

Corporate & Works Committee

Agenda: *Corporate & Works Committee*

Date: *Monday 2 March 2009*

Time: *6.00pm*

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; - Delegations.
 - Adoption of Council's Management Plans; - Policies.
 - Quality Service/Communications; - Tenders as per Regulation requirements.
 - Leases.
 - Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive changes

Committee Membership:

6 Councillors

Quorum:

The quorum for a Committee meeting is 4 Councillors.

WOOLLAHRA MUNICIPAL COUNCIL

Notice of Meeting

26 February 2009

To: His Worship The Mayor, Councillor Andrew Petrie ex-officio
Councillors Greg Medcraft (Chair)
Anthony Boskovitz
Peter Cavanagh (Deputy)
Nicola Grieve
Ian Plater
Isabelle Shapiro

Dear Councillors

Corporate & Works Committee Meeting – 2 March 2009

In accordance with the provisions of the Local Government Act 1993, I request your attendance at a Meeting of the Council's **Corporate and Works Committee** to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 2 March 2009 at 6.00pm.**

Gary James
General Manager

Additional Information Relating to Committee Matters

Site Inspection

Other Matters

Meeting Agenda

Item	Subject	Pages
1	Leave of Absence and Apologies	
2	Late Correspondence	
3	Declarations of Interest	

Items to be Decided by this Committee using its Delegated Authority

D1	Confirmation of Minutes of Meeting held on 16 February 2009	1
D2	Options for Council to Obtain equipment through the Local Government Procurement Service (LGP) – 566.G	2

Items to be Submitted to the Council for Decision with Recommendations from this Committee

R1	Bellevue Hill Shopping Centre Streetscape Improvement Works – Project C: Lighting and Electrical Services	7
R2	Bellevue Hill Shopping Centre Streetscape Improvement Works – Tender 08/19	13

Item No: D1 Delegated to Committee
Subject: **Confirmation of minutes of meeting held on 16 February 2009**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 16 February 2009 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

Recommendation:

That the Minutes of the Corporate and Works Committee Meeting of 16 February 2009 be taken as read and confirmed.

Les Windle
Manager - Governance

Item No: D2
Subject: **Options for Council to Obtain Equipment Through the Local Government Procurement Service (LGP)**
Author: Kelley Ambrose – Purchasing Coordinator
File No: 566.G
Reason for Report: To submit a report on the options for Council to obtain equipment through the tendering of the Local Government Procurement service associated with the Local Government Association, as per Council resolution on 9 February 2009.

Recommendation:

1. That Council continues to participate in SSROC service and supply agreements where such agreements are based on the committed volumes of participating Councils.
2. That where there are no suitable SSROC agreements, all LGP and Department of Commerce agreements be considered as an alternative to tendering.
3. That LGP and Sustainable Purchasing tender services be assessed with view to potential savings in future equipment and service acquisitions.

Background:

Council, at its meeting of 9 February 2009, resolved that a contract be entered into with MacDonald Johnson Pty Ltd for a street sweeper and that a report be submitted to the Corporate & Works Committee on the options for Council to obtain equipment through the Local Government Procurement service (LGP) of the Local Government Association.

The Local Government Act 1993 – Sect 55 (3) requires tenders to be called above a prescribed threshold value, which is currently set at \$150,000 (inclusive of GST). A procedural limit is set at \$120,000 (inclusive of GST) as a control measure to allow for variations. Sect 55 (3) of the Act lists certain exemptions to the tender requirement, including acquisitions made through State or Federal Government “whole of government” agency agreements or persons prescribed by the Regulations.

Tenders and quotations are usually only called for Council’s equipment and services requirements if there are greater cost benefits in doing so than would be otherwise obtained through existing agency agreements.

The Department of Commerce is a prescribed organisation under Sect 55 (3). As a result of the Local Government Amendment Bill of 2003, the Act was amended to include the Local Government Association’s trading enterprise Local Government Procurement (LGP) as a prescribed body. Both agencies have supply and service agreements that are available to Council

There are also numerous agreements available through the Southern Sydney Regional Organisation of Councils (SSROC). The SSROC is not a prescribed body under the Act, and compliance is achieved by appointing a host Council to act as tendering agent on behalf of the participating Councils. The SSROC agreements offer the advantages of reduced tender administration, other than for the host Council, and advertising costs are borne by SSROC. Risk assessment is done by the host Council, with support from SSROC evaluation team members.

The tables show the various Department of Commerce, LGP and SSROC agreements that Council currently uses:

1. Department of Commerce

Supplier	Description	Contract reference
BP	Diesel and unleaded fuel	366
Ford, Hino, Subaru, Hyundai	Passenger vehicles and trucks	653
AGL	Electricity – small sites (25% Green Power)	776
Energy Australia	Electricity – large sites (6% Green Power)	777

2. Local Government Procurement (LGP):

Supplier	Description	Contract reference
Sulo Pty Ltd	120 and 240 litre rubbish bins	LGP 206
Leonard Holt Robb	Advertising for recruitment and tenders	LGP 406
Stihl, Aust Hammer Supplies, GYC, Victa Lawncare, Briggs & Stratton	Small plant and outdoor equipment	LGP508
Reece Plumbing Centres	Pipes and fittings	LGP 908

3. South Sydney Regional Organisation of Councils (SSROC):

Supplier	Description	Contract reference
Pioneer Asphalt/Boral/Metropolitan Demolitions	Civil construction materials	2006/04
A E Baker/Blackwoods	Hardware and tools	2008/02
Hepworths/ Defender Safety	Footwear and safety equipment	2006/02 and 2006/03
Ambassador	Work wear (outside staff)	2008/03
Concrete P/L	Concrete	2007/01
Road Marking Systems (RMS)	Signs and road marking equipment	2006/09
BSB Brushes	Brushes for road sweepers	2006/01
Menai Linemarking	Road and pathway line marking	2007/05
Globe Chemicals	Weedicide and pesticides	2007/09
Harrisons Timber	Wood for carpentry work	2007/02
Bridgestone	Tyre supply, fitting and repairs	2007/07
Corporate Express	Stationery and toner cartridges	2007/03 and 2007/04
Complete Office Supplies	Copy paper (new agreement under evaluation)	2006/06
Cement Australia	Cement (bagged)	2008/01

Comments:

The underlying principle in the SSROC tendering process is that member Councils identify opportunities for cost savings, develop tenders based on aggregation of their expenditure and commit to participate for the contract period. The leveraging ability of large Councils such as City of Sydney and Sutherland Shire are passed on to the smaller member Councils and a number of the agreements are aligned to the broader strategic SSROC shared service initiatives.

The commitment volumes of participating Councils provide vendors with some certainty to base their prices on, which is reflected in the competitive pricing of the SSROC agreements.

The LGP contract development is slightly different in that input is sought from member Councils of the LGA during contract development; however volume commitment is not sought. In some respects, this is less certain for vendors in terms of individual Council expenditure, but can be balanced against the buying power of the 73 member Councils in the LGA, even if they participate in the agreements to varying degrees.

The LGP is currently the only agency with agreements for mobile garbage bins and small plant, and these agreements give pricing advantages to Council that would not be obtained through calling of its own tenders. The LGP was finalising agreements for road sweepers and other heavy plant when the Council tender was called for a new road sweeper in 2008, however the LGP agreements will be considered for future heavy plant acquisitions.

At a strategic level, the LGP provides 'whole of local government' agreements, and the SSROC provides 'whole of region' agreements. Despite their different objectives, each agency has been actively seeking out new business opportunities and as a result there are now several similar equipment and service agreements that are available to Council. Price checks show that the SSROC agreements for stationery, protective clothing and turf chemicals give the best outcome for Council and the LGP agreement for advertising of recruitment and tender notices gives the best outcome.

The LGP and SSROC now both have panel agreements in place for temporary staff, each of which is being assessed.

The LGP has new agreements for play ground equipment and library supplies and these are also being assessed. The SSROC does not have comparable similar agreements at this time, but is currently tendering for library supplies. The SSROC is also developing a regional vehicle tender, and that will be assessed in due course.

Participation in Department of Commerce agreements is discretionary for local government, however there price advantages based on the mandatory participation of state government departments. The Department of Commerce is currently the only agency with agreements in place for passenger vehicles, fuel and electricity and at this time, the agreements are more time and cost effective for Council. Participation in future Department of Commerce electricity agreements is currently being reviewed and will be reported separately.

In addition to the 'whole of local government' agreements, LGP provides fee based tendering services for sourcing of equipment, services and evaluating of civil works projects. The MAPS Group Ltd, trading as Sustainable Purchasing, offers a similar service, as well as committed volume agreements. Sustainable Purchasing is based in Victoria and its majority shareholder is the City of Melbourne. It is prescribed in Victoria in the same manner as LGP, but is not currently prescribed in NSW and operates along similar lines to SSROC in that it can act as a tendering agent in order to provide the committed volume agreements. The 'fee for service' tendering services may achieve savings in some areas of equipment and service acquisition. Internal tendering of civil works projects provides the best response to local issues.

Conclusion:

A significant amount of Council acquisitions are covered by SSROC committed volume agreements. Where there are no SSROC agreements in place, the Department of Commerce and LGP agreements are assessed against the cost benefits of Council calling its own tenders or quotations, with the result that Council currently receives price benefits by participating in a number of SSROC, LGP and Department of Commerce agreements. These are reviewed periodically to ensure that the best outcomes for Council are obtained.

Tendering agents such as LGP and Sustainable Purchasing may achieve savings in some equipment and service acquisitions.

Recommendation:

1. That Council continues to participate in SSROC service and supply agreements where such agreements are based on the committed volumes of participating Councils.
2. That where there are no suitable SSROC agreements, all LGP and Department of Commerce agreements be considered as an alternative to tendering.
3. That LGP and Sustainable Purchasing tender services be assessed with view to potential savings in future equipment and service acquisitions.

Kelley Ambrose
Purchasing Coordinator

Warwick Hatton
Director Technical Services

Item No: R1 Recommendation to Council

Subject: **Bellevue Hill Shopping Centre Streetscape Improvement Works – Project C: Lighting And Electrical Services**

Author: Trent Scrivener – Project Engineer

File No: 1216.G

Reason for Report: To recommend funding for the final construction stage of the Bellevue Hill shopping centre streetscape upgrade project.

Recommendation:

- A. That Project C - Lighting and Electrical Services of the Bellevue Road Shopping Centre project (estimated cost \$743,026), be funded in 2009-10 from available Section 94A funds.
- B. That Council proceed to tender for the construction of the Bellevue Hill Shopping Centre Streetscape Improvement Works Project C – Lighting and Electrical Services, with the objective of commencing construction in the 2009/2010 financial year, immediately following completion of Project B – Civil Works.

Background

In the adoption of the 2007/2008 budget Council resolved to borrow funds totalling \$6.525m to undertake various streetscape improvement projects. One of these projects was the upgrading of the Bellevue Hill shopping centre to improve the environmental performance, traffic and parking management and visual presentation of the centre. Bellevue Hill Shopping Centre Improvement Works are also included in the adopted S94A Schedule of Works as a Short Term (High Priority) project.

Following an initial presentation of the conceptual streetscape design to Councillors and stakeholders over two workshops in June and July 2008, a detailed streetscape design was produced by the design consultant, JMD.

The streetscape upgrade detailed design included the following elements:

- Reconstruction of the footpaths using modular pavers;
- Undergrounding of overhead electrical services and telecommunications;
- Installation of a new multi-function pole street lighting scheme;
- Reconstruction and asphalt resurfacing of the concrete road;
- Reconstruction of segments of kerb and gutter;
- Reconstruction of new pedestrian thresholds at the entrances to Buller and Riddell Streets;
- Landscaping of the Cooper Park embankment;
- Construction of rain gardens; and
- Installation of porous paving in the Riddell Street car park.

This detailed streetscape design was used as the basis for the construction tender which was advertised in early December 2008.

On 24 November 2009 Council resolved to approve \$1,198,637 to complete Stages 1 – Road Reconstruction and Stage 2 – Footpath Reconstruction of the Bellevue Hill Shopping Centre project. Council also resolved to fund Stage 3 – Lighting and Electrical Services in the 2009-10 financial year from the Section 94A funds as funds become available.

The upgrade of Bellevue Hill shopping centre (including lighting) is included in the Section 94A Schedule of Works. There are now sufficient funds in the Section 94A reserve to cover the estimated cost of Stage 3 – Lighting and Electrical Services.

Following consultation with Energy Australia it was ascertained that they require a Level 1 Approved Service Provider (ASP1) to install the electrical reticulation throughout the Bellevue Hill shopping centre. Before electrical works can commence Energy Australia require a supply agreement (ES9A Agreement) to be in place between themselves, Council and the ASP1 contractor.

For this reason Council staff restructured Stages 1, 2 & 3 to separate the electrical works from the civil works and created three newly structured separable portions; Project A – Electrical Works; Project B – Civil Works; and Project C – Lighting and Electrical Services. The scope of works within Project A covers the installation of the electrical conduits under the footpath and across the road. The scope of work within Project B covers the road and footpath reconstruction. The scope of works within Project C covers the undergrounding of overhead services and commissioning of the new multi-function pole street lighting scheme.

Project C contains components that have required further development and were not ready to be tendered at the same time as Project A and Project B. These components include procurement of the multi-function pole street lights and coordinating Telstra and Optus to relocate their existing overhead services that are currently located on the Energy Australia power poles.

In order to expedite the start date for the construction program Council resolved to tender Project A and Project B. Council staff have evaluated these tenders and have made a recommendation to Council in a separate report. Subject to Council approval, Council staff now propose to tender Project C separately in April 2009 with the view to commence works immediately following the completion of Project B.

Similarly to Project A, Project C must be constructed by an ASP1 contractor. Any tender proposal from a non-ASP1 contractor to subcontract Project C to an ASP1 contractor would result in an unacceptably complex relationship to Council within the ES9 Agreement in terms of managing liabilities, indemnities, insurance and warranties.

- Undergrounding of Optus fibre-optic cable includes the supply and installation of fibre-optic cable; reconnection to all serviced properties; commissioning of new fibre-optic reticulation; and removal of overhead cable.
- Undergrounding of Telstra public phone box connection includes supply and installation of new service pit, application to CATV, Bigpond and Telstra for outage during changeover, commissioning new connection and removal of redundant service.

The program for these works is expected to take 4-6 weeks with an anticipated completion date in August 2009, subject to Project B being completed on time.

Identification of Income and Expenditure

On 24 November 2009 Council resolved to fund the Bellevue Hill shopping centre upgrade project Stage 1 – Road Reconstruction and Stage 2 – Footpath Reconstruction, which also included the installation of electrical conduits, for a total of \$1,198,637.

Council also resolved to revise and update the Section 94A Capital Works Program to include Stage 3 – Lighting and Electrical Services, and to fund this stage in 2009-10 from Section 94A funds as funds become available. Sufficient funds are now available.

As mentioned above, issues associated with the Energy Australia ES9A Agreement have resulted in Stage 3 - Lighting and Electrical Services being renamed Project C – Lighting and Electrical Services for consistency.

In order to complete Project C Council must also procure the multi-function street light poles and engage Optus and Telstra to underground their overhead services which are currently located on the Energy Australia power poles.

Competitive quotes have been called, in accordance with Council's Procurement Procedures, for supply of multi-function pole street lights, and prices ranging from \$112,205 to \$149,200 have been obtained. Telstra has provided a price of \$7,630 to underground their connection to the public phone box situated in the shopping centre. Optus have yet to provide Council staff with a price to underground their overhead fibre-optic cable but a provisional sum of \$110,000 has been allocated to this activity in order to estimate a total cost for Project C.

The following table illustrates the estimated construction costs associated with Project C.

Project C – Lighting and Electrical Services	Construction Cost Estimate (excl. GST)
General & preliminary work	\$ 25,000
Supply and install LV mains cable	\$ 191,766
Supply multi-function pole street lights	\$ 112,205
Install multi-function pole street lights	\$ 246,545
Underground Optus fibre-optic cable	\$ 110,000
Underground Telstra public phone box connection	\$ 7,630
Commission all new electrical reticulation	\$ 35,000
Remove and dispose of redundant power poles and overhead cables.	\$ 14,880
TOTAL – Project C	\$ 743,026

This cost estimate to complete Project C differs from the cost estimate of Stage 3 in the 24 November 2008 report (\$552,646) because quotes had not then been received to supply the multi-function pole street lights and the prices to underground Optus and Telstra services were not originally included.

Summary

It is desirable to commence Project C – Lighting and Electrical Services immediately following the completion of Project B – Civil Works as this approach will be less disruptive to the local businesses and residential communities.

With the objective of commencing construction early in the 2009/2010 financial year Project C is expected to take 4-6weeks to construct with an anticipated completion date in August 2009, subject to Project B being completed on time.

It is recommended that funding for Project C (\$743,026) be drawn from the Section 94A funds, and that the project commence in 2009-10.

Trent Scrivener
Project Engineer – Engineering Services

Warwick Hatton
Director Technical Services

Annexures:

1. Master Plan of Bellevue Hill shopping centre streetscape improvement scheme.

Item No: R2 Recommendation to Council
Subject: **Bellevue Hill Shopping Centre Streetscape Improvement Works**
Author: Kelley Ambrose - Purchasing Coordinator
File No: Tender No 08/19
Reason for Report: To recommend to Council the acceptance of a Tender

Recommendation:

- A. That Council enter into a Lump Sum contract for \$440,155.00 (excluding GST) with PowerServe Pty Ltd for the Bellevue Hill Shopping Centre Streetscape Improvement Works Project A - Electrical Works.
- B. That Council enter into a Lump Sum contract for \$616,701.00 (excluding GST) with Statewide Civil Pty Ltd for the Bellevue Hill Shopping Centre Streetscape Improvement Works Project B - Civil Works.
- C. That successful and unsuccessful tenderers be advised accordingly.

Background

In the adoption of the 2007/2008 budget, Council resolved to borrow funds totalling \$6.525m to undertake various streetscape improvement projects. One of these projects was the upgrading of the Bellevue Hill shopping centre to improve the environmental performance, traffic and parking management and visual presentation of the centre.

Following an initial presentation of the conceptual streetscape design to Councillors and stakeholders over two workshops in June and July 2008, a detailed streetscape design was produced by the design consultant, JMD.

The streetscape upgrade detailed design included the following elements:

- Reconstruction of the footpaths using modular pavers;
- Undergrounding of overhead electrical services and telecommunications;
- Installation of a new multi-function pole street lighting scheme;
- Reconstruction and asphalt resurfacing of the concrete road;
- Reconstruction of segments of kerb and gutter;
- Reconstruction of new pedestrian thresholds at the entrances to Buller and Riddell Streets;
- Landscaping of the Cooper Park embankment;
- Construction of rain gardens; and
- Installation of porous paving in the Riddell Street car park.

This detailed streetscape design was used as the basis for the construction tender which was advertised in early December 2008.

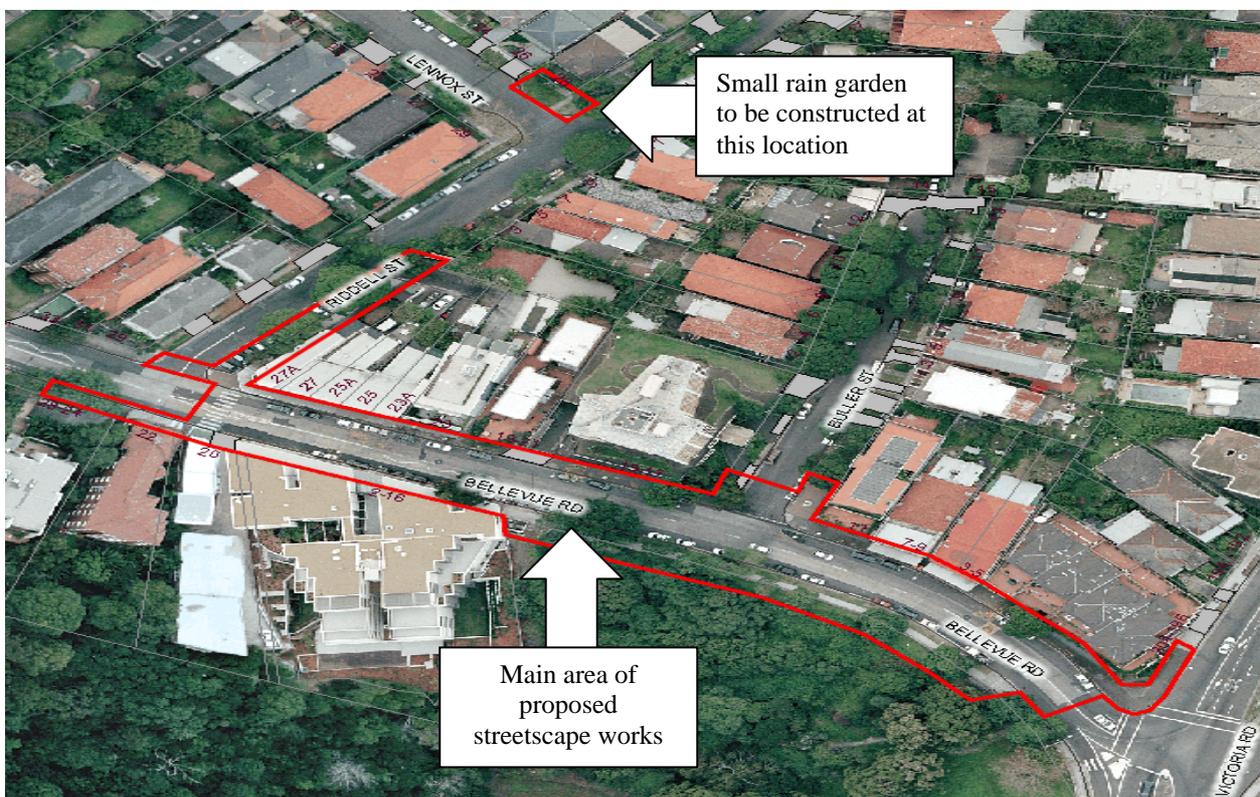
On 24 November 2008 Council resolved to approve \$1,198,637.00 to complete Stage 1 – Road Reconstruction and Stage 2 – Footpath Reconstruction of the Bellevue Hill Shopping Centre project which included the installation of electrical conduits in both Stages. Funding to approve Stage 3 – Lighting and Electrical Services, which includes undergrounding of overhead services and commissioning the new multi-function pole street lighting scheme, is the subject of a separate report.

Following consultation with Energy Australia, it was ascertained that a Level 1 Approved Service Provider (ASP1) will be required to install the electrical reticulation throughout the Bellevue Hill shopping centre. Before electrical works can commence, Energy Australia require a supply agreement (ES9A Agreement) to be in place between themselves, Council and the ASP1 contractor.

For this reason Council officers have restructured Stages 1, 2 and 3 to separate the electrical works from the civil works and created three newly structured separable portions: Project A – Electrical Works; Project B – Civil Works; and Project C – Lighting and Electrical Services. The scope of works within Project A covers the installation of the electrical conduits under the footpath and across the road. The scope of work within Project B covers the road and footpath reconstruction. The scope of works within Project C covers the undergrounding of overhead services and commissioning of the new multi-function pole street lighting scheme.

Project C contains components that have required further development and were not ready to be tendered at the same time as Project A and Project B. In order to expedite the start date for the construction program, tenders have been advertised for Projects A and Project B. It is anticipated that Project C will be tendered in April 2009 with a view to commence works immediately following the completion of Project B.

Location map of proposed streetscape improvement works.



Invitation to Tender

The tender for the Bellevue Hill Shopping Centre Streetscape Improvement Works was advertised in the Sydney Morning Herald on Tuesday 9 December 2008 and the Wentworth Courier on Wednesday 10 December 2008. The Tender was in two parts; Project A – Electrical Works and Project B – Civil Works. Tenders were advertised on the basis of Project A only, Project B only or Projects A and B combined.

Any tender proposal from a non-ASP1 contractor to subcontract Project A to an ASP1 contractor would result in an unacceptably complex relationship to Council within the ES9 Agreement in terms of managing liabilities, indemnities, insurance and warranties. For this reason, the tender clearly stipulated that tenderers for Project A, or Projects A and B combined, were required to be an Energy Australia Level 1 Approved Service Provider (ASP1).

A pre-tender meeting was held on Wednesday, 21 January 2009. Questions raised by tenderers were answered and a record of the questions and answers was circulated to all tenderers who attended, or who were unable to attend but registered their interest to receive information. Vital Services NSW Pty Ltd did not attend the pre-tender meeting but tendered in conjunction with QMC Group Pty Ltd, which did attend the pre-tender meeting.

Tenders closed at 2:30pm on Wednesday 28 January, 2009. A total of 11 tenders were received prior to the closing date and time.

The lump sum tender prices are shown in Table One below, and exclude GST:

Table One

Tenderer	Project A	Project B	Project A and B Combined
Sydney Civil Pty Ltd	Did not tender	Did not tender	\$1,097,885.00
GMW Urban Pty Ltd	Did not tender	\$787,421.05	\$1,288,018.30
Kingston Civil Pty Ltd	\$775,800.00	\$647,951.00	\$1,423,752.00
PowerServe Australia Pty Ltd	\$440,155.00	Did not tender	Did not tender
Vital Services NSW Pty Ltd	\$741,010.00	Did not tender	Did not tender
Eco Civil Constructions Pty Ltd	Did not tender	\$605,385.00	Did not tender
Statewide Civil Pty Ltd	Did not tender	\$616,701.00	Did not tender
Synergy Civil Constructions Pty Ltd	Did not tender	\$708,816.00	Did not tender
Designed Construction	Did not tender	\$712,000.00	Did not tender
Avoca Civil Constructions Pty Ltd	Did not tender	\$773,381.00	Did not tender
AMFM Constructions Pty Ltd	Did not tender	\$1,454,737.60	Did not tender

Tender Assessment

The tender assessment panel comprised Kelley Ambrose, Purchasing Coordinator as the convenor and independent member of the tender panel, Trent Scrivener, Project Engineer – Streetscapes as the Commissioning Officer and Peter Cassilles as the Project Manager. Les Windle – Manger Governance provided advice on probity issues.

Prior to the closing date the tender panel agreed on the weightings that would be used against the published selection criteria, as shown in tables three and five.

Following the initial assessment, a number of tenderers were requested to provide additional information to clarify their tenders. This information was then used in further assessment to establish which tenderers would be interviewed.

Projects A and B combined – Electrical and Civil Works:

Table Two

TENDERER	Lump sum tender price
1. Sydney Civil Pty Ltd	\$1,097,885.00
2. GMW Urban Pty Ltd	\$1,288,018.30
3. Kingston Civil Construction	\$1,423,751.80

Kingston Civil Constructions Pty Ltd – non-conforming, ranked no. 3

Kingston Civil was deemed non-conforming for Projects A and B combined as it is not an ASP1 contractor. The separate tender for Project B was assessed, as shown in Table Three.

GMW Urban Pty Ltd – non-conforming, ranked no. 2

GMW Urban was deemed non-conforming for Projects A and B combined as it is not an ASP1 contractor. The separate tender for Project B was assessed, as shown in Table Three.

Sydney Civil Pty Ltd – non-conforming, ranked no. 1

The tender from Sydney Civil Pty Ltd was also deemed non-conforming for Projects A and B Combined tender as it is not an ASP1 contractor. Sydney Civil Pty Ltd did not tender a separate price for Project B, and therefore was not considered further.

Conclusion:

No conforming tenders were received for Project A and B combined.

Project A – Electrical Works

Table Two

TENDERER	Lump sum tender price (excluding GST)
1. PowerServe Australia Pty Ltd	\$440,155.00
2. Kingston Civil Construction	\$775,800.00
3. Vital Services NSW Pty Ltd	\$741,010.00

PowerServe Australia Pty Ltd – Conforming, ranked no. 1

PowerServe Australia Pty Ltd has completed many projects of this type, size and complexity. Good visual examples were provided with the tender submission, including electrical works similar to the Bellevue Hill Shopping Centre project. CVs were provided by PowerServe and key personnel have over 10 years experience in the civil and landscaping industry.

PowerServe has nominated subcontractors to undertake the laying of the electrical conduits and traffic control. Council's experience with these subcontractors on a current project is satisfactory. The proposed program shows good detail and would run for six (6) weeks, which is an acceptable duration. PowerServe has ISO 14001 accreditation for Environmental management systems, ISO 4801 accreditation for OH & S and ISO 9001 for Quality management systems, and has recorded less than one day Lost Time Injury (LTI) in the past three years.

Recent projects include the design and construction of the Multi Function Poles in New South Head Road, Double Bay. The project is currently being completed in a satisfactory manner.

The PowerServe lump sum tender price is \$440,155.00.

Vital Services NSW Pty Ltd – Ranked no. 2, deemed Non-conforming

The Vital Services tender includes installation of electrical cabling and multi-function pole street lighting, which was not in the tender scope of works.

The tender panel interviewed Vital Services to ascertain the reason for the inclusion of these items, when it was clear from the tender documents they were not in the scope of works. The senior representatives of Vital conceded that the inclusion was their error, due to taking off quantities from the drawings for the total project rather than referring to the scope of works in the tender document. It is noted that Vital did not attend the tender briefing and the most likely conclusion is a communication issue between Vital and QMC Group.

In order for any alternative tender to be considered, a tenderer must submit an accompanying conforming tender. The evaluation panel considered that no conforming tender was submitted, and therefore there was no basis on which to consider the Vital tender as an alternative.

Kingston Civil Constructions Pty Ltd – Ranked no. 3, deemed Non-conforming

Kingston Civil proposed to subcontract Project A to an ASPI approved contractor, however this was not considered by the evaluation panel as conforming to the stipulated requirements of the tender.

Conclusion:

PowerServe Australia Pty Ltd is the only conforming tender. Notwithstanding the absence of alternative offers the total evaluation score shows that the tender offers good value to Council.

Table Three – evaluation scores

TENDERER	Demonstrated Experience <i>Weighting: 15</i>	Company Resources <i>Weighting: 7.5</i>	Program <i>Weighting: 17.5</i>	Quality Management <i>Weighting: 7.5</i>	OHS & Environmental Capabilities <i>Weighting: 7.5</i>	Price Components <i>Weighting: 45</i>	Total Score <i>Weighting: 100</i>
PowerServe Australia Pty Ltd	13.38	3.75	15.63	7.50	6.88	42.50*	89.64

- ***Score reflects price qualifications**

1. **Demonstrated Experience:** Tenderers were asked to provide details of past works including description and size of contracts and visual examples in the form of photos.
2. **Company Resources:** Tenderers were asked to provide details of key personnel, proposed subcontractors and plant and equipment available to this project.
3. **Program:** Information was requested from the tenderer demonstrating their understanding of staging the works, work activities required to complete the project and timeframe over which those work activities and stages would be carried out.
4. **Quality Management:** Information was requested from the tenderer demonstrating quality systems and any accreditations in this area.
5. **OHS & Environmental Management:** Information was requested from the tenderer pertaining to OH&S and environmental systems and any accreditations in these areas. Statistics for lost time injuries were also requested.
6. **Price Components:** The panel assessed the risk of qualifications, all rates provided and the apparent risk of any claims. A score is then given based on the level of qualifications and departures. Tenderers' prices are also ranked by a percentage fraction of the lowest price and a score is allocated on a prorated basis.

Project B – Civil Works

Table Four

TENDERER	Lump sum tender price (excluding GST)
1. Eco Civil Constructions Pty Ltd	\$605,384.74
2. Statewide Civil Pty Ltd	\$616,701.00
3. Kingston Civil Constructions Pty Ltd	\$647,951.80
4. Synergy Civil Constructions Pty Ltd	\$708,816.00
5. Designed Construction Solutions Pty Ltd	\$712,000.00
6. Avoca Constructions (NSW) Pty Ltd	\$773,381.00
7. GMW Urban Pty Ltd	\$787,421.05
8. AMFM Constructions Pty Ltd	\$1,454,737.60

AMFM Constructions – Conforming, ranked no. 8

AMFM Constructions has limited experience in the type of works that this project requires. The visual examples provided with their tender submission were limited.

The tender showed satisfactory access to a range of plant to complete the project. The program of twenty eight (28) weeks was the longest submitted for this project and had moderate detail.

Details of OH & S, Environmental and Quality Management systems and policies were satisfactory.

The lump sum price was the highest at \$1,454,737.60

Synergy Civil Contracting – Conforming, ranked no. 7

Synergy Civil Contracting has limited experience in this type of project due to the limited time that the company has been in existence. No visual examples were provided with the tender submission.

No CVs were provided with the Synergy Civil Contracting tender submission therefore key personnel could not be evaluated. No further details were requested of this company due to its overall ranking.

The size and type of plant available to Synergy Civil Contracting is satisfactory to undertake the works. The duration of the works stated by Synergy Civil Contracting is sixteen (16) weeks which is the equal third shortest duration of the tenders submitted.

Synergy Civil Contracting is not ISO 9001 compliant but provided evidence of a satisfactory OH&S, Environmental Management policies and procedures and QA management systems. Synergy Civil Contracting stated that there had been no Lost Time Injuries (LTI) in the past three years for only three projects when information on the past four projects was required.

The lump sum price was the fourth lowest at \$708,816.

Avoca Constructions (NSW) – Conforming, ranked no. 6

Avoca Constructions has completed many projects of this type, size and complexity in the past. Excellent visual examples were provided with the tender submission that showed most of the elements that are relevant to the Bellevue Hill Shopping Centre project.

The CVs provided with the Avoca Constructions' tender submission indicated key personnel had less than 5 years experience in the civil engineering industry.

Avoca Constructions has an excellent range of plant to undertake the works. The works program showed good construction detail, but the duration of 26 weeks is the second longest.

Avoca Constructions are ISO 9001 compliant for Quality management systems and are pre-qualified with the Department of Commerce for their OH & S management systems. Environmental policies and procedures were also submitted with the submission and were well documented with a comprehensive Environmental management system. Avoca Constructions has not recorded any Lost Time Injuries (LTI) in the past four contracts.

Avoca Constructions' lump sum price was the third highest at \$773,381.

Designed Construction Solutions – Conforming, ranked no. 5

Designed Construction Solutions has completed many projects of this type, size and complexity in the past. The visual examples provided with the tender submission were satisfactory and showed most of the elements that are relevant to the Bellevue Hill Shopping Centre project.

Designed Construction Solutions key personnel have over 10 years experience in the civil engineering industry.

Designed Construction Solutions has access to plant of a size and type which are satisfactory to undertake the works. The proposed program runs for twelve (12) weeks, which is the second shortest duration of the tenders submitted. Their program showed of excellent detail.

Designed Construction Solutions is not ISO 9001 compliant; however comprehensive information was provided on the OH & S system containing Safe Work Method Statements (SWMS), hazard control plans, incident reporting and training register. The Quality system is satisfactory, but some limitations with the environmental policies and procedures were noted.

Designed Construction Solutions stated that less than 3 days Lost Time Injuries (LTI) had been incurred in the past four contracts. Designed Construction Solutions' lump sum price was the fourth highest at \$712,000

The following information was obtained at request of the Evaluation Panel after tenders closed:

The tender schedule only stated the total price and the evaluation panel requested the breakdown of quantities and rates to support the total.

GMW Urban – Conforming, ranked no. 4

GMW Urban has completed many projects of this type, size and complexity in the past. Excellent visual examples were provided with the tender submission and showed most of the elements that are relevant to the Bellevue Hill Shopping Centre project.

GMW Urban key personnel have over 10 years experience in the civil engineering construction industry.

GMW Urban has access to an excellent range of plant and equipment to undertake the works. The proposed program runs for sixteen (16) weeks which is the equal third shortest duration of the tenders submitted. The program showed good detail such as staging of the works.

GMW Urban is ISO 9001 and ISO 14001 compliant and provided evidence of a comprehensive OH & S system containing Safe Work method Statements (SWMS), hazard control plans, incident reporting and training register. Comprehensive Quality and Environmental policies and procedures were also submitted with the tender.

GMW Urban stated that there had been less than 3 days Lost Time Injuries (LTI) in the past four contracts.

GMW Urban have completed one previous contract for Council which was completed to a satisfactory standard.

The lump sum tender price was the second highest at \$787,421.05.

The following information is based on the tender interview with GMW Urban:

GMW Urban has sufficient capacity to undertake the works and a good understanding of traffic and pedestrian management required for the works. GMW Urban outlined a detailed consultation process to incorporate the business owners and residents.

Kingston Civil Constructions Pty Ltd – Conforming, ranked no. 3

Kingston Civil Constructions has completed many projects of this type, size and complexity. Good visual examples were provided with the tender submission showing most of the elements that are relevant to the Bellevue Hill Shopping Centre project.

Kingston Civil Constructions' key personnel have over 10 years experience in the civil construction industry.

Kingston Civil Constructions has access to satisfactory plant and other resources to undertake the works. The proposed program is twelve (12) weeks, which is the second shortest duration of the tenders submitted. The program showed good detail of the project construction.

Kingston Civil Constructions has compliance with the RTA for projects up to \$2M for OH & S, Quality and Environmental management systems and has not recorded any any Lost Time Injuries (LTI) in the past four contracts.

The lump sum price was the third lowest at \$647,951.80.

The following information is based on the tender interview with Kingston Civil Constructions.

Kingston Civil Constructions has sufficient capacity to undertake the works and a good understanding of traffic and pedestrian management required for the works. Kingston Civil Constructions outlined a detailed consultation process to incorporate the business owners and residents. Particular attention was paid to the potential impact on critical areas.

Eco Civil Constructions – Conforming, ranked no. 2

Eco Civil Constructions has completed many projects of this type, size and complexity in the past. Excellent visual examples were provided with the tender submission showing most of the elements that are relevant to the Bellevue Hill Shopping Centre project.

Eco Civil Constructions' key personnel have over 10 years experience in the civil engineering industry.

Eco Civil Constructions has access to plant of a size and type which is satisfactory for the project. The proposed program is sixteen (16) weeks, which is the equal third shortest duration of the tenders submitted. The program showed good detail of the project construction and included staging of the works.

Eco Civil Constructions is not accredited to ISO 9001, however information was provided on its comprehensive OH & S system containing Safe Work method Statements (SWMS), hazard control plans, incident reporting and training register. Quality and Environmental policies and procedures are also comprehensive. Eco Civil Constructions has not recorded any Lost Time Injuries (LTI) in the past four contracts.

Eco Civil Constructions have completed two projects for Council and are in the process of completing a third project. The work has been completed to a very good standard.

Eco Civil Constructions' lump sum price was the lowest at \$605,384.74.

The following information is based on the tender interview with Eco Civil Constructions.

Eco Civil Constructions clarified the construction program for the project works would be fourteen (14) weeks, however, the tender form stated sixteen weeks. Two weeks in the program were identified as relating to preliminaries, including submission of traffic management plans and administrative matters such as provision of documents required prior to commencement of the contract.

Eco Civil Constructions has sufficient capacity to undertake the works and a good understanding of traffic and pedestrian management required for the works. Eco Civil Constructions outlined a detailed consultation process to incorporate the business owners and residents. Particular attention was paid to the potential impact on critical areas.

At the request of the evaluation panel, the example of a past similar project at King Street wharf was provided during the interview.

Statewide Civil – Conforming, ranked no. 1

Statewide Civil has completed many projects of this size and complexity in the past. Excellent visual examples were provided with the tender submission and showed most of the elements that are relevant to the Bellevue Hill Shopping Centre project.

Statewide Civil's key personnel have over 10 years experience in the civil and landscaping industry.

Statewide Civil has access to an excellent range of plant and equipment to undertake the works. The proposed program is eight (8) weeks, which is the shortest duration of the tenders submitted. The program showed good detail of the project construction.

Statewide Civil is not ISO 9001 compliant, however comprehensive information was provided on the OH & S system including Safe Work Method Statements (SWMS), hazard control plans, incident reporting and a training register. Satisfactory Quality and Environmental policies and procedures were also submitted with the tender. No Lost Time Injuries (LTI) were recorded during the past four contracts.

Statewide Civil have completed one project for Council and are currently completing a second project. The work has been completed to a very good standard.

Statewide Civil's lump sum price was the second lowest at \$616,701.00

The following information is based on the tenderer interview with Statewide Civil.

Statewide Civil confirmed the program duration of eight (8) weeks and detailed how it would be undertaken. The evaluation panel is satisfied that the program is achievable, based on the information provided. Past experience with this contractor has shown that programs have been achieved in the stated timeframes.

Statewide Civil has sufficient capacity to undertake the works and a good understanding of traffic and pedestrian management required for the works. Statewide Civil outlined a detailed consultation process to incorporate the business owners and residents. Particular attention was paid to the potential impact on critical areas.

Final scores:

Final scores and rankings are shown in Table Five, and take into account the post-tender interviews with the four highest ranked tenderers and any other information provided by way of clarification. When assessing the information required to finalise the assessment of the tenders, the evaluation panel agreed that there was no value in seeking clarification on issues from the other tenders as their overall tender scores were much lower when compared with the top four tenderers and it was unlikely that any additional information would change the ranking.

Table Five

TENDERER	Demonstrated Experience <i>Weighting: 15</i>	Company Resources <i>Weighting: 7.5</i>	Program <i>Weighting: 17.5</i>	Quality Management <i>Weighting: 7.5</i>	OHS & Environmental Capabilities <i>Weighting: 7.5</i>	Price Components <i>Weighting: 45</i>	Total Score <i>Weighting: 100</i>	Ranking
AMFM Construction	10.13	3.75	6.61	3.75	5.00	19.15	48.38	8
Synergy Civil Constructions Pty Ltd	4.88	3.75	8.75	5.63	5.63	39.16	67.79	7
Designed Construction	13.38	5.00	11.31	3.75	4.38	39.01	76.82	6
Avoca Construction	14.50	5.00	8.63	7.50	6.88	36.31	78.81	5
GMW Urban Pty Ltd	15.00	5.00	10.63	7.50	6.25	35.75	80.13	4
Kingston Civil Pty Ltd	13.38	3.75	12.30	7.50	6.88	39.87	83.67	3
Eco Civil Constructions Pty Ltd	15.00	5.00	9.46	5.63	6.25	42.50	83.84	2
Statewide Civil Pty Ltd	13.38	5.00	13.75	3.75	5.63	44.27	85.77	1

1. **Demonstrated Experience:** Tenderers were asked to provide details of past works including description and size of contracts and visual examples in the form of photos.
2. **Company Resources:** Tenderers were asked to provide details of key personnel, proposed subcontractors and plant and equipment available to this project.
3. **Program:** Information was requested from the tenderer demonstrating their understanding of staging the works, work activities required to complete the project and timeframe over which those work activities and stages would be carried out.
4. **Quality Management:** Information was requested from the tenderer demonstrating quality systems and any accreditations in this area.
5. **OH & S and Environmental Management:** Information was requested from the tenderer pertaining to OH&S and environmental systems and any accreditations in these areas. Statistics for lost time injuries were also requested.
6. **Price Components:** The panel assessed the risk of qualifications, all rates provided and the apparent risk of any claims. A score is then given based on the level of qualifications and departures. Tenderers' prices are also ranked by a percentage fraction of the lowest price and a score is allocated on a prorated basis.

Conclusions:

Project A and B Combined:

No conforming tenders were received.

Project A:

Power Serve Pty Ltd is the only conforming tenderer; however the lump sum price of \$440,155 is competitive against the two non-conforming tenders. The total tender scores reflect this contractor's satisfactory construction methodology including traffic and pedestrian management, ability to meet the project program and quality of work.

Project B:

The differences between the four highest scoring tenders are minimal in respect to management systems, experience and resources.

The top ranked tenderer, Statewide Civil, has the shortest works program of eight weeks but is \$11,316.00 higher than that of the lowest priced tender from Eco, which is ranked second. The shorter works duration of eight weeks is considered the better option in terms of minimising impact on the Bellevue Road community when compared to the additional \$11,316.00 and work duration of 16 weeks (14 weeks of which is on-site works) offered by the lowest priced tender.

The third ranked tenderer, Kingston Civil Pty Ltd, has a works program of 12 weeks which is four weeks longer than the program submitted by State Wide Civil Pty Ltd and the tender price of \$647,951.80 is \$41,567.00 above the lowest priced tender. This is a reputable company with a good track record, however there are no identifiable cost benefits in selecting this tender.

The fourth ranked tenderer, GMW Urban Pty Ltd has a works program of 16 weeks which is twice as long as the program submitted by State Wide Civil Pty Ltd and the tender price of \$787,421.05 is \$182,036.31 above the lowest priced tender. On that basis, there are no cost benefits in selecting this tender.

Identification of Income and Expenditure

On 24 November 2008, Council resolved to approve \$1,198,637.00 to complete Stages 1 – Road Reconstruction and Stage 2 – Footpath Reconstruction of the Bellevue Hill Shopping Centre project which included the installation of electrical conduits in Stages 1 and 2.

In view of the issues associated with the Energy Australia ES9A Agreement, Stages 1 and 2 were restructured to separate the electrical works from the civil works. The newly structured project stages were renamed Project A – Electrical Works and Project B – Civil Works.

The scope of works within Project A covers the installation of the electrical conduits at a cost of \$440,155.00

The scope of work within Project B covers the road and footpath reconstruction at a cost of \$616,701.00

The modular paving stones for the footpath reconstruction will be procured through separate quotations, and a price of \$108,284.00 has been obtained for supply of natural granite pavers.

There is an available surplus with respect to the construction of the Project A and Project B works of \$33,497.00. It is expected that a portion of this surplus will be taken up by project management fees and ancillary items related to the project.

(Funding to approve Project C – Lighting and Electrical Services is the subject of a separate report.)

Recommendation

- A. That Council enter into a Lump Sum contract for \$440,155.00 (excluding GST) with PowerServe Pty Ltd for the Bellevue Hill Shopping Centre Streetscape Improvement Works Project A - Electrical Works.
- B. That Council enter into a Lump Sum contract for \$616,701.00 (excluding GST) with Statewide Civil Pty Ltd for the Bellevue Hill Shopping Centre Streetscape Improvement Works Project B - Civil Works.
- C. That successful and unsuccessful tenderers be advised accordingly.

Kelley Ambrose
Purchasing Coordinator

Warwick Hatton
Director Technical Services

**POLITICAL DONATIONS DECISION MAKING FLOWCHART
FOR THE INFORMATION OF COUNCILLORS**

