



## **TOWN OF PORT HEDLAND**

### **NOTICE OF MEETING AND AGENDA SPECIAL COUNCIL MEETING**

**4 OCTOBER 2017 AT 5:30PM**

**COUNCIL CHAMBERS, MCGREGOR STREET,  
PORT HEDLAND**

*Agenda Item:*

- 1. Award of Tender 2017-18 South Hedland Aquatic Centre – Renewal Works*

**“A nationally significant, friendly city that people are proud  
to call home”**

*David Pentz  
Chief Executive Officer*

*Distribution Date: 29 September 2017*



**DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS***Local Government Act 1995 – Section 5.65, 5.70 and 5.71**Local Government (Administration) Regulation 34C*

*This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C*

Name of person declaring the interest	
Position	
Date of Meeting	
Type of Meeting (Please circle one)	Council Meeting - Committee Meeting - Special Council Meeting Workshop - Public Agenda Briefing - Confidential Concept Forum

Interest Disclosed	
Item Number and Title	
Reason for Interest	
Type of Interest (please circle one)	Financial                      Proximity                      Impartiality

Interest Disclosed	
Item Number and Title	
Reason for Interest	
Type of Interest (please circle one)	Financial                      Proximity                      Impartiality

Interest Disclosed	
Item Number and Title	
Reason for Interest	
Type of Interest (please circle one)	Financial                      Proximity                      Impartiality

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Important Note:** Should you declare a **Financial** or **Proximity** Interest, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered.

For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

*“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”*

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**Item 1 Opening of Meeting**


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The Mayor declared the meeting open at \_\_\_ pm.

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**Item 2 Acknowledgement of Traditional Owners**


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The Mayor acknowledges the traditional custodians, the Kariyarra people and recognises the contribution of Kariyarra Elders past, present and future, in working together for the future of Port Hedland.

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**Item 3 Recording of Attendance**


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**3.1 Attendance**

Mayor Camilo Blanco  
 Deputy Mayor Troy Melville  
 Councillor Jan Gillingham  
 Councillor David Hooper  
 Councillor Julie Arif  
 Councillor Louise Newbery  
 Councillor Richard Whitwell  
 Councillor Lincoln Tavo

**3.2 Apologies**
**3.3 Approved Leave of Absence**
**3.4 Disclosure of Interests**

Name	Item no.	Interest	Nature

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**Item 4 Attendance by Telephone/Instantaneous Communications**


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The following applications for attendance by telephone have been received and approved (CM201718/035) at the Ordinary Council Meeting held on 27 September 2017, whilst they are in Perth, Western Australia:

- Cr Jan Gillingham
- Cr Richard Whitwell

**Item 5 Public Time**

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*Important note:*

*'This meeting is being recorded on audio tape as an additional record of the meeting and to assist with minute-taking purposes which may be released upon request to third parties. If you do not give permission for recording your participation please indicate this at the meeting. The public is reminded that in accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders nobody shall use any visual or vocal electronic device or instrument to record the proceedings of any meeting unless that person has been given permission by the presiding member to do so. Members of the public are also reminded that in accordance with section 6.17(4) of the Town of Port Hedland Local Law on Standing Orders mobile telephones must be switched off and not used during the meeting.'*

*In accordance with section 6.7(3) of the Town of Port Hedland Local Law on Standing Orders, members of the public are required to complete a question form and place the completed form in the tray provided.*

**5.1 Public Question Time****5.2 Public Statement Time**

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**Item 6 Questions from Members without Notice**

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**Item 7 Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting**

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The following Elected Members declared that they had given due consideration to all matters contained in the agenda:

*Disclaimer*

*Members of the public are cautioned against taking any action on Council decisions, on items on this evening's Agenda in which they may have an interest, until formal notification in writing by the Town has been received. Decisions made at this meeting can be revoked, pursuant to the Local Government Act 1995.*

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**Item 8 Reports of Officers**

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**8.1 Infrastructure and Town Services****8.1.1 Award of Tender 2017–18 South Hedland Aquatic Centre – Renewal Works**

File No:	26/13/0033
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	23 September 2017
Author:	ShiFee Ajaran, Project Support Officer
Authorising Officer:	Gerard Sherlock, Director Infrastructure & Town Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets.

## Attachments:

1. Evaluation Report (Confidential – Under Separate Cover)
- 

**OFFICER RECOMMENDATION**

**That with respect to Request for Tender (RFT) 2017–18 South Hedland Aquatic Centre – Renewal Works, Council:**

1. **Endorse the recommendation of the evaluation panel.**
2. **Amend the 2017/18 Budget at the November 2017 budget review for GL C1105101 (South Hedland Aquatic Centre – Work to Renew and Upgrade to Working Condition) and increase the amount allocated to this project by an additional \$500,000.00 excluding GST to \$850,000.00 excluding GST (inclusive of an approximate 10% contingency).**

***SIMPLE MAJORITY VOTE REQUIRED***

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**EXECUTIVE SUMMARY**

The purpose of this report is to provide a summary of the assessment of submissions received for the Request for Tender (RFT) 2017–18 South Hedland Aquatic Centre – Renewal Works and to award the contract to the preferred tenderer.

**DETAIL**

In 2011, a major facility upgrade commenced at the South Hedland Aquatic Centre (SHAC), inclusive of Pool retrofit, Plant and Filtration, Pipework, Heating and Plant building. The pool experienced considerable issues after the upgrade which resulted in regular closures and shut downs as the facility was not able to maintain its compliance.



In September 2016, due to a major water quality non-compliance issues and corresponding Public safety risks, the SHAC was closed to allow for the review and upgrade of the pool filtration, water treat and mechanical services systems.

In November 2016, The Town engaged Geoff Nannes Fong and Partners (GNFP) to provide a full review and scoping of the technical requirements, and design for the Filtration, Water Treatment (FWT) and Mechanical Services Plant Upgrade for the SHAC.

The documentation for RFT 2017–03 South Hedland Aquatic Centre Filtration & Water Treatment Plant and Pool Heating Upgrade was released on Wednesday 18 January 2017. A mandatory tender briefing and site inspection was conducted at 1.00pm (WST) 25 January 2017. Companies that did not attend the mandatory tender briefing and site inspection were deemed ineligible to submit a tender.

When the Tender submissions closed at 2.00pm (WST) Thursday 9 February 2017, two (2) submissions were received with one of the tenderers also submitting a non-confirming bid.

Based on the tender evaluation undertaken, all submissions exceeded the Town of Port Hedland's (ToPH or Town) 16/17 budget allocation with an average bid of \$2,363,236.60. In accordance with delegation 1.8 'Expression of Interests and Tenders' the Chief Executive Officer formally rejected all tenders.

The Towns Manager Technology and his team undertook an extensive review of the original scope of works and liaised with key stakeholders and consultants to come up with an alternative solution to the issues at the SHAC. After reworking the scope and preparing a revised design with refined priorities, the Town invited submissions from suitably qualified contractors for the upgrade of the existing plant room and piping works.

The purpose of this tender is to rectify all the identified issues with the piping, filtration and pumps in order to comply with public safety and the general performance of the mechanical equipment.

#### *Request for Tender*

The documentation for RFT 2017–18 South Hedland Aquatic Centre – Renewal Works was released on Saturday 2 September 2017. A mandatory tender briefing and site inspection was conducted at 10.00am (WST) Friday 15 September 2017. Companies that did not attend the mandatory tender briefing and site inspection were deemed ineligible to submit a tender.

The following companies were in attendance:

- TEC Services Group
- Mechanical Project Services
- Aquatic Services WA
- Safeway Aquatics
- Goodline
- Trisley's Hydraulic Services Pty Ltd
- Dynamic Pools Australia Pty Ltd
- Shenton Aquatic Division

When the Tender submissions closed at 12.00pm on Friday 22 September 2017, three (3) submissions were received.

Submissions were received from the companies listed below:

Company name	Registered Address
Dynamic Pools Australia Pty Ltd	333 Hamilton Road, Coogee WA 6166
Safeway Aquatics	Unit 1/63 Gordon Road, Mandurah 6210
TEC Services Group	Lot 2 Hardie Street, Port Hedland WA 6721

### *Tender Assessment*

All compliant tender submissions have been evaluated by a panel of two (2) Town employees and the Aquatic Division and Technical Manager from Shenton Aquatic Division whose main objectives were:

- (a) Make a recommendation to the CEO, as to the Tenderer that best represents value for money;
- (b) Ensure the tender submissions are assessed fairly in accordance with a predetermined weighting schedule;
- (c) Ensure adherence to Local Government policies and legislation; and
- (d) Ensure that the requirements specified in the Request are evaluated in a way that can be measured and documented.

Evaluation Panel consisted of:

- Project Manager, Voting Member
- Director Infrastructure & Town Services, Voting Member
- Aquatic Division and Technical Manager, Voting Member
- Governance Administration Officer, Non-Voting Member

All three (3) submissions, were deemed compliant and assessed against the tender assessment criteria of; price (inclusive of application of Regional Preference Policy); relevant experience; tenderers resources, key personnel, skills and experience; and demonstrated understanding. The approved weighting for the qualitative criteria is shown in the table below:

Criteria	Weighting
Price, inclusive of application of Regional Preference Policy	30%
Relevant Experience	30%
Tenderers Resources, Key Personnel, Skills and Experience	20%
Demonstrated Understanding	20%

A summary of the assessment results of submissions received for RFT 2017–18 is included in the confidential attachment.

### **BASIS FOR PANELS DECISION**

#### *Quality*

The preferred tenderer is a highly experienced commercial pool contractor. They have undertaken several large new constructions as well as refurbishment projects on commercial pools. They have a very clear understanding of the works to be undertaken and have made several recommendations in their submission which will be beneficial for the Town and the SHAC facility going forward.

Their nominated partners and subcontractors are all highly respected in the aquatics industry and they have also engaged local suppliers where appropriate.

#### *Price*

Their submitted price was in line with what was expected and was second of the three (3) prices submitted. In this instance price was weighted at 30% as the Town wanted to place more of an emphasis on the tenderers knowledge, relevant experience and their understanding of the works to be undertaken and the Towns desired outcomes. The preferred tenderer were not the cheapest; however, the cheapest tenderer clearly stated that they had omitted all the works associated with the chemical controller and other areas as detailed above. The preferred tenderers submitted price encompasses the entire scope of works listed and is in the panel's opinion the best value for money for the Town.

#### *Engagement and Communications*

Internal and external consultation has taken place with reference to the development of the RFT.

Discussions have also taken place with Governance and Risk in relation to compliance and non-compliance related matters.

### **LEGISLATION AND POLICY IMPLICATIONS**

The Local Government Act and Town of Port Hedland's Procurement Policy were observed when preparing and awarding this tender.

The *Local Government Act (1995)* section 3.57 and the *Local Government (Functions and General) Regulations 1996* part 4, division 2 provide statutory requirements for the release, assessment, and award of tenders.

RFT 2017–12 was conducted in accordance with the following policies: The Town of Port Hedland's Procurement Policy 2/007, Tender Policy 2/011, and Regional Price Preference Policy 2/016.

Sections of this report pertaining to price submissions from tenderers have been deemed confidential in accordance with the *Local Government Act (1995)* section 5.23 part 2(e) (iii).

### **FINANCIAL IMPLICATIONS**

All costs associated with this RFT will be allocated to GL C1105101 South Hedland Aquatic Centre – Work to Renew and Upgrade to Working Condition. An initial budget of \$350,000.00 excluding GST was allocated; however, at the time the budget was allocated the Town did not have a full understanding of the scope of works to be undertaken to restore the facility to working condition. An additional \$500,000.00 excluding GST (inclusive of an approximate 10% contingency) will be required to complete the works. This brings the total budget for the works to \$850,000.00 excluding GST.

**STRATEGIC AND RISK IMPLICATIONS***Environmental*

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

*Economic*

There are no significant identifiable economic impacts arising from adoption of the officer's recommendation.

*Social*

The social risks associated with this item is that residents have not been able to access the SHAC for recreation purposes, competitions or events.

*Financial*

The financial risks associated with this item has been the loss of revenue with the SHAC not being operational for an extended period of time.

*Strategic*

As part of the Strategic Community Plan 2014-2024, section 1.2 A vibrant community rich in diverse cultures states the need for Port Hedland to deliver and support programs, events, facilities and services which attract and retain residents to increase our permanent population. One (1) of the success indicators is to improve community satisfaction with access to services, events and facilities.

*Risk*

There is a risk rating of High (12) assigned to the reputational risk associated with the inability to return SHAC to working condition and the necessary timeframe required for the development of the Master Plan for the South Hedland Sports Precinct.

**OPTIONS**

*Option 1 - Adopt Officers Recommendation*

*Option 2 - Amended Officers Recommendation*

*Option 3 – Do not adopt Officers Recommendation*

That the Council does not award the contract to the preferred tenderer and instead opts to wait for the development of the Master Plan for the South Hedland Sports Precinct. This option is not supported by Officers due to both the social and financial risk associated in prolonging the works necessary to restore functionality for the SHAC. The outcomes of the master planning process and development is still some years away.

**CONCLUSION**

Town Officers recommend the awarding of RFT 2017–18 to the preferred tenderer indicated in the Tender Evaluation Report. They have met and exceeded all selection criteria requirements and also represent best value for money for the Town. Town Officers also request the amendment of 2017/18 Budget at the November budget review for GL C1105101 (South Hedland Aquatic Centre – Work to Renew and Upgrade to Working Condition) and increase the amount allocated to this project by an additional \$500,000.00 excluding GST to \$850,000.00 excluding GST (inclusive of an approximate 10% contingency).

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**Item 9 Matters for Which Meeting May Be Closed (Confidential Matters)**

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Nil

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**Item 10 Closure**

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**10.1 Date of Next Meeting**

The next Ordinary Meeting of Council will be held on Wednesday 1 November, commencing at 5:30pm.

**10.2 Closure**

There being no further business, the Mayor declared the meeting closed at \_\_pm.