



COUNCIL AGENDA

Supplementary Item

12 February 2020

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CITY OF BUSSELTON



LATE ITEMS FOR THE COUNCIL MEETING TO BE HELD ON 12 FEBRUARY 2020

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14. ENGINEERING AND WORK SERVICES REPORT

14.1 RFT 26-19 BUSSELTON FORESHORE HOTEL SITE 1 PRECINCT CIVIL AND LANDSCAPING WORKS

STRATEGIC GOAL	2. PLACE AND SPACES Vibrant, attractive, affordable
STRATEGIC OBJECTIVE	2.3 Creative urban design that produces vibrant, mixed-use town centres and public spaces.
SUBJECT INDEX	Tenders
BUSINESS UNIT	Major Projects and Facilities
REPORTING OFFICER	Administration Officer - Carley O'Neil
AUTHORISING OFFICER	Director, Engineering and Works Services - Oliver Darby
NATURE OF DECISION	Executive: substantial direction setting, including adopting strategies, plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships, reviewing committee recommendations
VOTING REQUIREMENT	Absolute Majority
ATTACHMENTS	Attachment A Landscaping Plan   Attachment B Published Under Separate Cover Confidential Attachment - Evaluation & Recommendation Report

OFFICER RECOMMENDATION

That the Council:

1. Pursuant to RFT 26-19 Hotel Site 1 Precinct Civil and Landscaping Works, accept the tender from Industrial Roadpavers (WA) Pty Ltd as the most advantageous tenderer (Successful Tenderer), subject to minor variations to be negotiated in accordance with Regulation 20 of the *Local Government (Functions and General) Regulations 1996* (FG Regs);
2. Delegates power and authority to the Chief Executive Officer to negotiate and agree with the Successful Tenderer minor variations in accordance with Regulation 20 of the FG Regs, subject to such variations and the final terms not exceeding the overall project budget; and
3. Endorse the requested budget amendment outlined in Table 1 below resulting in no change to the budgeted cash position:

Table 1:

Cost Code	Description	Current Amended Budget \$	Change (\$)	Resulting Proposed Amended Budget (\$)
Revenue				
Expenditure				
120.C3206.3280.0000	Landscaping Old Tennis club Site	500,000	80,000	580,000
120.C0053.3280.0000	Carpark on Hotel Site 1	500,000	366,566	866,566
120.C3113.3280.0000	Busselton Tennis Club Infrastructure	868,604	(200,000)	668,604

Reserve				
225.9103	Transfer from Parks and Gardens Reserve	(500,000)	(80,000)	(580,000)
114.9103	Transfer from City Car Parking and Access Reserve	0	(166,566)	(166,566)
9000-7054	Unspent Loan Funds for Busselton Tennis Club	(788,604)	200,000	(588,604)
9000-7054	Unspent Loan Funds to be utilised for carpark on Hotel Site 1 (BTC Project)	0	(200,000)	(200,000)
Net Total	580,000	\$0	\$580,000	

EXECUTIVE SUMMARY

The City's objective with request for tender RFT26-19 Hotel Site 1 Precinct Civil and Landscaping Works is to engage a suitably experienced Contractor to undertake the following works at Busselton Foreshore Hotel Site 1:

- Demolition of existing tennis courts and other infrastructure
- Construction of drainage and car park works; extending the existing car park located on the corner of Marine Terrace and Jetty Way.
- Extension of power from Marine Terrace.
- Installation of street lighting poles and luminaires, vista lights, bollard lights and other lighting equipment. These will be free-issued by the City.
- Hard landscaping such as exposed aggregate footpaths and seating walls.
- Soft Landscaping including turf, trees, garden beds, median island rain gardens and reticulation.

BACKGROUND

An improved Foreshore experience was identified to elevate Busselton as a major regional commercial centre and to maximise the economic growth from tourists visiting Busselton as an outright destination or touring through the South West.

The Busselton Foreshore Master Plan was adopted by the Busselton Council on 28 March 2012 after the consideration of public submissions. It was prepared to guide the detailed planning of the Foreshore into the future and identified potential sites for hotel/short stay accommodation. The Master Plan followed a process of systematic community engagement and local decision making. It is consistent with the Council's vision of the Busselton Foreshore as the principal playground and recreation space for residents and visitors.

The Busselton Foreshore redevelopment is a flagship urban renewal project which has been managed by the City of Busselton. The project has been delivered in three stages over a decade of development. The result is a thriving destination that is enjoyed by locals and visitors alike with a visitor centre and exhibition space, along with a skate park, nautical-themed playground and walking promenades among the long list of features that have added to the appeal of the area.

The next stage of the Busselton Foreshore Redevelopment will integrate open space and public facilities with existing commercial leases and new private investment. Ground lease revenues from commercial venues will be directed to maintenance and preservation of the iconic Busselton Jetty and foreshore area reducing the burden on ratepayers both now and into the future.

Redevelopment of this area (known as Hotel Site 1) will connect the Busselton Foreshore, Cultural Precinct and Busselton CBD by removing the former barrier of use to this area by the Busselton Tennis Club. The new car park and landscaping works will link the Esplanade Hotel and Marine Terrace to the Busselton Foreshore. As a result, significant additional parking for the Foreshore and the new Busselton Entertainment Arts and Cultural Hub (BEACH) will be provided.

OFFICER COMMENT

The RFT was issued as a Public Tender on Saturday 30 November 2020 and closed at 2:00p.m. on Tuesday 14 January 2020. The invitation to tender was advertised in the 'West Australian' newspaper. The City received five (5) compliant tender responses from the following contractors:

- BCP Contractors Pty Ltd
- Cape to Cape Excavations Pty Ltd
- Civilcon (WA) Pty Ltd
- Industrial Roadpavers (WA) Pty Ltd
- Leeuwin Civil Pty Ltd

Assessment Process

In accordance with the City's procurement practices and procedures, tender assessments were carried out by a tender evaluation panel comprising City officers with relevant skills and experience. The tender assessment process included:

- Assessing tenders received against relevant compliance criteria. The compliance criteria were not point scored. Each submission was assessed on a *Yes/No* basis as to whether each criterion was satisfactorily met. All tenders were deemed compliant.
- Assessing tenders against the following qualitative criteria:

Criteria	Weighting
Relevant Experience	20%
Local Benefit	5%
Respondent's Resources	15%
Demonstrated Understanding	20%

A scoring and weighting system was used to assess the tenders against these qualitative criteria.

The extent to which a tender demonstrated greater satisfaction of each of the qualitative criteria resulted in a greater score. The tendered prices were then assessed together with the weighted qualitative criteria and the tenders scored and ranked to determine the most advantageous outcome to the City, based on principles of best value for money. That is, although price was a consideration, the tender containing the lowest price will not necessarily be accepted, nor will the tender ranked the highest on the qualitative criteria.

Summary of Assessment Outcomes

The outcome of the evaluation panel's assessment was as follows:

Rank	Company	Summary
1.	Industrial Roadpavers (WA) Pty Ltd	<p>Strong submission. Industrial Roadpavers have 50 years' experience in civil projects similar in scope.</p> <p>Recent experience relevant to Hotel Site 1 in Perth working for State Government on hospital and school car parking projects.</p> <p>Fuel and accommodation sourced locally in Busselton.</p> <p>Large list of resources, subcontractors listed, Management personnel and job description provided.</p> <p>Detailed program provided illustrates good understanding of project scope and requirements. Lowest price tendered.</p>
2.	Leeuwin Civil Pty Ltd	<p>Leeuwin Civil have experience working in and around townscape services, previous contracts awarded with similar detail required and stakeholder engagement.</p> <p>Experience working on the foreshore.</p> <p>Support of local community and sporting groups. Good staffing, plant and equipment.</p> <p>Good understanding of project scope and requirements. Second lowest price tendered.</p>
3.	Cape to Cape Excavations Pty Ltd	<p>Cape to Cape Excavations have some prior experience provided including Margaret River Senior High School and Busselton Toyota, although minor detail provided.</p> <p>Support a range of local sporting and community groups.</p> <p>Good list of resources and materials and maintenance repair.</p> <p>Good detail provided in methodology, detailed program provided.</p>
4.	BCP Contractors Pty Ltd	<p>Good range of local experience relevant to the project.</p> <p>Support a range of local sporting and community groups.</p> <p>Good staffing, plant and equipment. No indication of landscape resourcing.</p> <p>Provided detailed works methodology and articulated a good understanding of the project requirements.</p>

5.	Civilcon (WA) Pty Ltd	Mostly buildings noted in previous experience that are not relevant to the scope of the project. Good regional experience. Small list of resources - no grader or semi trucks. Minimal information relating to scope of works. Limited information in submission relating to landscape construction.
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Statutory Environment

The officer recommendation supports the general function of a local government under the *Local Government Act 1995* to provide for the good government of persons in its district.

The contract value is greater than \$500,000, therefore, in accordance with section 5.43(b) of the *Local Government Act 1995* (the Act), read with Delegation 3J, the tender is required to go before the Council.

In terms of section 3.57 of the Act, a local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods and service. Part 4 of the *Local Government (Functions and General) Regulations 1996*:

- requires that tenders be publicly invited for such contracts where the estimated cost of providing the required goods and/or service exceeds \$150,000; and
- under Regulations 11, 14, 18, 20 and 21A provides the statutory framework for inviting and assessing tenders and awarding contracts pursuant to this process.

With regard to the RFT, City officers have complied with abovementioned legislative requirements.

Relevant Plans and Policies

The City's purchasing policies and its occupational health and safety, asset management and engineering technical standards and specifications were all relevant to the RFT, and have been adhered to in the process of requesting and evaluating tenders.

Financial Implications

The 2019/20 Budget allocated a total of \$1,000,000 to complete the project. Tender prices however have been submitted in excess of the allocated budget.

Staff have investigated potential project scope amendments to bring the costs in line with the budgeted amount. Unfortunately, the scope would have to be significantly amended to the point that the end result would not be in keeping with the overall foreshore concept.

The financial impact taking into consideration the costs of materials supplied by the City and the tendered price is described in the table below:

Description	Amount
19/20 Budget Allocation Busselton Foreshore Hotel site 1 Precinct	\$ 1,000,000
Tendered Price - Industrial Road Pavers (WA Pty Ltd)	-\$ 1,241,516
City provided materials (LED lights/Light fittings/Poles etc.)	-\$ 201,357
Less consultancy spent to date	-\$ 3,693
Total	-\$ 446,566

Officers have identified alternative funding sources to ensure that the project can be completed. It is therefore recommended that Council consider accessing funds from both the Parks and Gardens Reserve and the Car Park Reserve as well as the savings generated from the Busselton Tennis Club (BTC) project to fund the shortfall as follows:

Funding source	Amount
Parks and Gardens Reserve	\$ 80,000
City Car Parking and Access Reserve	\$ 166,566
Savings from BTC Project	\$ 200,000
Total	\$ 446,566

The BTC project was partially funded via a loan. This particular project (landscaping portion) is part of the BTC project and is required to be completed as part of the tender. Accordingly, the remaining loan funds from the BTC project will be utilised within this project.

Table 1:

In order for Council to access the additional funding required, a budget amendment would need to be considered as follows:

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Net Total		580,000	\$0	\$580,000

Stakeholder Consultation

The RFT was issued as a Public Tender in the 'West Australian' newspaper on Saturday 30 November 2020 and closed Tuesday 14 January 2020. No external stakeholder consultation was required or undertaken in relation to the works.

Risk Assessment

An assessment of the potential implications of implementing the officer's recommendation has been undertaken using the City's risk assessment framework, with the intention being to identify risks which, following implementation of controls, are identified as medium or greater. There are no such risks identified, with the preferred tenderer assessed as being capable of delivering the services to a suitable service level and in line with the agreed program.

Options

The Council may consider the following alternate options:

- 1) To award the tender to an alternative tenderer/s. In the view of the Officers, this could result in the tender being awarded to a tenderer that is not most advantageous to the City.
- 2) To not award the tender. This would mean going back out to tender, resulting in significant delays to the contract award and potential significant delays to the construction of the Hotel Site 1 Precinct car park and associated works.

For the reasons provided in this report, the abovementioned options are not recommended.

CONCLUSION

It is recommended that Council accept the tender of Industrial Roadpavers (WA) Pty Ltd as the most advantageous to the City, subject to minor variations to be negotiated by the CEO, not exceeding the overall project budget. A budget amendment is also requested.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The selection of the Successful Tenderer can be made immediately after the Council has endorsed the officer recommendation, subject to successful negotiation in accordance with the officer recommendation.

