

06/09/2011

\*\*REFER DISCLAIMER\*\*

**6.2: CONTRACT C11006 – ALBANY REGIONAL AIRPORT SECURITY UPGRADE AND FUTURE AIRPORT DEVELOPMENT MASTERPLAN**

<b>Land Description</b>	: Albany Regional Airport, Drome, Western Australia, 6330
<b>Proponent</b>	: City of Albany
<b>Owner</b>	: City of Albany
<b>Attachment</b>	: Confidential Attachment
<b>Responsible Officer(s)</b>	: Chief Executive Officer (F James)

**IN BRIEF**

- Contract C11006 – Albany Regional Airport Security Upgrade and Future Airport Development Masterplan.

**RECOMMENDATION**

**ITEM 6.2: PROCEDURAL MOTION BY COUNCILLOR LEAVESLEY**

**MOVED: COUNCILLOR LEAVESLEY**  
**SECONDED: COUNCILLOR D BOSTOCK**

**THAT this item be deferred.**

**LOST 2-7**

**Record of Vote**

For the Motion: Councillors Leavesley and D Bostock

**ITEM 6.2: RESOLUTION**

**MOVED: COUNCILLOR HAMMOND**  
**SECONDED: COUNCILLOR DUFTY**

**THAT the meeting move behind closed doors.**

**CARRIED 9-0**

**ITEM 6.2: RESOLUTION**

**MOVED: MAYOR EVANS**  
**SECONDED: COUNCILLOR HOLDEN**

**THAT Standing Order clause 5.7 – Order of Call in Debate, be SUSPENDED to allow discussion.**

**CARRIED 9-0**

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**ITEM 6.2: RESOLUTION**

**MOVED: COUNCILLOR WOLFE**  
**SECONDED: COUNCILLOR LEAVESLEY**

**THAT Standing Order clause 5.7- Order of Call in Debate, be RESUMED.**

**CARRIED 9-0****ITEM 6.2: RESOLUTION**

**MOVED: COUNCILLOR WELLINGTON**  
**SECONDED: COUNCILLOR SUTTON**

**THAT the Meeting come out from behind Closed Doors.**

**CARRIED 9-0****ITEM 6.2: AMENDED MOTION**

**MOVED: COUNCILLOR WELLINGTON**  
**SECONDED: MAYOR EVANS**

**THAT Council ACCEPT the Tender from AECOM Australia Pty Ltd (AECOM) and award contract C11006 for the Albany Regional Airport Security Upgrade and Future Airport Development Masterplan with the provision that monthly reports be provided to the Audit Committee, so that they are fully apprised of the progress of the project, with the Audit Committee providing guidance to the CEO.**

**CARRIED 7.2****Record of Vote**

Against the Motion: Councillors Leavesley and D Bostock

**ITEM 6.2: RESPONSIBLE OFFICER RECOMMENDATION**  
**VOTING REQUIREMENT: SIMPLE MAJORITY**

THAT Council ACCEPT the Tender from AECOM Australia Pty Ltd (AECOM) and award contract C11006 for the Albany Regional Airport Security Upgrade and Future Airport Development Masterplan.

**BACKGROUND**

1. On 17 May 2011, Council was advised that the Albany Airport required upgrading to accommodate new passenger and cabin baggage security screening requirements for passengers departing on aircraft with a maximum takeoff weight (MTOW) of greater than 20,000kg.
2. The airport plays a critical role in the economic development of the City and provides significant financial returns to the City of Albany. Risk mitigation and the development of strategies that can facilitate and accommodate increased activity and security requirements, in both a regular public transport and general aviation context are required.
3. To meet the new legislative transport security requirements Council noted a commitment of up to \$1.75 million will be required in the 2011/12 Budget to ensure the Albany Airport meets the 1 July 2012 legislative security compliance deadline.

4. The City tendered to engage a consulting aviation professional to achieve the following objectives:
  - a. Ensure that the Albany Regional Airport retains its certification for aircraft operating Regular Public Transport and open charter services with a maximum takeoff weight greater than 20,000 kilograms.
  - b. The Airport Master Plan will accommodate current and future use.
5. The request for tender was advertised between 1 to 21 July 2011 as follows:
  - a. The Australian (Aviation section): 1 July 2011;
  - b. Western Australia: 6 July 2011; and
  - c. Albany Weekender: 7 July 2011.
6. The tenderer had to demonstrate how they could achieve the following three elements:
  - a. **Element One.** Review and update the Albany Regional Airport Master plan assessing:
    - i. current infrastructure and operations; and
    - ii. project future aviation needs and requirements of the facilities inclusive of short term security requirement options, land use, economic impacts, future opportunities and development options.
  - b. **Element Two.** The revised Albany Regional Airport Master Plan is to be complimented by detailed design for the security screening upgrade, including design drawings and cost.
  - c. **Element Three.** Provision of an operational Aviation Certified Security Screen Capability including:
    - iii. Implement the construction and installation of structures (internal/external) and associated security screening equipment;
    - iv. Superintendence of the construction and installation;
    - v. Review and update the Transport Security Plan in order to support the application to become a Security Screening Authority;
    - vi. Prepare, submit and be responsible for the successful submission to the Department of Infrastructure and Transport – Office of Transport Security for the Albany Regional Airport to become a Security Screening Authority; and
    - vii. Provision of Training to staff and/or contractors responsible for operating the security screening equipment (baggage and passenger screening).

**DISCUSSION**

7. A total of 86 sets of tender documents were downloaded from the City of Albany website.
8. Four completed tender documents were submitted on or before the stipulated closing date and time.
9. The tenders were considered using evaluation criteria with weighted attribute methodology. This method scores the evaluation criteria and weights their importance to determine an overall point score for each tender.
10. The review process was conducted as follows:
  - a. Three member review panel (2 x City of Albany Executive Directors, 1 x Independent Member – Mr Peter Aspinall);
  - b. Independent review of the panel recommendations (QI Consulting: architects, accountants and project managers); and
  - c. Tender Reference Checking.
11. The following criteria applied to all assessments.

<b>Criteria</b>	<b>% Weight</b>
Relevant Experience	25
Key Personnel Skills and Experience	20
Tenderers' Resources	20
Demonstrated Understanding of what is required to deliver the three elements.	25
Cost	10
<b>Total</b>	<b>100</b>

12. Tenders reference checks were conducted, which also considered relevance of the referee, service provided by the tenderer and date of last interaction between the tenderer and referee.
13. Each submitted tender was assessed against the above criteria. A summary of the tenderers evaluated score is detailed in the table below:

<b>Tenderer</b>	<b>Evaluation Score</b>
AECOM Australia Pty Ltd (AECOM)	768.87
Baggage Sortation Management Australia, Pty Ltd (BSM)	711.93
Lowes Churchill & Associates Pty Ltd (LCCA)	683.17
Aerodrome Management Services Pty Ltd (AMS)	678.97

14. Post the initial evaluation an addendum was released to ensure that submitted tenders costs could be better compared. The addendum requested that Elements 1 and 2 be expressed as a fixed cost and Element 3 as a % of construction cost (Estimated at \$2.4 million which excludes the cost of the screening equipment).

15. This addendum was assessed and rated, based on the submitted costing (fixed and percentage). The results were then ranked by comparing the submitted costing against the mean average using standard deviation. The results were ranked as follows:

<b>Tenderer (E1, E2, E3)</b>	<b>Ranking</b>
AECOM Australia Pty Ltd (AECOM)	1
Aerodrome Management Services Pty Ltd (AMS)	2
Baggage Sortation Management Australia, Pty Ltd (BSM)	3
Lowes Churchill & Associates Pty Ltd (LCCA)	4

16. On the basis of the total evaluation score, the highest weighting being applied to relevant experience and demonstrated understanding the most suitable company is considered AECOM Australia Pty Ltd.

### **GOVERNMENT CONSULTATION**

17. Liaison with State and Commonwealth Departments of Infrastructure and Transport has been conducted to determine process and infrastructure requirements for the security upgrades.

### **PUBLIC CONSULTATION / ENGAGEMENT**

18. The tender evaluation panel consisted of three members. One member of the panel was drawn from the local aviation stake-holder aviation group.
19. Future stake-holder engagement will be coordinated by the successful tenderer.

### **STATUTORY IMPLICATIONS**

20. 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 \$100, 000.
21. As the tender exceeds Council's delegation of \$250,000, the acceptance of the tender must be approved by Council.
22. 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.
23. Regulation 19 of the Regulations requires Council to advise each tenderer in writing the result of Council's decision.

## STRATEGIC IMPLICATIONS

24. This item directly relates to the following elements of the 2011 City of Albany Strategic Plan, being: Expansion of the Albany Regional Airport.

## POLICY IMPLICATIONS

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

## RISK IDENTIFICATION & MITIGATION

26. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Council delays the award of tender which may impact on the security upgrade not being completed prior to 1 July 2012.	Possible	Medium	High	Special council meeting is called as a matter of priority to award tender.
Delays in construction put project behind schedule	Possible	Minor	Medium	Ensure contract requires strict compliance with timelines
Delayed procurement of security screening equipment due to demand.	Possible	Medium	High	Award tender without delay to provide successful tenderer with the best opportunity to mitigate this risk.
Airport security upgrade is not finalised by 1 July 2012.	Unlikely	High	High	City of Albany phases in security screening capability in agreement with the Department of Infrastructure and Transport – Office of Transport Security

## FINANCIAL IMPLICATIONS

27. The City of Albany has been successful in securing a further \$1.25 million in Regional Airports Development Scheme (RADS) funding (*noting a requirement of this grant is that it will be matched funding by the City*) and additional funding from the Federal Government if available for up to \$650,000 for the purchase of security equipment.
28. On 17 May 2011, Council noted a 2011/12 Budget Commitment of \$1.75 million. This allocation was adopted by Council on the 9 August 2011.

## LEGAL IMPLICATIONS

29. Contractual terms for all aspects of this project will need to be rigorous.

**ALTERNATE OPTIONS**

30. Council can accept or reject the tenders as submitted.
31. If the Council rejects the urgency of the screening capability, it is likely that the City of Albany will not meet its legislative requirements that must be operational by July 2012. A number of the associated tasks require to be under taken quickly by the successful tenderer.

**SUMMARY CONCLUSION**

32. On reviewing the submissions, AECOM Australia Pty Ltd (AECOM) was assessed as being the most suitable tenderer across the evaluation criteria. Their application was of high quality and they most importantly demonstrated a very good understanding of the objectives of this tender.
33. AECOM Australia Pty Ltd (AECOM) be awarded the Albany Regional Airport Security Upgrade and Master plan contract.

<b>Consulted References</b>	Local Government (Functions and General) Regulations 1995 Council Policy – Purchasing (Tenders & Quotes) Council Policy – Buy Local (Regional Price Preference)
<b>File Number (Name of Ward)</b>	C11006
<b>Previous Reference</b>	OCM 17 May 2011 Report Item 3.2 – Albany Airport Security and Infrastructure Upgrade

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**\*\*REFER DISCLAIMER\*\*****ITEM 7.1: RESOLUTION****MOVED: COUNCILLOR HOLDEN  
SECONDED: COUNCILLOR SUTTON****THAT Standing Orders be RESUMED to stop recording of proceedings.****CARRIED 9-0**

There being no further business the Presiding Member declared the meeting closed at 8.42PM.

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Mayor MJ Evans JP  
**MAYOR**