



Item No:16.3
 File No: 14.20.2.7
 Date: 16 April 2018
 Attachment: A

Meeting: Council

Title: River Torrens Linear Path – LED Lighting Upgrade Project
 Tender Evaluation Report

Responsible Manager: Group Manager Assets & Infrastructure, Joshua Bowen

Author: Group Manager Assets & Infrastructure, Joshua Bowen

Key Focus Area 2: Sustainable and resilient future, based on sensitive and sensible approaches to planning, heritage, economic development and the public realm.

Type of Report: Decision Required

Pursuant to Section 83(5) of the *Local Government Act 1999*, the Chief Executive Officer indicates that the matter contained in this report may, if the Council so determines, be considered in confidence pursuant to Section 90(2) of the *Local Government Act 1999* on the basis that the information contained in the attached report is information of the nature specified in subsections 90(3)(k) of the Act being tenders for the the provision of services as they relate to the Lansdowne Terrace stormwater and road upgrade project.

Recommendation (Public)

Pursuant to s90 (3) (k)

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public except, Chief Executive Officer, Kiki Magro, the Group Manager Asset & Infrastructure, Josh Bowen, Group Manager Corporate Services, Katy Bone, Property & Contracts Officer, Kate Arthur and the Acting Council Secretariat, Jo Biskup be excluded from attendance at the meeting for Agenda Item 16.3 Lansdowne Terrace Vale Park Stormwater & Road Upgrade Project Tender Evaluation Report.

The Council is satisfied that, pursuant to section 90(3)(k) of the Act, the information to be received, discussed or considered in relation to this Agenda Item are tenders for the provision of services as they relate to the Lansdowne Terrace stormwater and road reseal project and that information contained in this Agenda Item contains commercially sensitive information in relation to the submissions by private companies.

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the information to be disclosed and discussed has the potential to impact adversely on each of the tenderers as competitive commercial information will be disclosed.

Recommendation (Public)

1. That Council receives and notes the River Torrens Linear Path – LED Lighting Upgrade Evaluation Report; *and*
2. That the Chief Executive Officer be authorised to negotiate and execute a contract for work with the preferred tenderer subject to:
 - a. the program be spread over three Financial Years and the Long Term Financial Plan (LTFP) be updated accordingly (viz. \$650,000); and
 - b. any potential savings likely to be realised from Mary. P Harris Reserve Upgrade Stages 2-5 be transferred the River Torrens Linear Path - LED Lighting Upgrade Project.

Recommendation (Public)

Pursuant to s.91(7)

That having considered the River Torrens Linear Path – LED Lighting Upgrade Evaluation Report in confidence under section 90(2) and (3)(k) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of the Act orders that the report and attachments relative to this Agenda Item be retained in confidence until the project is complete, excepting that Council authorises the release of the minutes to substantive party/parties to enable enactment of the resolution and that pursuant to Section 91(9)(c) of the *Local Government Act 1999* the Council delegates to the Chief Executive Officer the power to review and revoke this Order.

and

That Council resolves to end its confidential deliberations pursuant to Section 90(2) of the *Local Government Act 1999* and re-admit the public.

Summary

The purpose of this report is to provide the Council with a summary of the tender evaluation process as it relates to the River Torrens Linear Path – LED Lighting Upgrade Project (the Project).

Background

At its Council budget workshop held on 27 March 2017, Council requested that Administration develop a 3-year program for the upgrade of lighting provided within the River Torrens Linear Park.

A 3-year program was subsequently developed and Council approved a budget of \$182,210 in 2017/18. Administration then proceeded to call for tenders.

Discussion/Issues for Consideration

Council received four submissions by the closing date at which point the Tender Evaluation Panel (TEP) convened to evaluate the submissions. The TEP consisted of two internal staff members and sought feedback from GHD who designed the said works.

In summary, all submissions were over the prescribed budget with one submission being approximately 15% over the prescribed budget; the remaining three submissions were between 40% and 160% above the prescribed budget. On that basis, the TEP conducted a detailed evaluation of one submission. The three remaining submissions were omitted from the evaluation process due the value above the prescribed project budget.

Upon rigorous evaluation and discussion, the TEP agreed on a preferred submission, and proceeded to reference checks to confirm capabilities and previous projects status.

Options for Consideration

Option 1

1. That Council receives and notes the River Torrens Linear Path – LED Lighting Upgrade Evaluation Report; *and*
2. That the Chief Executive Officer be authorised to negotiate and execute a contract for work with the preferred tenderer subject to:
 - a. the program be spread over three Financial Years and the Long Term Financial Plan (LTFP) be updated accordingly (viz. \$650,000); and
 - b. any potential savings likely to be realised from Mary. P Harris Reserve Upgrade Stages 2-5 be transferred to the River Torrens Linear Path – LED Lighting Upgrade Project.

Option 2

Administration shall be guided by the Council.

Analysis of Options

Of all submissions received, none were under the approved project budget of \$535,000 (spread over three Financial Years). Based on clarification correspondence relating to their submission, reference check and the previous project work completed, Administration is extremely confident in the tenderer's ability to deliver the works. As such, Administration is recommending Sync Cabling Solutions as the preferred tenderer.

Financial Implications

Sync Cabling Solutions (preferred tenderer)

Tendered price including contingency and project management costs.

Project = \$621,616 (ex. GST)

Amount **over** prescribed budget = \$86,616

Remo Contractors

Tendered price including contingency and project management costs.

Project = \$1,212,736 (ex. GST)

Amount **over** prescribed budget = \$677,736

Team Civil

Tendered price including contingency and project management costs.

Project = \$1,565,281 (ex. GST)

Amount **over** prescribed budget = \$1,030,281

Arc-Logic

Tendered price including contingency and project management costs.

Project = \$891,860 (ex. GST)

Amount **over** prescribed budget = \$356,860

Community Implications

Administration has not provided information to the community directly albeit updates have been provided in the Cap Ex report, which is tabled at each Ordinary Council Meeting.

Governance Implications

Administration has conducted a transparent and competitive tender process and have received four submissions all are above the prescribed budget with the preferred submission, being 15% above the approved budget.

Administration is seeking approval to extend the budget and delegate authority to the Chief Executive Officer to ensure successful negotiation and execution of the contract, within appropriate timeframes, to enable works to commence upon contract execution and have the project delivered over three successive Financial Years. This also will ensure that Stage 1 will be completed by the end of the current Financial Year.

Preferred Option & Reasoning

Option 1

Administration has confidence in the tender process and submissions received. Administration's preferred tenderer (Sync Cabling Solutions) has significant experience in project delivery and there is no reason to suggest that the project cannot be delivered. The total expected cost is approximately 15% above the prescribed budget and further funds will be required to ensure project completion in 2019/2020 and 2020/2021.

Attachment/s

Attachment A	River Torrens Linear Path – LED Lighting Upgrade Project Tender Evaluation Report.
--------------	---