Confidential Item

CAMPBELLTOWN CITY COUNCIL

Confidential Item

For Council meeting to be held on

Tuesday 2 February 2021 at 7.00 pm

Refer Item 11.10

Confidential Item

11.10 Tender Assessment – Water Distribution Pipeline

Acting Special Projects and Properties, Walter Iasiello's Report

Purpose of Report

To advise Council of the outcome of a Tender Evaluation for the Water Distribution Pipeline.

Strategic Plan Link

Strategy 3.2.1 Undertake planning and management of stormwater to reduce runoff and improve capture and re-use

Background

Tenders were called for the provision of the design and construct of the Water Distribution Pipeline between Thorndon Park and Steve Woodcock Sports Centre comprising of all design services required for the distribution pipeline including but not limited to pump station, storage tanks, air valves, retaining walls, any associated infrastructure, power supply, power connections etc. and what is specified in the concept plan by WGA for Max Amber Reserve, Thorndon Park and Steve Woodcock Sports Centre (WGA191111-SP-CV-001[B]).

Tenders were opened on 1 December 2020 in the presence of Council's Manager Finance, Accounts Payable Officer, and EDRMS Administrator & Projects Officer.

Discussion

Six organisations submitted a Tender for this project and the key services to be delivered under this contract include:

- Alano Water
- Basetec Water & Infrastructure
- Bench Directional Drilling & Civil
- Premier Civil
- SA Water
- SADB Directional Boring.

The tenders were assessed by a Tender Evaluation Panel with respect to their reliability, business capability, quality of service, environment management system, work health and safety, any previous works undertaken by the companies and the tendered rates.
All tenders met the specifications that Council required through the tender document.

Staff checked the referees of the preferred supplier who provided positive feedback on their experience with the company. Attached separately is the tender evaluation report for Members' information.

The assessment panel believe that the majority of the companies could deliver the project, however the successful company is recommended due to the following reasons:

- Proven experience on similar projects
- Past project capacity including their track record
- Understanding of the project
- Experienced staff
- Quality systems in place
- High regard to WHS
- Financial capability.

The preferred tenderer has been undertaking similar projects for various Federal, State and Local Governments and private industry for 25 years. They have proven to be very flexible in meeting the client needs and the requirements of the project including timeframes. Furthermore, the preferred contractor is locally based with its head office and depot in Newton.

Most of the tenderers cost are higher than the allocated budget. The costs to supply and deliver the services from the preferred tenderer is $1,148,426 and currently there is $1,030,900 in the budget for 2020/2021 which includes a Federal Government Grant of $618,860, therefore, there is a shortfall of approximately $120,000. The shortfall could be funded from the other Max Amber Stormwater Harvesting filtration improvement.

As a result of some improvements in the management of the ASR Scheme to date (eg upgraded of UV filtration, changing of the intake pump to variable pump and other minor screening), Staff were able to meet the parameter set by the EPA (Environmental Protection Agency) for injection. As an outcome, 38.8 ML of stormwater was injected into the aquifer in 2020. This is the highest amount of water injected into the aquifer since the start of the scheme in 2008.

The benefit of the additional filtration, is the ability to inject more water during higher flow/first flush (generally a day or two after the rain), otherwise Staff generally wait one or two days until the flow becomes steady with the appropriate water quality. Staff believe the addition of a filtration plant is no longer considered as urgent and as a result it is considered that the filtration plant is not required at this stage whilst water quality remains at the current level.

Therefore the remaining $114,200 can be reallocated to the Pipeline Construction Project (Capital-New) which together with the allocation of $23,450 remaining from the Managed Aquifer Scheme Expansion – Max Amber Sportsfield (New Initiative) will ensure there are be sufficient funds for this project with an allowance for a small contingency.

In summary, Staff is recommending that Council engage SADB as the preferred contractor to undertake this project, and reallocate $137,650 towards this project from the funds remaining from the two other projects associated with the Aquifer Storage Recovery system at Max Amber Sportsfield.

Social Implications

There are no social implications in relation to this report.

Environmental Implications

Recycling the water will reduce Council's reliance on mains water which will have a positive environmental impact.

Asset Management Implications

Any new assets will be captured in Council's Asset management system and depreciated and maintained accordingly. Based on a useful life of 60 years, there is expected to be an additional annual depreciation expense of $19,150.

Governance / Risk Management

Council has received significant Government funding commitments which carry contractual arrangements including timeframes and set outcomes. Any delay in progressing the project or making significant changes may involve a risk to approved funding which needs to be expended by 30 June 2021.

The further risks Council need to consider are associated with managing the contract when in place and the impacts on local residents and users.

Community Engagement

There are no Community engagement implications in relation to this report.

Regional Implications

There are no regional implications in relation to this report.

Economic Development Implications

There are no economic development implications in relation to this report.

Financial Implications

The costs to supply and deliver the services is $1,148,426 and currently there is $1,030,900 in the budget for 2020/2021 which includes a Federal Government Grant of $618,860, resulting in a shortfall of $117,526.

Further to this project, there is currently $114,200 (Capital-New) allocated for the Max Amber Sportsfield ASR - Stormwater Harvesting to construct an additional filtration plant. By reallocating these funds to the Pipeline Construction Project, together with the allocation of $23,450 remaining from the Managed Aquifer Scheme Expansion – Max Amber Sportsfield (New Initiative), will ensure there are sufficient funds for the project with an allowance for a small contingency.

The use of recycled stormwater at Steve Woodcock Sports Centre and Thorndon Park will lead to basically eliminating the use of mains water will result in a recurrent budget saving in future years. This saving will offset the additional annual depreciation expense of $19,150, resulting in a net budget saving of approximately $93,500.

Recommendation

That Council:

1. **authorise the Chief Executive Officer to sign a contract with SADB Directional Drilling for the tendered price of $1,148,426 million to undertake the works**

2. **reallocate $114,200 from Max Amber Sportsfield ASR – Stormwater Harvesting (Capital-New) and $23,4500 from the Managed Aquifer Scheme Expansion – Max Amber Sportsfield to the Max Amber Sportsfield Stormwater Harvesting Pipework Extension project (New Initiative) at the Second Budget Review for 2020/2021.**

CAMPBELLTOWN
CITY COUNCIL

Tender Evaluation Report

WATER DISTRIBUTION PIPELINE

Cost centre - Various

Date: 18/1/20

Prepared by: Andrew King

1. Background

The Campbelltown City Council invited tenders from companies for the provision of the design and construct of the Water Distribution Pipeline between Thorndon Park and Steve Woodcock Reserve comprising of all design services required for the distribution pipeline including but not limited to pump station, storage tanks, air valves, retaining walls, any associated infrastructure, power supply, power connections etc. and what is specified in the concept plan by WGA for Max Amber Reserve, Thorndon Park and Steve Woodcock Reserve (WGA191111-SP-CV-001[B]).

2. Contract Term

The contract term shall be for the length of the project with works to be completed by 21 June 2021.

3. Procurement Process

3.1. Open Tender Process

The Tender was released on the SA Tenders & Contract website. (www.tenders.sa.gov.au).

Tenders Opened: 1/12/20
Tenders Closed: 22/12/20 - 1:00pm

3.2. Document Issued

The document issued is the standard CCC RFT package, (ECM: 6422152)

3.3. Tender Enquiries

1 tender enquiry was received during the procurement process and this was replied to direct.

3.4. Tender Briefing & Site Visit

No tender briefing or site visits were conducted.

4. Receipt of Tender & Evaluation

4.1. Receipt of Tenders

Tender submissions were received from the following companies:

- Alano Water
- Basetec Water & Infrastructure
- Bench Directional Drilling & Civil
- Premier Civil
- SA Water
- SADB Directional Boring

No late tenders were received.

Tenders were opened shortly after the Closing Time by three Council staff that signed and documented the receipt of each tender. (ECM: 6431056)

4.2. Evaluation Panel

The evaluation Panel consisted of:

- Senior Design Engineer
- Special Projects and Facilities Coordinator
- Acting Special Projects & Properties
- Risk Management Coordinator - Management (WHS System & Insurances only)
- Accountant - Management (Financial & Economic Stability only)

Each Members of the Evaluation Panel completed the Tender Declaration Form and declared “No Conflict of Interest” and agreed to keep confidential the contents of each tender. (ECM: 6436064)

4.3. Evaluation Criteria

The evaluation criteria are as follow: (From tender documents)

#	Assessment Criteria	Weighting
1	**Relevant Experience** (Previous work of this type etc.)	12.50%
2	**Track Record** (General reputation for work competence, capacity etc.)	10.00%
3	**Technical Skills** (People, systems, specific abilities etc.)	10.00%
4	**Methodology** (How the project is to be tackled, scope of work, value add, etc.)	10.00%
5	**Management** (Organisation, Environmental, Quality System)	5.00%
6	**Time Performance** (Meeting timeframes)	17.50%
7	**Management** (Insurances & WHS System)	5.00%
8	**Management** (Financial & Economic Stability)	5.00%
9	**Local** (Products, Services & Contractors)	5.00%
10	**Price**	20.00%
	TOTAL	100.00%

4.4. Evaluation Selection

The evaluation was individually carried out by the evaluation panel members and then averaged out on 18/1/21 and the full evaluation matrix is in (ECM: 6425612)

The summary of the evaluation is below:

Contractor	Price	Total Score	Rank
		100.0%	
Alano Water	$1,550,402	309.70	4
Basetec Water & Infrastructure	$1,200,000	355.33	2
Bench Directional Drilling & Civil	$1,509,501	297.64	6
Premier Civil	$1,479,705	308.95	5
SA Water	$1,451,321	350.58	3
SADB Directional Drilling	**$1,148,426**	**390.29**	**1**

Note: Highest score is best

4.5. Reference Checks

Staff checked the referees of the preferred supplier who provided positive feedback on their experience with the company.

5. Discussion

All of the submissions for the Tender were detailed and very competitive, however SADB Directional Drilling stood out from the rest on a number of fronts due to their:

- Understanding of the project
- Well experienced staff
- Quality systems in place
- Project Management Skills
- Competitive rates
- Relevant experience

The preferred tenderer has been undertaking these services for various metropolitan Councils and private industry for a number of years on time and without any significant issues and have proven to be very flexible in meeting the needs and the requirements of the projects.

6. Financial Implication

The costs to supply and deliver the services is **$1,148,426** and currently there is **$1,030,900** in the budget for 2020/2021 which includes a Federal Government Grant of **$618,860**, leaving a shortfall of **$117,526**.

Further to this project, there is currently **$114,200** (New Capital) allocated for the Max Amber Sportsfield ASR - Stormwater Harvesting to construct an additional filtration plant. By reallocating these funds to the Pipeline Construction Project, together with the allocation of **$23,450** remaining from the Managed Aquifer Scheme Expansion – Max Amber Sportsfield, there will be sufficient funds for the project with an allowance for a small contingency.

The use of recycled stormwater at Steve Woodcock and Thorndon Park will lead to basically eliminating the use of mains water which has an annual budget allocation of **$112,500** in 2020/2021.

7. Terms of Payment

The contractor has requested payment of contract sum as highlighted below.

Option 1 (Generally for longer term contracts)

[X]

1. Where the Contract Sum is a lump sum the Contractor may at monthly intervals (or as otherwise specified in this agreement) submit a written claim for:
   - 1.1 The portion of the Contract Sum referable to the work then completed; and
   - 1.2 The portion of the total of any Variation sum existing at that time that directly corresponds with the percentage level to which that Variation existing at that time is complete.
2. The Council must pay the assessed amount (including payment for GST) but less any retention sum (if required) within 30 days of the end of the month in which the assessment is issued.

8. Financial Sustainability

The Finance department tender evaluation is part for the final combined assessment. It is noted the preferred contractors provided either insufficient financial statements or were deemed of “Poor Finance Stability”, however due to the nature of the services provided (whereby services are paid for works once completed) the assessment panel believes the risk is low for Council if the company becomes insolvent, the service could be easily replaced.

9. Recommendation

That SADB Directional Drilling be awarded the contract.

10. Approval

Endorsed by:

Signed: _____ Date:_____

General Manager Infrastructure Services

Endorsed:

Signed: _____ Date:_____

Chief Executive Officer