



## Additional Item

**Agenda:** *Corporate & Works Committee*

**Date:** *Monday 16 June 2008*

**Item No.** *R3*

**Time:** *6.00pm*

**Corporate & Works Committee**

### **Outline of Meeting Protocol & Procedure:**

- The Chairperson will call the Meeting to order and ask the Committee/Staff to present apologies or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will ask whether a member(s) of the public wish to address the Committee.
- If person(s) wish to address the Committee, they are allowed four (4) minutes in which to do so. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (eg applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allotted four (4) minutes, the speaker resumes his/her seat and takes no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- The Chairperson has the discretion whether to continue to accept speakers from the floor.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

### **Delegated Authority (“D” Items):**

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.
- Note: This not to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Quarterly review of Council's Management Plan.
- Finance Regulations, including:-
  - Authorisation of expenditures within budgetary provisions where not delegated;
  - Quarterly review of Budget Review Statements;
  - Quarterly and other reports on Works and Services provision; and
  - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Traffic Management - Works Implementation.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agenda (and as may be limited by specific Council resolution).
- Confirmation of Minutes of its Meeting.
- Any other matter falling within the responsibility of the Corporate and Works Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed below.

### **Recommendation only to the Full Council (“R” Items):**

- Such matters as are specified in Section 377 and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations
- Matters which involve broad strategic or policy initiatives within responsibilities of the Committee.
- Matters not within the specified functions of the Committee.
- Asset Rationalisation.
- Corporate Operations:-
  - Statutory Reporting;
  - Adoption of Council's Management Plans;
  - Quality Service/Communications;
  - Leases.
  - Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes
- Delegations.
- Policies.
- Tenders as per Regulation requirements.

**Committee Membership:**

7 Councillors

**Quorum:**

The quorum for a Committee meeting is 4 Councillors.

## **Additional Item**

# **Meeting Agenda**

<b>Item</b>	<b>Subject</b>	<b>Pages</b>
<b>Items to be Submitted to the Council for Decision with Recommendations from this Committee</b>		
R3	Double Bay Streetscape Improvements Works Contract - Bay Street - Tender No 08/08	18

**Item No:** R3 Recommendation to Council  
**Subject:** **Double Bay Streetscape Improvement Works Contract – Bay Street**  
**Author:** Mark Ramsay, Manager Depot & Waste Services  
**File No:** Tender No 08/08  
**Reason for Report:** To recommend to Council rescission of previous resolution and acceptance of a Tender

**Recommendation:**

- A. That Council rescind its resolution of 10 June 2008 that, (subject to the results of a financial capability check), Council enter into a Lump Sum contract for \$697,421.80 (excl GST) with Sam The Paving Man for the footpath, kerb and gutter reconstruction along Bay Street, Double Bay
- B. That subject to part (A) Council enter into a Lump Sum contract for \$710,437 (excl GST) with Sydney Civil Pty Ltd (*subject to the results of a financial capability check*) for the footpath, kerb and gutter reconstruction along Bay Street, Double Bay
- C. That successful and unsuccessful tenderers be advised accordingly.

**Background**

Following the resolution of Council 10 June 2008 we have become aware that the lump sum price offered by Sam the Paving Man to undertake the Bay Street footpath reconstruction works does not include provisional sums totalling \$127,005, whereas the lump sum prices of other tenderers do include these sums. Therefore, the tender price of Sam the Paving Man has been compared incorrectly to the prices of other tenderers. The total cost for Sam the Paving Man to undertake the works, including the provisional items, is \$824,427, not \$697,421.80 as reported.

Prices of all tenderers, including the adjusted price for Sam the Paving Man, are shown in **Table 1**

<b>TENDERER</b>	<b>Lump sum tender price (excl GST)</b>
1. AYZ Landscapes and Civil Construction Pty Ltd	\$ 872,750.00
2. Berem Construction Pty Ltd	\$ 1,214,000.00
3. Illawarra Civil Contracting Pty Ltd	\$ 789,673.00
4. Kingston Civil Constructions	\$ 871,427.00
<b>5. Sam the Paving Man Pty Ltd</b>	<b>\$ 824,427.00</b>
6. Sydney Civil Pty Ltd	\$710,437.00
3. Transfield Services (Australia) Pty Ltd	\$ 856,048.16

This misunderstanding has arisen due to the Schedule of Rates which was included with Sam the Paving Man's tender showing the provisional sums as line items but not including them in the totals shown.

It should be noted that, under the Local Government Regulation governing tenders, Council can only enter into a contract which is in accordance with the tender. As explained above, Council's resolution has been found to be not in accordance with the tender, and therefore cannot proceed.

Consequently, Sam the Paving Man is no longer the recommended tenderer. The recommended tenderer, once scores are adjusted to reflect this situation, is now Sydney Civil Pty Ltd with a lump sum offer of \$710,437.

**See Table 2**

<b>TENDERER</b>	<b>Tender &amp; Business Requirements</b> <i>Weighting: 5</i>	<b>Demonstrated Experience</b> <i>Weighting: 15</i>	<b>Company Resources</b> <i>Weighting: 5</i>	<b>Program</b> <i>Weighting: 15</i>	<b>Quality Management</b> <i>Weighting: 10</i>	<b>OHS &amp; Environmental Capabilities</b> <i>Weighting: 5</i>	<b>Price Components</b> <i>Weighting: 45</i>	<b>Total Score</b> <i>Weighting: 100</i>	<b>Ranking</b>
Berem Construction	4.17	1.88	1.88	3.75	0	2.5	25.91	<b>40.07</b>	<b>7</b>
Illawarra Civil Contracting	5	5.63	1.25	0	0	2.81	40.99	<b>55.67</b>	<b>6</b>
AYZ Landscapes & Civil	5	9.38	1.25	3.75	7.5	4.38	37.56	<b>68.81</b>	<b>5</b>
Transfield Services	5	7.5	3.13	7.5	10	3.75	33.20	<b>70.07</b>	<b>4</b>
Kingston Civil	5	7.5	4.38	7.5	10	5	37.61	<b>76.99</b>	<b>3</b>
Sydney Civil Pty Ltd	5	15	3.75	11.25	7.5	4.38	45	<b>91.88</b>	<b>1</b>
Sam The Paving Man	5	15	4.38	11.25	7.5	3.75	39.47	<b>86.34</b>	<b>2</b>

As noted in the previous report, Sydney Civil Pty Ltd has been assessed to have the capacity to provide value for money, quality of work and to complete the works within an acceptable time frame.

**Identification of Income and Expenditure:**

Council has allocated \$3,167,000 in its capital expenditure budget for 2007/2008 for the Double Bay streetscape improvement works.

The area of repaving works for Bay Street is approximately 20% of the total business centre repaving works area. Twenty percent of the total budget available for this area would be \$633,400.

EnergyAustralia are obliged to reimburse Council for the restoration of recent trenching works throughout the Double Bay business centre. An estimate of EnergyAustralia reinstatement costs for the Bay Street trenching works based on Council's adopted fees and charges is \$126,000. (This estimated price is based on reinstated areas that have yet to be measured and confirmed by Council and EnergyAustralia.) Therefore, the total estimated budget available to Council for the Bay Street repaving works is \$633,400 + \$126,000 = \$759,400.

Table 4 sets out the estimated cost breakdown for the Bay Street repaving works, subject to Council's approval, in favour of the recommended tenderer, Sydney Civil Pty Ltd.

**Table 4**

<b>Project Component – Bay Street</b>	<b>Cost</b>
Design Costs (Complete Urban Solutions)	+ \$ 86,553
Paver Supply Costs (Sam The Paving Man)	+ \$ 176,567
Construction Costs (Sydney Civil Pty Ltd)	+ \$ 710,437
EA Reimbursement Cost (to be confirmed)	- \$ 126,000
<b>TOTAL ESTIMATED PROJECT COST (ex GST)</b>	<b>+ \$ 847,557</b>

The recommended tender for the Bay Street repaving works is \$847,557, therefore, there is a notional shortfall in the budget (\$88,157) which will be addressed by identifying savings or reduced scope of work in future stages.

**Conclusion:**

The tender panel recommends that the Double Bay Streetscape Improvement Works – Bay Street contract be let to Sydney Civil Pty Ltd for a lump sum of \$710,437 (excluding GST).

Mark Ramsay  
Manager Depot & Waste Services

Warwick Hatton  
Director Technical Services

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**Annexures:**

**REPORT:** Recommendation to Council - Double Bay Streetscape Improvement Works – BAY STREET, 2 June 2008.