TENDER EVALUATION REPORT: ROYAL PARK WETLANDS PROJECT

Division  Design & Culture

Presenter  Bob Rosen, Manager Works Program

Purpose

To seek Council approval to award a contract to Akron Roads Construction for the Royal Park Wetlands Project (Contract 59/3/8254A), which includes the construction of a new Wetlands, water storage area, rising main to holding tanks and a 45 car space carpark.

Time Frame

The Royal Park Wetlands Project is on track in accordance with the timelines outlined in the report to Committee in March 2004. A Planning Permit has been issued, consultants have been appointed, design documentation and tender process are complete and the Memorandum of Understanding with the State Government has been signed.

The next key element in the timeline is awarding of a contract to enable construction to commence in line with the Memorandum of Understanding requiring the Royal Park Wetlands Project to be completed by the end of October 2005.

The following detailed tender process milestones have been met for the contract:

- **Expression of Interest (EOI)**  Called  17 April 2004;  Closed  4 May 2004; and  Shortlisted  31 May 2004;
- **Tender**  Called  9 June 2004; and  Closed  7 July 2004; and
- **Tender Interviews**  15 July 2004.

The duration for construction is anticipated to be approximately one year.

Finance

The cost of the total project is $5,000,000. This funding is fully provided by the State Government as follows:

- **2003/2004 Funding**  $50,000
- **2004/2005 Funding**  $4,950,000

The project breakdown of costs is as follows:

- **Wetlands Works (Main contract)**  $2,427,000  (Akron Roads tender)
- **Construction Contingency**  $375,000
• Soil Contamination Contingency $400,000
• Additional Planting $400,000
• Park Furniture $100,000
• Interpretation & Signage $85,000
• Fees (design, documentation and project management) $500,000
• New Toilet $150,000
• Pavilion Upgrade $300,000
• Holding Tanks $100,000
• Demolishing Pavilion $40,000
• Watering/Plants Maintenance $123,000
Total $5,000,000

This estimate includes any cost escalation.

Legal

When the Council intends to enter into a contract for the purchase of goods or services or the carrying out of works valued at $100,000 or more, Section 186 of the *Local Government Act 1989* (“the Act”) imposes a duty on the Council by public notice either to invite tenders or expressions of interest.

Sustainability

Sustainability

Development of the Wetlands would increase the “natural capital” of park area through landscaping and protection of biodiversity.

It would provide an opportunity to re-vitalise an existing open space and would assist in improving the management of the City’s water cycle and enhance the water quality within the City. It would also meet the specific opportunity outlined in *City Plan 2010* to create habitats and wildlife in Royal Park.

Recommendation

That the Finance, Corporate Services and Governance Committee recommend that Council:

• award the contract for Royal Park Wetlands Project to Akron Roads Pty Ltd for the sum of $2,427,188 (excl GST) in accordance with the negotiated terms and conditions of contract;

• by instrument of delegation sealed by the Council under Section 98(1) *Local Government Act 1989* (“the Act”) delegate to the Chief Executive Officer, or the persons from time to time acting in that position, the authority to enter into the contract and do all things incidental and ancillary to the same; and

• under Section 98(3) of the Act, authorise the instrument of delegation to the Chief Executive Officer, or the person from time to time acting in that position, to empower him or her to delegate any power, duty or function delegated to him or her under the paragraph above, to a member of Council staff.
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Purpose

1. To seek Council approval to award a contract to Akron Roads Construction for the Royal Park Wetlands Project (Contract 59/3/8254A), which includes the construction of a new Wetlands, water storage area, rising main to holding tanks and a 45 car space carpark.

Background

2. In March 2003, Council noted the progress to date in planning, financial and project management arrangements for Royal Park Wetlands and agreed to the preparation of a Memorandum of Understanding between the State Government and Council.

3. The total budget of this project is $5,000,000 which is fully funded by the State Government. Under the Memorandum of Understanding, the State Government has already paid the Council $50,000 to enable design and tender processes to be completed. Another $450,000 was invoiced early July 2004. A further $4,000,000 will be transferred with the awarding of the construction contract, with the balance to be paid at Practical Completion of the Works.

4. Contaminated soil exists on site, the extent of which has been determined as far as is able, however there is a potential of further latent contamination which requires removal from site. This will have a cost penalty. The sum of $400,000 has been allowed in the budget to pay for any additional contamination.

Tender Evaluation Process

5. The Expression of Interest process yielded 18 submissions, of which six proceeded to the Tender stage. All the six submitted tenders were deemed to be conforming. A summary of the tender prices can be found on the Tender Evaluation Spreadsheet (Attachment 1).

6. An Evaluation Panel (the “Panel”) comprising two Council officers and an external consultant evaluated the tenders, with another Council officer acting as an advisor to the Panel regarding the financial details of the short listed tenderers. These members were as follows: Tony Moussa, Senior Project Manager –Project Delivery, Nigel Higgins, Policy & Planning Officer Parks & Recreation, Rob Henry, Grogan Richard Consulting Engineers, and Ron Leong, Commercial Investments Accountant – Finance (advisory).

7. The assessment criteria were as follows:

7.1. Cost 70%
7.2. Work Plan 15%
7.3. EOI (Experience & capability, QA & OH&S) 15%
8. The primary assessment criteria was cost, with lesser consideration given to categories already assessed during the EOI. Three Tenderers (Akron Roads Pty Ltd ($2,427,188), G S Forunato Group ($2,520,697) and Winslow Construction Pty Ltd ($2,592,074 ) were considerably lower than the remaining three tenderers. It was decided to interview the lowest two tenderers in the first instance.

9. At interview Akron Roads Pty Ltd satisfied the Tender Evaluation Panel that it had allowed for all that was specified and their Work Plan was of high order.

10. GS Forunato Group had a number of exclusions in their submission and indicated that they would seek an increase in the tender sum by $22,215. This was not acceptable.

11. Financial checks of Akron Roads Construction have shown that the company has the financial capability and resources to carry out the works.

12. The Tender Evaluation Panel has assessed the details of each tender and given a score for each category. Based on the weightings detailed in the tender documents, Akron Roads were awarded a score of 920, GS Forunato were awarded a score of 900 and Winslow construction a score of 843. Refer to the attached Tender Evaluation Spreadsheet.

13. The estimated lead-time for commencement of works is approximately three weeks, with an estimated construction period of one year.

Pecuniary Interest and Probity Statement

14. No member of the Tender Evaluation Panel has a pecuniary interest in the tenders or contract.

15. The evaluation has fully complied with the Local Government Act 1989 and the Conditions of Tendering. All advice, written or verbal, provided to a respondent clarifying any aspect of the tender documents was also provided to the other short listed respondent. No tenderer was provided any advantage over other tenderers, and all were treated fairly and equally during the tender process. Information provided by tenderers which has been deemed confidential, has been protected, and will not be disclosed. A consistent standard has been used in assessing any request for confidentiality by a tenderer/s.

16. Tenderers were provided Council’s Conditions of Tendering. These conditions state that canvassing of Councillors by any tenderer on any matter relating to the tender will result in automatic disqualification.

Relation to Council Policy

17. Parks Policy (1997) commits Council to developing the overall park network to:

“…provide excellent facilities for residents, city workers and visitors including provision of recreation and leisure opportunities”

18. Royal Park Master Plan (1998) outlines the objectives for Royal Park including specific details for the development of a wetland and water recycling project at the Park.

19. Growing Green (Environmental Management Plan) for the City’s parks, gardens, trees and recreational facilities outlines a vision for the sustainable management of Council’s parks, gardens, trees and recreational facilities and for residents and visitors to enjoy and value both the quality of the public open space and facilities and the natural processes they support. Creation of a wetlands is in line with these commitments.
20. *Council’s Water Management Strategy and Action Plan (2003)* indicates that about 80 per cent of the City’s water consumption is used to water parkland. It calls for a reduction of 40 per cent of water used in parkland which can only be achieved by measures such as recycling water as proposed as part of the Wetlands Project in Royal Park. The Wetlands will result in a Council-wide reduction of potable water consumption of up to 6 per cent.


22. *Disability Action Plan (2001-04) City of Melbourne* aims to ensure that people with disabilities can participate in all aspects of City life. In practical terms, this involves an all-of-Council approach to successfully address barriers that exist in the built form, information provision and service delivery. Specifically seeking to improve levels of accessible and relevant recreational activities and improving accessibility of public space in the municipality.

**Consultation**

23. Extensive consultation has been carried out and will continue with the community for this project as outlined in the March 2004 report to Committee.

**Recommendation**

24. That the Finance, Corporate Services and Governance Committee recommend that Council:

   24.1. award the contract for Royal Park Wetlands Project to Akron Roads Pty Ltd for the sum of $2,427,188 (excl GST) in accordance with the negotiated terms and conditions of contract;

   24.2. by instrument of delegation sealed by the Council under Section 98(1) *Local Government Act 1989* (“the Act”) delegate to the Chief Executive Officer, or the persons from time to time acting in that position, the authority to enter into the contract and do all things incidental and ancillary to the same; and

   24.3. under Section 98(3) of the Act, authorise the instrument of delegation to the Chief Executive Officer, or the person from time to time acting in that position, to empower him or her to delegate any power, duty or function delegated to him or her under the paragraph above, to a member of Council staff.
Purpose

This following worksheet summarises the tender evaluation process for determining a Preferred Tenderer. The evaluation criteria shown on the sheet should be amended to conform with the criteria and weightings included in the approved Procurement Plan. The worksheet provides visibility of the evaluation process and conformance with the CoM Corporate Contract Management System (CCMS). The details demonstrate that the Preferred Tenderer is identified from the highest score determined after:

- **Weighting** each of the criteria (as included in the Procurement Plan prepared PRIOR to the advertising for tenders).
- **Rating** all tenderers against all elements of the evaluation criteria (as predetermined and stated in the Conditions of Tendering in the Invitation to Tender Document).

Process

Each Tenderer is assessed and given a **Rating** out of 10 for each element of the evaluation criteria. This rating is determined from:

- information obtained from the completed Tender Form and Schedules submitted by each Tenderer, and
- discussions with Referees (as nominated by Tenderers on specific tender Schedules), and, where appropriate, other relevant sources.

The **Ratings** are valued according to the following considerations in the evaluation of each Tenderer’s pricing and performance against the predetermined criteria:

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<thead>
<tr>
<th>Rating</th>
<th>Description</th>
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<td>10</td>
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<td>7</td>
<td>Unsatisfactory</td>
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<tr>
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<td>in situations where NO DATA is provided with the tender</td>
</tr>
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</table>

The **Score** for each tenderer is obtained by summating the product of the Weighting and the Rating:

\[
\text{Score} = \text{Weighting} \times \text{Rating}
\]

The Preferred Tenderer is the Highest Scorer who has an acceptable level of performance in all categories, and has the financial ability to satisfactorily undertake the works.

**Note 1:** Tenderers who neglect to furnish completed tender Schedules will be assessed accordingly. A Rating of 0 (zero) is given when no data is provided. For consistency and efficiency, no tenderer should be chased for information that was requested to be provided with the tender.

**Note 2:** The Preferred Tenderer is determined from the highest total score. The Preferred Tenderer must be able to demonstrate (by objective evidence, where necessary) that they have achieved a Satisfactory Rating of 5, for each of the primary criteria.

**Note 3:** When requesting Referees to provide an assessment (against the checklist of criteria) it is recommended that the Referee is asked to respond with the Rating description, above (ie. Excellent, Very Good, Satisfactory, etc.) rather than provide a numeric Rating. The Tender Assessment Officer will determine the numeric interpretations.

**Note 4:** No Tender is to be accepted where the TEP has assessed the Tenderer as not being financially viable or where a proposed Subcontractor is not acceptable to the CoM.

**Note 5:** For Lump Sum Contracts, the Rating (on the Tender Price component of the Cost Criteria) is established by fixed formula where the Lowest Conforming Tender Price obtains a Rating of 10 and the others are calculated as a percentage of the LCTP, as shown in the following formula:

\[
\text{Rating} = \frac{\text{LCTP} \times 10}{\text{TP}}
\]

This spreadsheet contains the appropriate formula(e) for calculating and summarising the Scores for each Tender.

Please Note: For better clarity on the monitor, please ADJUST viewing SIZE to 115%.

Provide backup information necessary to arrive at RATINGS, by attachment of Referee assessment checklist
# CCMS TENDER EVALUATION SPREADSHEET

## Tender No: 8285A

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<th>Royal Park Wetland project</th>
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### Tenders closed on: 8/7/4

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#### Low Conforming Tender Price: $2,427,188

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### How to complete the spreadsheet

1. Update the *standard weightings* to reflect those in the Procurement Plan.
2. Enter the Tenderer's name and Lump Sum Prices into the column(s), immediately on the left, in any order. Delete all other Tenderer references.
3. When the Tenderers' name is entered into the appropriate line of the Tenderers' column, that name automatically repeats in the lower columns above the Tenderer's name column.
4. Enter the Evaluation Rating in its designated column (shown in Italic, for ease of identification).
5. The spreadsheet automatically calculates and sums the individual and total Score(s).
6. Zeros (0) remain in unused boxes where Schedules do not need evaluating.

Note: Do not try to manually enter data into any *shaded or coloured* column(s). They are locked.

### Tenders to be evaluated:

- Tenderers 1 - 6

#### EVALUATION CRITERIA

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## continuation for Tenderers 7 - 12

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Provide backup information necessary to arrive at RATINGS, by attachment of Referee assessment checklist

Page 2
FINANCE ATTACHMENT

TENDER EVALUATION REPORT – ROYAL PARK WETLANDS PROJECT

Funding of $4.9 Million has been provided in the 2004/05 budget for the Royal Park Wetlands Project, subject to the receipt of external funding of $4.9 Million.

Kerrie Jordan
Acting Manager Finance Services
LEGAL ATTACHMENT

TENDER EVALUATION REPORT – ROYAL PARK WETLANDS PROJECT

When Council intends to enter into a contract for the purchase of goods and services valued at $100,000 or more, section 186 of the Local Government Act 1989, (“the Act”) imposes a duty on the Council by public notice either to invite tenders or to invite expressions of interest.

Where a Council seeks expressions of interest, the Council must, when ready to enter into the contract, invite tenders from some or all of those who registered their interest in undertaking the contract.

The Act does not require Council to accept the lowest tender.

Alison Lyon
Manager Legal & Governance