



AGENDA

New Business of an Urgent Nature (Late Items)

Yours faithfully

Carl Askew
Chief Executive Officer

15 December 2021

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Item 14 New Business of an Urgent Nature (Late items)

14.1 AWARD OF TENDER RFT2022-09 COMPLETION OF CONSTRUCTION WORK SOUTH HEDLAND SKATE PARK SHADE STRUCTURE

Author: Senior Project Officer

Authorising Officer: Manager Infrastructure Projects and Assets

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION

That Council:

1. Gives the Chief Executive Officer delegated authority to negotiate and execute a contract with the preferred tenderer XXXXXXXXX, in accordance with Tender 2022-09 'Completion of Construction Work South Hedland Skate Park Shade Structure', up to a maximum contract value of XXXXXXXX, which will be delivered over the 21/22 and 22/23 Financial Years; and
2. Notes additional funding of \$XXXX million for the South Hedland Skate Park Shade Structure required in FY 2022/23 to be sourced from the Strategic Reserve.

ABSOLUTE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for Council to consider the assessment of submissions received for RFT2022-09 for 'Completion of Construction Work South Hedland Skate Park Shade Structure' and consider the evaluation panel's recommendation to authorise the CEO to negotiate and execute a contract with the preferred tenderer.

DETAIL

South Hedland Skate Park was opened by the Town in 2015 with support from the WA Government, BHP and FMG. It is one of the Town's most essential and loved youth orientated facilities. The Town has identified strong community desire for the erection of a shade structure to protect skaters and spectators from the hot Pilbara sun.

Council endorsed conceptual design for a shade structure in 2019. Design has since been completed for a shelter to cover 80% of the facility.

Decorative LED lighting panels will liven the underside of the shelter with exciting and colourful displays that will be fully programmable by artists and Town Officers. This will create new program opportunities with local youth and artists. The structure will also include colourful cladding, enhancing the Skate Park's prominence at the centre of the South Hedland CBD.

Construction work was awarded at the February 2021 Ordinary Council Meeting to MJW Building. Demolition and substructure works were completed prior to the builder entering voluntary administration in September.

The Town has directly procured \$1.4 million of structural steel and aluminium cladding for the project to secure prices and mitigate production leads times during a time of national steel shortages and high demand for fabrication and overseas freight services.

The Skate Park partially reopened in September 2021 and has since been a popular after school hangout location for youth. The increased activity has resulted in a rise of incidents of damage to the perimeter temporary fencing, illegal entries and antisocial behaviour. Town Officers have managed these issues by reinforcing the fence, tidying the site (to remove hazards), signage, security drive-bys, and engagement of police, schools and youth.

Such issues were rare during the construction period with the previous builder. Once the new builder mobilises in January 2022 their daily presence, along with the full closure of the Skate Park, is expected to drastically reduce antisocial activity at the site.

Request for Tender

The Town released a Request for Tender (RFT) on 29 October 2021, requesting a suitably qualified contractor to provide the goods and services to complete remaining construction of the South Hedland Skate Park Shade Structure.

All works are to be constructed to the specifications provided by the Principal and/or to current Australian Standards. The works include the engagement of rigging, electrical, drainage, civil and all other relevant trades required to complete the shade structure.

The RFT was released on Vendorpanel (the Town's e-tendering portal) on 29 October 2021 and was advertised in the West Australian and the North West Telegraph on 27 October with a closing date of 22 November 2021.

Addendum Details

- Addendum 1 – 5/11/2021
- Addendum 2 – 11/11/2021
- Addendum 3 – 12/11/2021
- Addendum 4 – 12/11/2021
- Addendum 5 – 18/11/2021

Tender Assessment

The Town received four (4) submissions for RFT 2022-09. The respondents were as follows:

1. XXXXXXXX;
2. XXXXXXXX;
3. XXXXXXXX; and
4. XXXXXXXX.

Of the submissions received, two (2) were rejected due to non-compliant responses. The remaining two (2) respondents provided compliant tender responses.

All compliant tender submissions have been evaluated by a panel of four (4) Town employees and the designing architect whose main objectives were:

- Make a recommendation to the Council;
- Ensure the tender submissions are assessed fairly in accordance with a predetermined weighting schedule;

- Ensure adherence to Local Government policies and legislation; and
- Ensure that the requirements specified in the Request are evaluated in a way that can be measured and documented.

The Procurement Officer facilitated three evaluation meetings held on 24 November 2021, 3 December 2021 and 9 December 2021.

The compliant submissions were assessed against the qualitative criteria as listed in the below table:

Qualitative Criteria	(%)
Relevant Experience	30%
Capacity to Deliver and Resources	40%
Demonstrated Understanding and Methodology	30%

Financial review of the two (2) compliant tenderers resulted in one (1) not being further considered.

A summary of the assessment results of each submission received is included in the confidential evaluation report attached.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of high significance, because it involves entry into partnership with the private sector to carry out a significant activity.

CONSULTATION

Internal

- Director Infrastructure and Town Services;
- Director Community Services;
- Director Regulatory Services;
- Manager Financial Services;
- Manager Infrastructure Projects and Assets;
- Manager Town Planning & Development;
- Manager Community Development;
- Manager Corporate Affairs;
- Principal Project Manager;
- Procurement Officer;
- Procurement Advisor;
- Senior Project Accountant;
- Senior Arts Officer;
- Senior Youth Officer; and
- Youth Program Officer.

External Agencies

- Illion Credit Check
- Norda Architects

Community

In 2017, the Town conducted the “Live it Tell it” campaign, the most extensive engagement exercise the Town had ever undertaken. 5,800 responses were received by the community via a range of engagement exercises, the outcomes of which have been captured in the Town’s Strategic Community Plan. The community specifically identified a need to revitalise community infrastructure and facilities. The need for shelter at South Hedland Skate Park was identified through this process.

LEGISLATION AND POLICY CONSIDERATIONS

Section 3.57 of the *Local Government Act 1995*, and division 2 of the *Local Government (Functions and General) Regulations 1996* apply in relation to the invitation of tenders.

The evaluation report and corresponding details relating to the respondents offers are deemed confidential pursuant to section 5.23 (c) and (e) of the *Local Government Act 1995*.

The following Town policies were considered in relation to this tender:

- 2/007 ‘Purchasing’;
- 2/016 ‘Regional Price Preference’;
- 1/014 ‘Execution of documents and application of the common seal’;
- 1/022 ‘Risk Management’;
- 8/003 ‘Access and Inclusion’;
- 9/010 ‘Asset Management’; and
- 10/003 ‘Landscaping’.

Successful contractors must abide by the Town’s Code of Conduct while carrying out works for the Town.

FINANCIAL AND RESOURCES IMPLICATIONS

The project is proposed to be completed by August 2022. There is sufficient budget in the Financial Year 21/22 (\$5.4 million) to cover the anticipated Financial Year 21/22 costs. Additional budget of \$XXXXXXXX is estimated to be required in Financial Year 22/23 to complete the project.

The project has now been advertised for the second time subsequent to the original builder going into administration. Expenditure incurred from the previous builder, plus forecast cost to complete with the preferred tenderer, will result in the project exceeding its existing budget.

South Hedland Skate Park Shade Structure Project Costs

20/21 Financial Year expenses	\$ XXXXXXXX
21/22 Financial Year expenses (to date; less materials procured)	\$ XXXXXXXX
Proposed builder’s contract	\$ XXXXXXXX
Other expected costs (inc. procurement of materials)	\$ XXXXXXXX
Construction contingency	\$ XXXXXXXX
Forecast overall project cost	\$ XXXXXXXX
Project Budget (20/21 expenses + 21/22 budget)	\$ XXXXXXXX
Increased cost of project	\$ XXXXXXXX

The estimated budget required for Financial Year 22/23 will be confirmed during preparation of Financial Year 22/23.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Town's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 1.d.2 Facilities and community infrastructure are revitalised across the Town
- 1.d.3 Facilities and community infrastructure are well maintained, managed and fit for purpose to provide a range of lifestyle opportunities
- 2.a.2 Partnerships with private enterprises and government to fund projects and create jobs are pursued
- 2.c.3 Local procurement is prioritised and promoted across industry and agencies
- 3.b.1 The present and future needs for serviced land and infrastructure provision are identified, planned and developed
- 3.c.2 The community is surrounded by and has access to attractive natural habitats, built form, parks and amenities

Social

The South Hedland Skate Park is a vital facility for youth engagement and is particularly well utilised by the WA Police and Town's Youth Engagement Team. The construction of the shade structure is expected to enhance the year-round usability and programmability of the facility.

Disability Access and Inclusion Plan

The following outcome of the Town's Disability Access and Inclusion Plan 2017-2022 apply in relation to this item:

- Outcome 2 – Buildings and Facilities.

RISK MANAGEMENT CONSIDERATIONS

There are several risks which have been identified in relation to delivering this project.

The works may extend past the anticipated project timeline – introducing reputational risk. The likelihood of this is considered to be possible (3) with a major (4) consequence, giving this risk an overall rating of high (12). To mitigate this risk, the Town will develop and communicate clear delivery milestones and will hold regular meetings with the contractor.

Unfavourable weather. This could lead to delays in delivering the project as scheduled. The likelihood of this occurring is possible (3) with a consequence of major (4), returning an overall risk rating of high (12). The Town will take preventative actions to ensure that the contractor has appropriate contingencies for minimising damage to the works, the community and property in the possible event of inclement weather.

OPTIONS

Option 1 – Adopt officer's recommendation

Option 2 – Amend officer's recommendation

Option 3 – Do not adopt officer's recommendation

CONCLUSION

The South Hedland Skate Park is one of the Town's essential youth orientated facilities. Completion of this project will encourage the delivery of youth diversionary programming and enhance civic pride in the surrounding area.

It is recommended that Council endorses the Officer's Recommendations relating to RFT 2022-09 'Completion of Construction Work South Hedland Skate Park Shade Structure' to enable recommencement of works and deliver this highly anticipated project to the community.

ATTACHMENTS

1. Multi Party Evaluation Report - Confidential (under separate cover)
2. RFX Summary Report - Confidential (under separate cover)