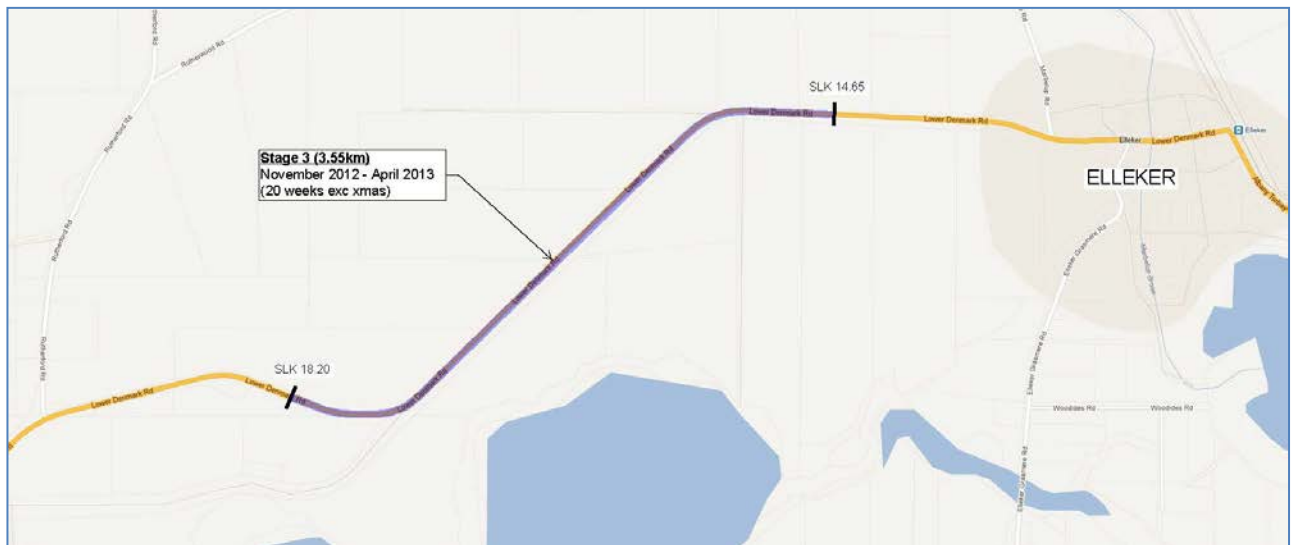


5.3: CONTRACT C12019 – LOWER DENMARK ROAD STAGE 3 (SLK 14.65 – 18.20) RECONSTRUCTION

Land Description : Lower Denmark Road, West Ward
Proponent : City of Albany
Owner : City of Albany
Responsible Officer(s) : Executive Director Works & Services (S. Grimmer)

Maps and Diagrams:



IN BRIEF

- Tender award for construction of a significant portion of Lower Denmark Road to the west of Elleker;
- Five complying tenders received with Great Southern Sands the recommended contractor;
- Works scheduled for completion by the end of April 2013.

RECOMMENDATION

**ITEM 5.3: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

That Council ACCEPT the Tender from Great Southern Sands and award contract C12019 Lower Denmark Road Stage 3 (SLK 14.65 – 18.20) Reconstruction

BACKGROUND

1. Lower Denmark Rd has been upgraded in stages to modern road standards since 2002. This stage is 3.55km long to the west of Elleker. The road is to be widened and the existing pavement reconstructed.
2. Design, specification and contract documentation has been prepared by external consultants to the stage of "Issue for Tender". The tender was from 15th August 2012 to 5th September 2012.
3. The City of Albany will act in the role of Principal, and Paul G Roberston & Associates have been engaged to act in the role of Superintendent for the project.

DISCUSSION

4. A total of 24 of tender documents were downloaded from the City of Albany website
5. Five completed tender documents were submitted on or before the stipulated closing date and time.
6. The tenders were evaluated using the weighted attributes methodology. This method scores the evaluation criteria and weights their importance to determine an overall point score for each tender. The criteria are tabled below:

Criteria	% Weight
Cost	40
Demonstrated Understanding	30
Tenderers Resources	10
Key Personnel (skills & experience)	10
Relevant Experience	10
Total	100

7. The following table summarises the tenders and overall evaluation scores applicable to each submission.

Tenderer	Total Evaluation Score
Great Southern Sands	550.83
AD Contractors	499.61
Albany Industrial Services	483.61
Palmer Earthmoving	385.79
Gold Civil Group	374.11

8. On the basis of the total evaluation score which considers cost, demonstrated understanding, key personnel (skills & experience) and relevant experience the most suitable company is considered Great Southern Sands.

GOVERNMENT CONSULTATION

9. All relevant Government approvals, including Department of Environment and Conservation, Department of Indigenous Affairs and SWALSC have been received for the project.

PUBLIC CONSULTATION / ENGAGEMENT

10. A request for tenders was published in the West Australian on 15th August 2012 and the Albany Weekender on 16th August 2012.

STATUTORY IMPLICATIONS

11. 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.
12. 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.
13. Regulation 19 of the Regulations requires Council to advise each tenderer in writing the result of Council's decision.

STRATEGIC IMPLICATIONS

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

Key Focus Area
Lifestyle and Development

Community Priority
Road improvements

Proposed Strategies
Road construction and maintenance

POLICY IMPLICATIONS

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

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>A vehicle accident occurs due to an unsafe environment for road users</i>	<i>Possible</i>	<i>Medium</i>	<i>High</i>	<i>Ensure upgrade of road is undertaken this financial year</i>
<i>Non compliance with contract or business failure</i>	<i>Unlikely</i>	<i>Medium</i>	<i>Medium</i>	<i>General conditions of contract allow for contract termination on the basis of failure to supply goods & services</i>

FINANCIAL IMPLICATIONS

17. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.

****REFER DISCLAIMER****

18. Funding for this project has been received from Regional Road Group. Funds have also been allocated in the 2013 - 2013 budget. The funds available for this project are detailed below.

Funding source	Amount
Regional Road Group	\$740,000.00
City of Albany	\$360,000.00
Total	\$1,100,000.00

LEGAL IMPLICATIONS

19. There are no legal implications associated with this item.

ALTERNATE OPTIONS

20. Council can accept or reject the tenders as submitted.

SUMMARY CONCLUSION

21. On reviewing the submissions, the evaluation team assessed Great Southern Sands as being the most suitable tenderer across the evaluation criteria in terms of cost, demonstrated understanding, key personnel (skills & experience) and relevant experience. Great Southern Sands are recommended to be awarded the Lower Denmark Road contract.

Consulted References	:	Local Government (Functions and General) Regulations 1995 Council Policy – Purchasing (Tenders & Quotes) Council Policy – Buy Local (Regional Price Preference)
File Number (Name of Ward)	:	C12019