

CONTRACT AWARD REPORT**CONFIDENTIAL****Award of Tender No 20007 – Westernport Water Asset Adjustment**

File No: C2007-01
Division: Corporate & Community
Council Plan Strategic Objective: Governance
 We are responsive, open, transparent and financially sustainable

Declaration

The author has no direct or indirect interests in relation to this report.

Summary

This report to Council presents the outcome of the tender evaluation for Tender No 20007 – Westernport Water Asset Adjustment.

A panel, consisting of Council officers, was formed for the purpose of tender evaluation.

The objective of the Panel was to assess the submissions against the selection criteria and identify a preferred tenderer for the purpose of assisting the Council in reaching a tender award decision.

The Panel concludes that the tender submitted by Citywide Service Solutions Pty Ltd (Citywide) will satisfy the requirements of the works and will provide Council with best value for money.

This report recommends Council to accept the tender submission and award Contract No 20007 to Citywide Service Solutions Pty Ltd.

The report contains an attachment which is declared to be confidential in accordance with Bass Coast Shire Council's Tender & Contract Confidentiality Procedure.

Background

The Westernport Water asset adjustments for the Pioneer Bay Estate shall incorporate water mains, road, minor drainage and footpath construction.

The term of the contract will be two months.

Strategic Basis**Council Plan Objective:**

Governance – *We are responsive, open, transparent and financially sustainable*

Statutory Requirements/Codes/Standards/Policies

The entire tender process, including the evaluation of tenders, was carried out in accordance with:

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- The Victorian Local Government Procurement Best Practice Guidelines
- Code of Tendering Australian Standard 4120-1994;
- Bass Coast Shire Council's Procurement Policy; and
- Bass Coast Shire Council Policy - Tender & Contract Confidentiality

Tender Process

This tender was publically advertised in accordance with the *Local Government Act 1989*.

Tenders closed at 2.00pm on Tuesday 21 April 2020 and Council received three conforming tender submissions.

Evaluation Process

The conforming tenders were assessed on the following evaluation criteria and weightings:

Table I – Evaluation Selection Criteria	
Criterion	Weighting
Mandatory	
Insurance	Pass/Fail
Work Health and Safety	Pass/Fail
Weighted	
Price	35%
Construction Period and Program of Works	30%
Capacity – Staff Resources, Sub-contractors, Suppliers	20%
Site Management (Traffic, Environment, Safety and Communication	10%
Benefit to Bass Coast Shire Economy	5%

An Evaluation Panel consisting of Council Officers was formed. The panel was chaired by an Officer from the Procurement Team who oversaw the process and did not score the tenders.

Each tenderer passed the mandatory selection criteria. For the tender submissions received, each panel member scored the criteria out of a maximum possible five points. Following the initial independent evaluation, the Panel met to discuss their independent scores and arrived at a consensus on final scores for each criterion. The scores were then multiplied by the relevant weighting to obtain final scores.

The Panel assessed the technical worth of each tender against the specification requirements and the selection criteria, identified issues for further review, clarified issues with tenderers and sought additional information.

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Extensive reference checks were carried out with Citywide's nominated referees, which confirmed there were no issues with their capability to carry out the works.

The final weighted scores are set out in Table 2.

Table 2 – Final Weighting Scores				
No.	Name	* Price Score %	# Non-Price Score %	Total Score %
1	Citywide Service Solutions Pty Ltd	35	43	78
2	Tender B	15	46	61
3	Tender C	20	26	46

* The higher the price score – lower the tendered price.

The higher the non-price score – represents better capability and capacity to undertake the service.

Citywide presented the lowest cost conforming tenders, and in accordance with the selection criteria present the best value to Council; they were also deemed by the evaluation panel to have relevant experience, sound methodology, and appropriate capacity and resources allocated.

Contract Management

The Senior Capital Projects Engineer will act as Contract Superintendent for the contract and the Technical Projects Officer will act as the Contract Superintendent's Representative. Authorisations of variations will be in accordance with the Procurement Delegations Frameworks adopted by Council on 16 May 2018.

Contract Commencement: 11 May 2020

Anticipated Contract Completion: 8 June 2020

Finances

This project is in the 2019/2020 capital works program.

The budget for this project is within the Pioneer Bay Special Change Scheme budget.

The total value of the contract is \$109,295.76 (GST exclusive).

	GST Exclusive
Construction (lump sum components)	\$109,295.76
Total Contract Sum	\$109,295.76
Internal Project Management costs	\$3,000.00
Contingency (10%) *	\$10,929.58
TOTAL	\$123,225.34

* Normal practice for a capital project is to allow for a contingency sum of 10% of the contract value. This contingency refers to unforeseeable costs, likely to be incurred during the contract, if required.

Stakeholders

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The stakeholders for this tender include:

- Bass Coast Shire Council
- Residents, ratepayers and visitors

Other Options

1. Not award a contract at this time and re-tender for Westernport Water Asset Adjustment. It is unclear though that Council would receive any benefit in doing this and it would delay the start of the project for at least twelve weeks.
2. Award the contract to an alternative tenderer. However, as Citywide scored the highest in the evaluation process such a decision may not be consistent with the advertised evaluation criteria.

Conclusion

The Tender Evaluation Panel Report is attached.

The panel report concludes that the tender submitted by Citywide Service Solutions Pty Ltd will provide Council with best value for money for the following reasons

- They achieved the highest score based on the method of evaluation.
- The tender price was within the allocated budget for the project.
- They demonstrated they have the specific and relevant experience and capability to undertake the works in accordance with the Specification.

Recommendation

Accept the tender from Citywide Service Solutions Pty Ltd and award Contract No 20007 (Westernport Water Asset Adjustment) for the contract sum of \$109,295.76 plus GST of \$10,929.58.

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Sign off of Report

Report prepared by



Lisa Pettinella

Procurement Business Partner

Date: 7 May 2020

Report approved by



David Filmalter

Chief Financial Officer

Date: 8 May 2020

Recommendation adopted by

Ali Wastie

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Ali Wastie

Chief Executive Officer

Date: 8 May 2020

Under delegation of authority authorised by the Council at its meeting of 16 May 2018.

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Tender Evaluation Panel Report

Tender No 20007 – Westernport Water Asset Adjustment

A.1 Executive Summary

This Tender Evaluation Report is prepared for consideration by the Council in making its decision to award a contract via delegation of authority to the CEO.

Bass Coast Shire Council invited tenders from suitably qualified contractors for Westernport Water asset adjustments for the Pioneer Bay Estate, which incorporated water mains, road, minor drainage and footpath construction.

At the close of the tender period, three tenders were received.

The Evaluation Panel's conclusion is that Citywide Service Solutions Pty Ltd (Citywide) achieved the highest score and will provide Council with the best value for money.

A.2 Report Prepared By

This Tender Evaluation Report was prepared by Lisa Pettinella, Panel Chair.

A.3 Tender Evaluation Panel

The Evaluation Panel consisted of:

- Ravi Raveendran – Senior Capital Projects Engineer
- Andrew Busana – Acting Coordinator Civil Design
- Russell Thomas – Technical Projects Officer
- Chaminda Jayasena – Manager Engineering and Construction, Westernport Water
- Lisa Pettinella - Procurement Business Partner (Panel Chair)

Each party declared that to the best of their knowledge they did not have any personal, perceived or potential conflict of interest.

A.4 Public Advertisement Details

The invitations for Tender were advertised in:

- *South Gippsland Sentinel Times* on Tuesday 31 March, 2020
- *Phillip Island Advertiser* on Wednesday 1 April 2020
- *eTender Website* on Tuesday 31 March 2020

A.5 Tender Details

The tender closed on Tuesday, 21 April 2020; fourteen companies downloaded the tender documents, the following companies (listed in alphabetical order) made a submission to the tenders box for this tender. No late tender submissions were received.

- | | |
|---------------------------------------|------------------------|
| 1. Aqua Metro Pty Ltd | Keysborough South, VIC |
| 2. Citywide Service Solutions Pty Ltd | North Melbourne, VIC |
| 3. Negri Contractors (Vic) Pty Ltd | Campbellfield, VIC |

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All submissions were conforming and satisfied the mandatory filter criteria.

A.6 Tender Evaluation

A.6.1 Evaluation Methodology and Criteria

The conforming submissions were assessed on the following evaluation criteria and weightings:

Criterion	Weighting
Mandatory	
Insurance	Pass/Fail
Weighted	
Price	35%
Construction Period & Methodology	30%
Capacity – Staff Resources, Sub-contractors, Suppliers and Plant & Equipment	20%
Site Management (Traffic, Environmental and Communication)	10%
Benefit to Bass Coast Shire Economy	5%

The Evaluation Panel review all submissions to ensure they pass the mandatory selection criteria, and the proposed service would achieve the objectives of the Specification.

For each conforming tender submission received, each panel member scored the criteria out of a maximum possible five points. Following the initial independent evaluation, the Panel met to discuss their independent scores and arrive at a consensus on final scores for each criterion. The scores were then multiplied by the relevant weighting to obtain final scores. Refer to Appendix A for details of the final scores.

A.6.2 Reference Checks

Extensive reference checks were carried out with Citywide's nominated referees.

References checks confirmed there were no issues with Citywide's capability to carry out the works.

A.6.3 Request for Clarification and Interviews

Throughout the evaluation process the Panel identified issues for further review, clarified issues with tenderers and sought additional information.

At the receipt of the tenderer's written response on matters of clarification, each panel member finalised their individual scores on the weighted criteria.

A.6.4 Final Scores and Tendering Pricing

The evaluated prices and scores are set out in Table I.

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Table I – Tender Pricing Received and Total Score			
No.	Name	\$ Pricing (Excluding GST)	Score %
1	Citywide Service Solutions Pty Ltd	\$109,295.76	78
2	Negri Contractors (Vic) Pty Ltd	\$189,975.87	46
3	Aqua Metro Pty Ltd	\$250,286.00	61

Refer to Appendix A for further details of the final scores.

A.6.5 Risk Analysis

A.6.5.1 Financial Risk

The panel did not believe that it was necessary to obtain a financial assessment from Corporate Scorecard. The panel formed this opinion as Council the contract is not deemed to be a high risk project.

The conditions of contract also allow for the following risk mitigation steps.

1. The contractor will be required to submit performance security to the value of 5 percent of the contract sum. In the event of failure by the Contractor to carry out and complete its obligations under the Contract, the Council may have recourse to the performance security.
2. The Contract Superintendent has the option to request that, prior to receiving payment the contractor certifies that it has paid all wages, allowance and amounts due to its employees and subcontractors and made all payments in respect to its plant.

The requirement imposed on the contractor under this clause may give early warning of any financial problems that the Contractor may have and will help to protect the Council's interests in the event that the Contractor becomes insolvent.

The panel considers the financial risk to be adequately covered.

A.6.5.2 Insurance

The recommended tenderer holds:

- Public Liability insurance of \$20M
- WorkCover Insurance equal to that specified in the contract terms and conditions; and

The panel considers the insurance risk to be adequately covered.

A.6.5.3 Occupational Health & Safety

The contract requires an OHS plan to be implemented for this contract, together with a detailed hazard identification, risk assessment and program of implementation control measures be put in place at the contract commencement.

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The panel considers the OHS risk to be adequately covered.

A.6.6 Conclusion of Evaluation Panel

The Evaluation Panel's conclusion is that Citywide achieved the highest score and will provide Council with the best value for money.

The Appendix A to this report comprises a summary and detailed breakdown of all conforming tender scores.



Appendix B to this report comprises the breakdown of the score for Local and Social Benefit.

A.7 Tender Evaluation Report Sign-Off

This report has been prepared with due diligence and is based on the information submitted with the tenders and additional information provided to the panel during the tender evaluation period.

The Evaluation Panel Members have reviewed the report and recorded their acceptance in Council's Record Management System.

Signed: Evaluation Panel Members

<i>Ravi Raveendran</i>		
Ravi Raveendran Senior Capital Projects Engineer Panel Member Date 06/05/2020	Andrew Busana Acting Coordinator Civil Design Panel Member Date 06/05/2020	Russell Thomas Capital Project Officer Panel Member Date 06/05/2020

<i>Chaminda Jayasena</i>	
Chaminda Jayasena Manager Engineering and Construction, Westernport Water Panel Member Date 06/05/2020	Lisa Pettinella Procurement Business Partner Panel Chair Date 05/05/2020

Reviewed and signed off in accordance with the allocated budget

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Angus Cameron

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Angus Cameron
Manager Asset Management

Date: .06/05/2020

Reviewed and signed off in accordance with due process procedures.

Merryn Quilford

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Merryn Quilford
Coordinator Procurement & Fleet

Date: 06/05/2020

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Tender No 20007 - Westernport Water Asset Adjustments										
28 April 2020										
				AQUA METRO			CITYWIDE SERVICE SOLUTIONS			NEGRI CONTRACTORS
Criteria	Weighting	Av Pts	Weighted Score	Comments	Av Pts	Weighted Score	Comments	Av Pts	Weighted Score	Comments
Work Health & Safety	Pass/Fail	Pass		Has a current documented Work Health and Safety management system, accredited by third party. Training/competency register provided.	Pass		Has a current documented Work Health and Safety management system, accredited by third party. Training/competency register provided. HSE Systems Procedure provided, which covered: communication, consultation and participation; competency, training and awareness; incident reporting and management; and emergency preparedness and business continuity.	Pass		Has a current documented Work Health and Safety management System, third party accredited. Accredited in the Australia Government building and construction industry WHS Accreditation Scheme. Training matrix provided. Extract from Project Emergency Management Plan on process for OHS reporting. emergency management procedure provided.
Construction Period and Program of Works	30%	3.5	21%	Nominated commencement date and Practical Completion date is the same as dates Council proposed. Gantt Chart provided. Works are programmed in five stages.	4	24%	Nominated commencement date and Practical Completion date is the same as dates Council proposed. Detailed Gantt Chart provided. Woks are programmed in five stages.	2	12%	Nominated commencement date is the same as Council's proposed date. Practical Completion date is three weeks after Council's preferred date. Detailed Gantt Chart provided. Works are programmed in five stages.

Tender No 20007 - Westernport Water Asset Adjustments

28 April 2020

				AQUA METRO			CITYWIDE SERVICE SOLUTIONS			NEGRI CONTRACTORS
Capacity (Staff resources, Sub-contractors, Plant and equipment and Current Contractual Commitments)	20%	4	16%	Four capable resources listed, all on site 100% of the time. Three subcontractors listed. A representative of Aqua Metro will periodically conduct a review of the quality completion of works performed by any subcontractors. Eight plant and equipment listed. Two current contractual commitments (Melbourne Water & South East Water), high value, one ongoing.	3	12%	Three capable resources listed. Two on site 100% of the time, the Contract Manager will be on site 10% of the time. No proposed subcontractors. Three plant and equipment listed. Three current contractual commitments - Yarra Valley Water, City of Port Phillip and City of Melbourne.	2.5	10%	Three capable resources listed. Project Manager on site 25% if the time, Site Supervisor on site 75% of the time. One subcontractor listed. Subcontractors will be required to submit all insurance and safety documentation prior to engagement. Three plant and equipment listed. Two current contractual commitments, completing in June 2020.
Site Management (Traffic, Environment, Safety and Communication)	10%	4	8%	Have provided risk assessment for works. Traffic Management and Vehicle Movement Plan provided, site specific and detailed. Community and Stakeholder Management Policy provided. Emergency Response Plan provided. Good Project Environment Management Plan provided.	3	6%	Good management plans provided. Generic traffic management plan provided. Employees are subject to Citywide's Code of Conduct Policy, which covers communication with public. Environmental Management Plan provided. Environmental procedures currently exist.	2	4%	Generic response provided. Detailed plans to be provided on award. Environmental Policy provided.
Local and Social Benefit	5%	1	1%	Very small percentage of employees live within the Bass Coast Shire region. Small percentage of goods and services will be sourced from within the Bass Coast Shire.	1	1%	All goods and services will be sourced from within the Bass Coast Shire.	0	0%	No employees live within the Bass Coast Region. No goods or services will be sourced from within the Bass Coast Shire.
Price excluding GST	35%	2.18	15%	250,286.00	5.00	35%	109,295.76	2.88	20%	189,975.87
0			0.61			0.78			0.46	

Tender No 20007 - Westernport Water Asset Adjustments

28 April 2020

				AQUA METRO			CITYWIDE SERVICE SOLUTIONS			NEGRI CONTRACTORS
Other Comments				Profit margin is 10%. Excluded disposal of asbestos contaminated materials from lump sum price. Insurance details provided.			Complies with Specification. Profit margin is 6%. Insurance details provided, and certificates of currency.			Complies with Specification. Exclusions listed. Profit margin is 15% Insurance details provided.

Score	Description	Criteria
5	Excellent	Compliant. Exceeds specified performance or capability and the additional input adds value. Tenderer has an excellent understanding of the requirement. No weaknesses or deficiencies. Excellent probability of success
4	Very Good	Compliant. Tenderer's supporting statement indicates a very good understanding of the requirement. No weaknesses or deficiencies. Very good probability of success
3	Good	Compliant. Tenderer's supporting statement indicates a good understanding of the requirement. No major weaknesses or deficiencies. Good probability of success.
2	Marginally Acceptable	Tenderer's supporting statement indicates a low level of understanding of the requirement. Some major weaknesses or deficiencies requiring further clarification Low probability of success
1	Unacceptable	Non-compliant The submission provides unsatisfactory responses or failed to address the criterion. Very Low probability of success.

Tender 2007 - Westerport Water Asset Adjustment

Question	Evaluation Criteria	Aqua Metro	Citywide	Negi Contractors
Where is the head office of the Tenderer's business located?	3 A local business with a head office within the Bass Coast Shire			
	2 A business in the regional area			
	2 Melbourne or National company with office within the Bass Coast Shire			
	1 Business with office in Melbourne			
	0 National company			
What percentage of your employees live within the Bass Coast Shire Region?	3 67% - 100%			
	2 34% - 66%			
	1 1%-33%			
	0 0%			
What percentage (%) of goods and services will be sourced from within the Bass Coast Shire?	3 67% - 100%			
	2 34% - 66%			
	1 1%-33%			
	0 0%			
Does your company employ trainees / apprentices / people with disabilities from	1 Yes			
	0 No			
Does your business currently sponsor local community or sporting groups within Bass Coast Shire?	1 Local sponsorship of one or more community/sporting groups			
	0 No local sponsorship			
		3	4	1
TOTAL SCORE		1	1	0