

**DIS008: CONTRACT C17001 – CONSTRUCTION – ALBANY TOURISM
AND INFORMATION HUB**

Land Description	: York Street, Albany CBD
Proponent / Owner	: City of Albany
Business Entity Name	: Albany Public Library Albany Visitors Centre
Attachments	: Commercial in Confidence: C17001 Albany Tourism and Information Hub Construction Tender, Evaluation. <i>(Note: The evaluation report will be presented to Elected Members on the 28 February).</i>
Supplementary Information & Councillor Workstation	: Nil
Report Prepared By	: Manager of Major Projects (A McEwan)
Responsible Officers:	: Executive Director Works and Services (M Thomson)

Responsible Officer's Signature:



CONFIDENTIAL ATTACHMENT

It is recommended that if discussion is required in regards to details contained within the Confidential Attachment, that the matters are discussed behind closed doors, in accordance with section 5.23(2)(c) & (e)(ii) of the Local Government Act 1995, being: a contract which may be entered into and information that has commercial value.

STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023.
 - a. **Key Themes:**
 - 1. Smart, Prosperous & Growing
 - 4. A Sense of Community
 - 5. Civic Leadership
 - b. **Strategic Objectives:**
 - 1.2 Revitalise and promote the central City area
 - 4.2 To create interesting places, spaces and events that reflect our community's identity, diversity and heritage
 - 5.2 To provide strong, accountable leadership supported by a skilled and professional workforce
 - c. **Strategies:**
 - 1.2.1 Increasing numbers of locals and visitors attracted to the central area.
 - 4.2.1 Deliver effective library and information services.
 - 5.2.1 Provide positive leadership that delivers community outcomes.
2. This item relates to the following elements of the Corporate Business Plan 2014 – 2018:
 - a. **Key Focus Area:** 2. Facilities
 - b. **Outcome:** 2.1 Investigate feasibility of relocating the AVC to a higher profile location

Maps and Diagrams:

Location of Albany Tourism and Information Hub, York Street, Albany.



In Brief:

- Following a competitive tender process, Council approval is sought to award the tender for the Contract C17001 Construction - Albany Tourism & Information Hub, to Tectonics.

RECOMMENDATION

**DIS008: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: SIMPLE MAJORITY**

THAT Council ACCEPT the tender from Tectonics and AWARD Contract C17001 Construction - Albany Tourism and Information Hub subject to negotiation of final terms, and the exclusion of landscape works within Alison Hartman Gardens.

BACKGROUND

3. The City of Albany's "Albany Tourism and Information Hub Project" was successful in securing funds through the National Stronger Regions Fund (NSRF) to co-locate the Albany Public Library and Albany Visitors Centre at the Library site on York Street, Albany. The application was submitted on Friday 28 Nov 2014. Further funding was subsequently received through Tourism WA in the form of Tourism Demand Driver Infrastructure and the Regional Visitor Sustainability Program.
4. On 3 June 2016, under CEO Delegation, the contract (C16007) for full service consultancy for the delivery of architectural design, engineering services, superintendent services and contract administration was awarded to H & H Architects.
5. On 22 November 2016 the detailed design was endorsed by Council, with approval to prepare, advertise and issue Tender documentation for the construction of the project.

6. Tenders were called on 18 January 2017 and closed on 17 February 2017. The practical completion date is currently programmed for late November 2017. It is important that construction works commence as early as possible to ensure progressive milestones and practical completion are achieved in accordance with funding requirements, as well as to minimise disruption to library services, and maximise benefits of the new visitor services facility for the peak tourism season.

DISCUSSION

7. The project includes the following components:
 - a. Relocated Visitor Centre;
 - b. Town Square & York Street external interfaces;
 - c. Library integration works; and
 - d. Alison Hartman Garden external interface.
8. An Albany Tourism and Information Hub Project Control Group was established in September 2015 to guide the project design and development. Membership includes:
 - a. Chief Executive Officer;
 - b. Executive Director Commercial Services;
 - c. Executive Manager Community Services;
 - d. Executive Director Works & Services;
 - e. Manager of Major Projects;
 - f. Manager of Tourism and Development Services;
 - g. Executive Director Corporate Services;
 - h. Manager of Planning Services; and
 - i. Major Projects Team Officers.
9. Key user groups have been engaged and involved in the development of the design for the Albany Tourism and Information Hub.
10. Elected Members approved the Detailed Design and the advertising of Contract Tender Documentation on 22 November at the Ordinary Council Meeting.
11. Approval of the Albany Tourism and Information Hub construction works tender is now being sought.
12. A standard tender process was applied, ensuring the necessary accountability and transparency when considering submissions. The tender was evaluated using the weighted attributes methodology. This method scores the evaluation criteria and weights their importance to determine an overall point score for the tender.
13. The City of Albany advertised state-wide and locally for tenders.
14. A total of 28 sets of documents were downloaded from the City of Albany tender website.
15. The City received 5 completed tender documents and these were submitted to the Procurement and Contracts Office on/before the stipulated closing date and time.
16. Tenders were subsequently opened, the name of the tenderer/s were recorded in the tender register.

17. Evaluation of Tenders.

A tender panel evaluated tenders using the weighted (out of 10) criteria methodology. Criteria and weighting were evaluated in five key areas.

Criteria	% Weighting
Relevant Experience	30%
Tenderer's Resources	5%
Demonstrated Understanding	20%
Corporate Social Responsibility	5%
Cost	40%
Total	100%

Tenderer	Total
Tectonics	704.40
Tenderer B	680.43
Tenderer C	591.44
Tenderer D	563.96
Tenderer E	442.97

18. On the basis of the total evaluation score, the highest weighting being applied to cost, relevant experience, and demonstrated understanding the most suitable company is considered to be Tectonics.

GOVERNMENT & PUBLIC CONSULTATION

19. **Government Consultation:** The City of Albany has undertaken consultation and engagement with other government stakeholders including the Great Southern Development Commission and Heritage Council of WA.
20. **Internal Business Unit Consultation:** The Albany Tourism and Information Hub Project Control Group has representation from business units across the City of Albany, with regular updates provided to the Executive Management Team and Elected Members. The Project Control Group has also briefed City of Albany business units directly.
21. **Elected Members:** presentations were undertaken on the following dates:
- a. 18 November 2014;
 - b. 19 April 2016;
 - c. 21 June 2016;
 - d. 19 July 2016;
 - e. 6 September 2016;
 - f. 18 October 2016;
 - g. 9 November 2016;
 - h. 22 November 2016; and
 - i. 21 February 2017.
22. **Public Consultation:** A Community engagement forum was held at the Senior Citizens Centre on the 16 and 17 September 2016 to brief the community on the schematic designs, impacts to services and the design intent.
23. **Business Consultation:** The Albany Chamber of Commerce and Industry (ACCI) was consulted in 2016 and further engagement is planned for 2017.
24. **Future Planned Consultation:** A program for ongoing community engagement has been developed for the construction period and activated once construction requirements are confirmed with the appointed Contractor, and impacts to library services are confirmed.

25. The various funding bodies receive regular updates in accordance with individual agreements and will be advised of the outcome of the tender process and the timeframe for construction.

STATUTORY IMPLICATIONS

26. Regulation 11 of the Local Government (Functions and General) Regulations 1996 (Regulations) requires Council to publicly tender if the contract is, or is expected to be, more, or worth more than \$150,000.
27. Regulation 18 of the Regulations outlines a number of requirements relating to choice of tender. Council is to decide which of the acceptable tenders is the most advantageous to Council. It may also decline to accept any tender.
28. Regulation 19 of the Regulations requires Council to advise each tenderer in writing of Council’s decision.
29. Council Procurement Policy – tenders and quotes, and associated procedures is applicable to this report.
30. Voting requirement: **Simple Majority.**

POLICY IMPLICATIONS

31. The City of Albany Tender Policy and Regional Price Preference Policy are applicable to this item.

RISK IDENTIFICATION & MITIGATION

32. The risk identification and categorisation relies on the [City’s Enterprise Risk & Opportunity Management Framework](#).
33. Council may choose not to award the tender. This would expose the City to the following risks:

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Organisation’s Operations <i>Failure to deliver project within specified timeframe</i>	<i>Possible</i>	<i>Major</i>	<i>High</i>	<i>Award the tender as soon as possible to ensure the project remains on track for delivery</i>
Financial Risk <i>There is a financial risk that if a contractor is not appointed the project delivery may be delayed, which result in grant agreements being jeopardised.</i>	<i>Almost Certain</i>	<i>Severe</i>	<i>Extreme</i>	<i>Award the tender and continue with project to satisfy funding requirements and deliver the project.</i>
Reputation <i>The tender is not awarded resulting in reputational damage.</i>	<i>Possible</i>	<i>Major</i>	<i>High</i>	<i>Award the tender and continue with delivery of the project.</i>

FINANCIAL IMPLICATIONS

34. The value of this tender is in excess of \$1,000,000 and therefore the approval is referred to Council for consideration.

35. In summary, the financial status of the project funding can be reported as follows:

Item	Funding Source	Amount (ex GST)
Project Budget	City of Albany	\$1,097,500
	NSRF	\$997,500
	Tourism WA	\$250,000
Total		\$2,345,000
Estimated Project Cost (including contingency)		\$2,500,000
Anticipated budget overspend		\$155,000

36. The anticipated overspend can be funded either through existing reserves or through savings in other projects will be the subject of future budget amendments and reporting through Council.

37. A number of cost savings have been identified in non-essential areas of the project which will be deferred to a later date which has kept the project cost to within reasonable limits (ie. less than 7% of overall project cost).

38. The remaining elements of the project, in particular the landscaping works associated with Alison Hartman Gardens will be the subject of future Council considerations.

LEGAL IMPLICATIONS

39. Contractual terms for all aspects of this project will need to be rigorously applied.

ENVIRONMENTAL CONSIDERATIONS

40. **Heritage:** Noting the registered heritage sites adjacent to the subject property the Heritage of *Western Australia Act 1990* is applicable.

ALTERNATE OPTIONS

41. The options are:

- Council can accept the recommended tender
- Not approve any tender, or
- Select an alternative tender.

CONCLUSION

42. On reviewing the submissions, Tectonics are deemed the most advantageous tenderer across the evaluation criteria for the construction of the Albany Tourism and Information Hub. Their tender was well detailed and demonstrated a good understanding of the project objectives.

43. This report recommends that the tender from Tectonics be accepted.

Consulted References	:	<ul style="list-style-type: none"> • <i>Local Government Act 1995</i> • Albany Tourism and Information Hub Detailed Design Package
File Number (Name of Ward)	:	CP.DEC.17 (Fredericktown Ward)
Previous Reference	:	<ul style="list-style-type: none"> • Elected Member presentations and briefings • OCM 26/07/2016 Resolution CSF255 (Budget Adoption) • OCM 22/11/2016 Resolution WS116 (Design Adoption)