

**6.2: ALBANY REGIONAL AIRPORT – SECURITY EQUIPMENT TENDER**

**Land Description** : Albany Regional Aerodrome, Albany, Western Australia  
**Proponent** : City of Albany  
**Owner** : City of Albany  
**Attachments** : Nil  
**Responsible Officer(s)** : Executive Director Community Services

The Responsible Officer would like to advise Council that there is some information relating to this time which is of a ‘Commercial and Confidential’ nature, and should be discussed behind closed doors.

**IN BRIEF**

- As a result of Australian Government legislation, effective 1 July 2012, the City of Albany is required to implement security screening at Albany Airport.
- The City of Albany will be accessing Australian Government funding available for the purchase of security screening equipment in order to comply with the incoming legislation.
- This funding reflects the highly specific type and scope of equipment required to operate at the security screening levels designated by the Office of Transport Security.
- From an equipment requirement perspective the Albany Regional Airport has been designated as a Band 4 security screened airport.
- The City of Albany advertised for appropriately qualified equipment suppliers and received three conforming tenders.

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

That Council **ACCEPT** the tender from L3 Communications and award C11017 to supply, deliver, install and provide ongoing maintenance of Airport Security Equipment.

**BACKGROUND**

1. In order to satisfy the Australian Government’s *Aviation Transport Security Regulations 2005* (amended 2010) requirements, the Albany Regional Airport (Airport) must be operationally compliant with the Aviation Security Notice (ASN) issued for the Airport by 1 July 2012.
2. The Office of Transport Security (OTS) has recently designated the Airport a minimum Band 5 level from 1 July 2012 and then a Band 4 level no later than February 2014. The banding designation is determined on the weight of the aircraft and the number of departing passengers.
3. The Australian Government Department of Infrastructure and Transport, through OTS, has prescribed the specialised security equipment required under each band classification and will provide funding to purchase the equipment for Band 4 and 5.

**CEO:**

**RESPONSIBLE OFFICER:**

4. The City plans to undertake the installation of security screening equipment in a staged approach. In order to comply with required deadlines the Airport will operate to a Band 5 security screening level by mid June 2012 and to a Band 4 security screening level in a timeframe reflecting the completion of any terminal redesign and the availability/delivery timeframes of required passenger baggage X-ray equipment.
5. Aviation security equipment is a highly specialised industry sector and there are only a small number of suitably qualified aviation security equipment providers in Australia.

**DISCUSSION**

6. The City of Albany advertised locally and at a state and national level seeking tenders for the supply, delivery, installation and ongoing maintenance of security screening equipment (including materials, consumables and any relevant sundry items) to the Airport and training on the specified equipment of contracted security screening staff.
7. Three conforming tenders were received: Rapiscan, Smith's Detection and L3 Communications. The tenders were assessed by a three person panel.
8. The panel evaluated the tenders using the weighted (out of 10) criteria methodology. Criteria and weighting provided in table below:

<b>Criteria</b>	<b>% Weight</b>
Cost	25%
Relevant Experience	20%
Key Personal	20%
Project Schedule	35%
<b>Total</b>	<b>100%</b>

9. All three equipment supply companies are highly experienced and capable of supplying the prescribed equipment that satisfies Australian Government requirements. However, while cost is an important variable, a broader consideration of the panel was the requirement for value for money (which the currently used cost formula does not reflect). On the basis of a total evaluation, taking into account value for money, the most suitable company is considered L3 Communications.

<b>Tenderer</b>	<b>Total</b>
Rapiscan	822.91
L3 Communications	719.59
Smith's Detection	661.07

10. L3 Communications are the preferred tenderer based on:

Cost:

- Value add offer of five years comprehensive maintenance and breakdown support.
- Ongoing operator training at no extra cost.
- State of the art equipment, including x ray multi-view (three-view version) equipment.

Relevant experience:

- Significant regional experience, with five recent contract awards for airports of a similar scale around Australia.
- Supports check point screening equipment at the Albany Prison Complex.
- Comprehensive and detailed submission presents a very experienced and capable organisation, well suited to meeting the needs of the Airport.
- Detailed financial and insurance documentation provided.

Key Personal:

- Experienced project management team, high service offer.
- Three service engineers based in Perth.
- Detailed CV documents, clear delineation of roles responsibilities.
- Training information provided.

Project Schedule:

- Delivery and full handover of all equipment and services within required timeframe and a flexible approach demonstrated to suit needs of governing authority.

11. L3 Communications scored high on all selection criteria with the major determinants for their preference as the recommended tenderer being value for money and high levels of service standards.

**GOVERNMENT CONSULTATION**

12. The City of Albany has ongoing consultation with relevant State and Australian Government agencies.

13. The City is working closely with the Office of Transport Security to illustrate compliance with the ASN, Transport Security Program and all other requirements in order achieve OTS approval for screening from 1 July 2012.

14. Although not directly involved in the operations of airport security screening, the City is consulting with the State Government Department of Transport, regarding necessary terminal upgrades.

**PUBLIC CONSULTATION / ENGAGEMENT**

15. There is no public consultation required for the awarding of the security screening equipment provider.

**STATUTORY IMPLICATIONS**

16. Under regulation 4.17 of the Aviation Transport Security Regulations 2005, the Secretary of the Department of Infrastructure and Transport has issued an indicative Aviation Screening Notice (ASN) that specifies the methods, techniques and equipment to be used for screening services at the Airport.
17. Installation of appropriate screening equipment provider is an essential requirement in the implementation of the ASN at the Airport. Without this appointment the Airport is unable to comply with Australian Government Legislation and will not be able to operate at a Band 4 from 1 July 2012.
18. 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 \$250,000.
19. 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.

**STRATEGIC IMPLICATIONS**

20. This item directly relates to the following elements of the City of Albany Strategic Plan 2011-2021:

***Key Focus Area***

*Albany's Role as a Regional hub*

***Community Priority***

*Albany Regional Airport*

**POLICY IMPLICATIONS**

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

**RISK IDENTIFICATION & MITIGATION**

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Inability to achieve OTS approval to operate a security screened airport	Possible	Severe	High	Ensure compliance with OTS requirements, including installations of approved equipment
Delay to approval of tender to install security equipment	Possible	Severe	High	Council approve recommended tenderer.

**FINANCIAL IMPLICATIONS**

23. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.
24. Funding of up to \$450,000 has been made available for Band 4 designated airports under the Australian Government's Regional and Domestic Aviation Security New Entrant Regional Airport Program.
25. The funding grant covers only equipment considered eligible in accordance with program guidelines. Funding will not cover other related charges such as delivery, installation, training and ongoing maintenance. The balance of funding required for installation of equipment has allocated in the current budget.
26. The equipment proposed in the L3 Communications tender is eligible under the funding grant program guidelines and the tender price includes the provision of a 5 year equipment warranty.

**LEGAL IMPLICATIONS**

27. It is a legislative requirement that the Airport become a security screened airport as of 1 July 2012. In order for this to occur OTS must assess and approve the arrangements in place through the ASN and Transport Security Program. A critical element in achieving compliance with OTS requirements is the implementation of eligible equipment.

**ALTERNATE OPTIONS**

28. The options are:
- To approve awarding of the roles to the recommended tenderer.
  - Not approve the recommendation and appoint a different tenderer.
  - Not approve any of the tenderers.

**SUMMARY CONCLUSION**

29. On the basis of providing greatest value for money and a higher level of equipment functionality, the recommended tenderer is L3 Communications.

<b>Consulted References</b>	OCM March 2012, Item 16.2
<b>Previous Reference</b>	OCM May 2011, Item 3.2 SCM September 2011, Item 6.2 OCM November 2011, Item 3.1