant requirement."

The assessment of the completeness of the submitted tenders revealed that one tender was incomplete and not assessed further.

The five compliant tenderers scored well against the non-price criteria, and proved to be capable of successfully delivering the works.

Project Coordination has recently completed the construction of multiple SES building projects including works for NSW Public Works and Holroyd Council. The team proposed by Project Coordination is experienced, and the proposed works methodology and delivery information is

suitable. Project Coordination have ISO certified Work Health & Safety, Quality & Environment Management Systems.

Project Coordination's tendered price was competitive with other tendered prices for the works, and is within the available project budget.

A financial assessment was completed by Corporate Scorecard on Project Coordination and it was found they have sufficient financial capacity to undertake the works.

Under clause 178 of the *Local Government (General) Regulation 2005*, Council after considering the tenders submitted for a proposed contract must either:

- (a) accept the tender that, having regard to all circumstances, appears to be the most advantageous, or
- (b) decline to accept any of the tenders.

The tender offered by Project Coordination (Australia) Pty Ltd has been assessed as the most advantageous to Council.

Financial / Resources Implications

Funding for this project has been identified in the 2016/2017 Capital Works program provided from Council's *Special Rate Variation*. The SES have also contributed [REDACTED] funding towards the project, including a [REDACTED] grant from Liquor & Gaming NSW

The tendered price of \$419,500 is within the available budget for the prescribed works.

Council Decision Making During Merger Proposal Periods

The Office of Local Government's document *Council Decision Making During Merger Proposal Periods* states:

Councils the subject of merger proposals should not enter into a contract or undertaking involving the expenditure or receipt by the council of an amount equal to or greater than \$250,000 or 1% of the council's revenue from rates in the preceding financial year (whichever is the larger), unless:

- *the contract or undertaking is entered into as a result of a decision made or procurement process commence prior to the start of the merger proposal period; or*
- *entry into the contract or undertaking is reasonably necessary for the purposes of:*
 - *meeting the council's ongoing service delivery commitments to its community; or*
 - *to implement an action previously approved under a council's Delivery Program or the Operation Plan for the relevant year.*

In this case, the proposed works are listed on Council's 2016/2017 Delivery Program. As such, Council is able to enter into the contract during the merger proposal period.

Legal and Policy implications

Council has a legal obligation to provide the NSW State Emergency Services suitable buildings and facilities to undertake their operations.

Public / Social Impact

The proposed works provides adequate facilities to enable the NSW State Emergency Services to provide service to the Shellharbour City residents.

Link to Community Strategic Plan

SES Communication Control Centre works supports the following objectives and strategies of the Community Strategic Plan:

Objective: 3.1 Infrastructure is planned and managed in a way that meets the community's needs.

Strategy: 3.1.2 Renew the City's ageing assets, infrastructure and facilities to meet the needs of the community now and into the future.

Consultations

Internal

Team Leader Asset Management

External

Corporate Scorecard (financial auditor)
NSW State Emergency Services

Political Donations Disclosure

Not Applicable.

Recommendation

1. That Council confirm its consideration of the guidelines issued by the NSW government in accordance with Section 23A of the Local Government Act, 1993, in resolving on this matter.
2. In accordance with Section 178 of the *Local Government (General) Regulation (2005)*, that Council enter into a contract (Contract 2016/04) with Project Coordination (Australia) Pty Ltd for the tender sum of \$419,500 in accordance with Tender Document 2016/04.
3. That Council delegate to the Director Shellharbour Enterprises the authority to sign the Letter of Award to the Contractor on behalf of Shellharbour City Council.



Approved for Council's consideration: _____

Date of Meeting: 7 February 2017

Attachments

1. Nil.

