

**CSF048: CONTRACT C13024 – TENDER FOR BAGGAGE HANDLING SYSTEM for STAGE 2 ALBANY AIRPORT TERMINAL SECURITY UPGRADE**

**Land Description** : Albany Airport  
**Proponent** : City of Albany  
**Owner** : City of Albany  
**Business Entity Name** : NA  
**Appendices** : NA  
**Responsible Officer(s):** : Executive Director Community Services (C Woods)

**Responsible Officer's Signature:**

**STRATEGIC IMPLICATIONS**

1. This item relates to the following elements of the [City of Albany Strategic Community Plan 2023](#) and [Corporate Business Plan 2013-2017](#):

**Key Theme:**

1. Smart, Prosperous and Growing
2. Clean, Green and Sustainable
5. Civic Leadership

- a. **Strategic Objective:** 1.3 To develop and promote Albany as a unique and sought-after visitor destination.
- b. **Strategic Initiative:** 1.3.2\_Tourism Destination, Upgrade the airport to jet compliance and security level 3 standard prior to October 2014.

**In Brief:**

- The tender for baggage handling system for the Stage 2 Albany Airport is for the delivery of the Arrival Carousel, Check In and Baggage Sorting. Request for tender C13024.
- A decision is required in order to award the baggage handling system contract and commence works, achieving a completion end of July 2014.

**RECOMMENDATION**

**CSF048: RESPONSIBLE OFFICER RECOMMENDATION**  
**VOTING REQUIREMENT: SIMPLE MAJORITY**

**THAT Council ACCEPT the Tender from ANSIR Systems and AWARD contract C13024 for the Stage 2 Albany Airport Terminal Security Upgrade, Baggage Handling System.**

**BACKGROUND**

2. The City of Albany has completed Terminal Expansion (Stand-Alone building structure, Stage 1) in 2012 in order to meet new Federal Government security regulations.
3. Subsequently The City of Albany has secured funds from Regional Airports Development Scheme to undertake Terminal Security Upgrade (Stage 2) including checked baggage, baggage claim and security screening upgrade that will enable Albany Airport to transition to a Category 3 screened airport in line with Office of Transport Security (OTS) and Civil Aviation Safety Authority (CASA) requirements no later than June 2014.

**DISCUSSION**

4. The City of Albany advertised locally and at a state level seeking tenders for the Baggage Handling Systems for the Stage 2 Albany Airport Terminal Security Upgrade. West Australian newspaper 16.10.13 and Albany Weekender 17.10.13, closing date 2pm Thursday 7.11.14.
5. A total of 10 sets of documents were downloaded from the City of Albany tender website.
6. Two completed tender documents were submitted to the Procurement and Contracts Office on/before the stipulated closing date and time. Tenders were subsequently opened, the name of the tenderer/s were recorded in the tender register and logged into Records.
7. Evaluation of Tenders.

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

<b>Criteria</b>	<b>% Weighting</b>
Technical Compliance	5%
Relevant Experience	20%
Reliability	20%
Demonstrated Understanding	10%
Safety and Quality Management and other considerations	5%
Cost	40%
<b>Total</b>	<b>100%</b>

8. Technical Compliance
  - Personnel technical skills as evidenced by CV's of key site personnel.
  - Provide evidence of technical backup and support staff, with State based and regional support
  - Provide evidence of training requirements for staff.

9. Relevant Experience

- Provide details of similar work
- Provide evidence of staff on site working on the project who have similar or relevant experience.
- Provide scope of the Tenderer's involvement including details of outcomes
- Demonstrate competency and proven track record of achieving outcomes of time, cost and quality.

10. Reliability

- Demonstrated abilities to deliver work on time.
- Flexibility of the contractor to align with minor deviation from original Schedule of works.
- Ability to deliver effective maintenance and support programs
- Timeliness responses to maintenance and support issues.
- Reliability of the product, suppliers, installation, service and warranties
- Provide evidence of any abilities to deliver under budget.
- Reference checking responses.

11. Demonstrated Understanding

- A demonstrated understanding of the scope of work, time, budget and value for money considerations.

12. Safety and Quality Management and other considerations

- Provide proof of a OH&S policy or plan suitable to the work environment
- Demonstrated evidence of Quality Standards of product and services.

13. On the basis of the total evaluation score, the highest weighting being applied to cost, technical compliance, relevant experience, reliability, demonstrated understanding and safety & quality management the most suitable company is considered to be ANSIR Systems.

<b>Tenderer</b>	<b>Total</b>
ANSIR Systems	604.54
BCS Airport Systems	455.36

14. The tender submitted by ANSIR Systems addressed all areas satisfactorily, there were no deficiencies. The tender met all criteria and was deemed to be a conforming tender.

## GOVERNMENT & PUBLIC CONSULTATION

15. There is no government or public consultation required for the appointment of the Baggage Handling System Contractor for the Stage 2 Albany Airport Terminal Security Upgrade.
16. The funding sponsor will be contacted in relation to the arrangement of allocated costs to each component of work once finalised.

## STATUTORY IMPLICATIONS

17. Local Government Act 1995, in accordance with Division 2 – Section 11 of the Local Government (Functions and General) Regulations 1996 requires Council to publicly tender if the contract is, or is expected to be, more, or worth more, than \$250,000.
18. 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.

## POLICY IMPLICATIONS

19. Council Policy – Purchasing Policy (Tenders and Quotes) as it relates to Tenders and a Major Purchase.

## RISK IDENTIFICATION & MITIGATION

20. The risk identification in the City's Risk Management Framework, as it relates specifically to the awarding of the tender for Baggage Handling System for of the Stage 2 Albany Airport Terminal Security Upgrade.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Council rejects/fails to support recommendation for tender award</i>	<i>Possible</i>	<i>Major</i>	<i>High</i>	<i>Detailed Council agenda item</i>
<i>Tender responses higher than available budget</i>	<i>Possible</i>	<i>Major</i>	<i>High</i>	<i>Peer review of documentation before negotiation with preferred tenderer. Undertake value management</i>
<i>Delayed procurement of baggage handling system and long lead time items and manufacturing times</i>	<i>Possible</i>	<i>Medium</i>	<i>High</i>	<i>Award tender without delay to provide successful tenderer with the best opportunity to mitigate this risk</i>
<i>Delays in construction put project behind schedule</i>	<i>Possible</i>	<i>Minor</i>	<i>Medium</i>	<i>Ensure baggage handling and construction contractor requirements are adhered to and understood roles and responsibilities</i>

## FINANCIAL IMPLICATIONS

21. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.
22. The tender was checked for arithmetical errors, and corrections were made as appropriate. A summary of the tenderer/s financial offer as submitted and corrected.
23. ANSIR Systems has the highest tender score and meets the total project budget.

**LEGAL IMPLICATIONS**

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

**ALTERNATE OPTIONS**

25. The options are:

- Council can elect to approve the recommended tender
- Not approve any tender, or
- Appoint a different submitted tender.

**SUMMARY CONCLUSION**

26. On reviewing the submissions, ANSIR Systems was assessed as being the most suitable tenderer across the evaluation criteria for the Baggage Handling System for the Stage 2 Albany Airport Terminal Security Upgrade. Their tender was well detailed and demonstrated a good understanding of the tender objectives.

27. ANSIR Systems be awarded the Baggage Handling System for the Stage 2 Albany Airport Terminal Security Upgrade contract.

<b>Consulted References</b>	:	Purchasing Policy CM.STD.7/NP072938_5
<b>File Number (Name of Ward)</b>	:	CP.DEC.7 Synergy File Number
<b>Previous Reference</b>	:	Not Applicable