

ITEM 10 TENDER T1000013 (T21/30) - PORT KEMBLA POOL INTAKE - STAGE 2

This report recommends that Council decline to accept any of the tenders submitted for the Port Kembla Pool Intake – Stage 2 in accordance with clause 178(1)(b) of the Local Government (General) Regulation 2005.

The works involve construction of a new section of seawater intake pipeline, designed to connect with the existing intake located at the rear of the Port Kembla Pool. The current pipeline inlet, which is nearing the end of its design life, is located in an area affected by changing sand levels due to tidal and coastal effects. The new pipeline will be relocated to an area that will facilitate a more consistent supply of seawater.

The Tender Assessment Panel has concluded that none of the tenders is acceptable for the reason that they have not satisfied the Tender Panel that the methodology proposed fully addresses the challenging environmental conditions and complies with current approval conditions whilst providing the best value outcome for the community. It is anticipated that negotiations with the tenderers or any other party in relation to the scope of works will result in a satisfactory outcome being achieved.

RECOMMENDATION

- 1 a In accordance with clause 178(1)(b) of the Local Government (General) Regulation 2005, Council decline to accept any of the tenders received for the Port Kembla Pool Intake – Stage 2 and resolve to enter into negotiations with one or all of the tenderers or any other party with a view to entering into a contract in relation to the subject matter of the tender.
- b In accordance with clause 178(4) of the Local Government (General) Regulation 2005, the reason for Council hereby resolving to enter into negotiations with one or all of the tenderers or any other party and not inviting fresh tenders is that it is anticipated that a satisfactory outcome can be achieved with one of those parties, or any other party who demonstrate a capacity and ability to undertake the works.
- 2 Council delegate to the General Manager the authority to undertake and finalise the negotiations, firstly with the tenderers, and, in the event of failure of negotiations with those tenderers, any other party, with a view to entering into a contract in relation to the subject matter of the tender.
- 3 Council grant authority for the use of the Common seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Glenn Whittaker, Manager Project Delivery
Authorised by: Corey Stoneham, Director Infrastructure and Works [Acting]

ATTACHMENTS

- 1 Location Plan

BACKGROUND

Port Kembla Seawater Pool is a popular community pool and operations have been affected over the past two years due to sand build up over the existing intakes. The current shorter pipeline experienced failure of the end concrete plinth and a section of pipeline was removed to prevent further damage during large sea events. A temporary pipeline extension was used during last season to maintain flows when the longer intake pipe was blocked by sand. To improve the security of seawater supply, Council is installing a new pool intake pipe in an exposed area between islands, within an existing man-made cutting, that is historically observed to be less likely to be impacted by sand build up.

Tenders were required to be invited for the construction of a new seawater intake pipeline at the rear of the Port Kembla pool to replace the existing line which is nearing the end of design life and has been affected by changing sand levels in the area.

The works include the removal and disposal of the existing pipeline and supporting concrete plinths which are currently visually obtrusive and form a partial barrier on the site. The new pipeline will be partially excavated in the rock shelf and concrete encased to reduce impact on beach usage.

Tenders were invited by the open tender method with a close of tenders of 10.00 am on Thursday, 12 August 2021.

Three (3) tenders were received by the close of tenders and all tenders have been scrutinised and assessed by a Tender Assessment Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representatives of the Project Delivery, Infrastructure Strategy and Planning and Governance and Customer Services Divisions.

The Tender Assessment Panel assessed all tenders in accordance with the following assessment criteria and weightings as set out in the formal tender documents:

Mandatory Criteria

- 1 Provision of satisfactory references from referees for previous projects of similar size and scope
- 2 Financial assessment acceptable to Council which demonstrates the tenderer's financial capacity to undertake the works
- 3 Tenders have as a minimum a Health and Safety Policy and WHS Management System Manual or Plan

Assessable Criteria

- 1 Cost to Council – 35%
- 2 Appreciation of scope of works and construction methodology – 15%
- 3 Experience and satisfactory performance in undertaking projects of similar size, scope and risk profile, including staff qualifications and experience – 15%
- 4 Proposed Sub-Contractors – 5%
- 5 Project Schedule – 10%
- 6 Demonstrated strengthening of local economic capacity – 10%
- 7 Workplace Health and Safety Management system – 5%
- 8 Environmental Management Policies and Procedures – 5%

PROPOSAL

The Tender Assessment Panel has concluded that none of the tenders is acceptable and has recommended that all tenders be declined and negotiations be undertaken with one or all of the tenderers, or any other party, with a view to entering into a contract for the subject matter of the tender. The Panel anticipates that a satisfactory outcome will be achieved through a negotiation process conducted in accordance with Council's Procurement Policies and Procedures.

During the tender assessment, it was identified that the tenderers have not satisfied the Tender Panel that the methodology proposed fully addressed the challenging environmental conditions and complied with current approval conditions whilst providing the best value outcome for the community.

The installation of the new intake line is a challenging project in a sensitive location and will require an experienced contractor with a sound understanding of the environmental challenges and constraints. Negotiations will provide the opportunity to achieve a construction methodology that addresses environmental and site constraints, complies with approval conditions, meets community expectations and provides the best value outcome for the community.

CONSULTATION AND COMMUNICATION

1 Members of the Tender Assessment Panel

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal 5 “We have a healthy community in a liveable city”. It specifically delivers on the following:

| Community Strategic Plan | Delivery Program 2018-2022 | Operational Plan 2020-21 |
|--|---|--|
| Strategy | 4 Year Action | Operational Plan Actions |
| 5.2.1 Provide a variety of quality public spaces and opportunities for sport, leisure, recreation, learning and cultural activities in the community | 5.2.1.3 Use data to assess the current community infrastructure available, community demand and develop a strategic framework and policies to either rationalise, enhance or expand to meet community needs | Implement The Future of Our Pools Strategy 2014-2024 |

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council’s Procurement Policies and Procedures and the Local Government Act 1993.

The risk of the project works is considered high based upon Council’s risk assessment matrix and appropriate risk management strategies will be implemented.

SUSTAINABILITY IMPLICATIONS

The existing intake line is nearing the end of its design life and needs to be replaced. The installation of a new intake line in a location less susceptible to accumulation of sand will improve the security of seawater supply for a popular community asset.

Construction materials have been chosen to provide long-term durability at this exposed site to minimise required maintenance.

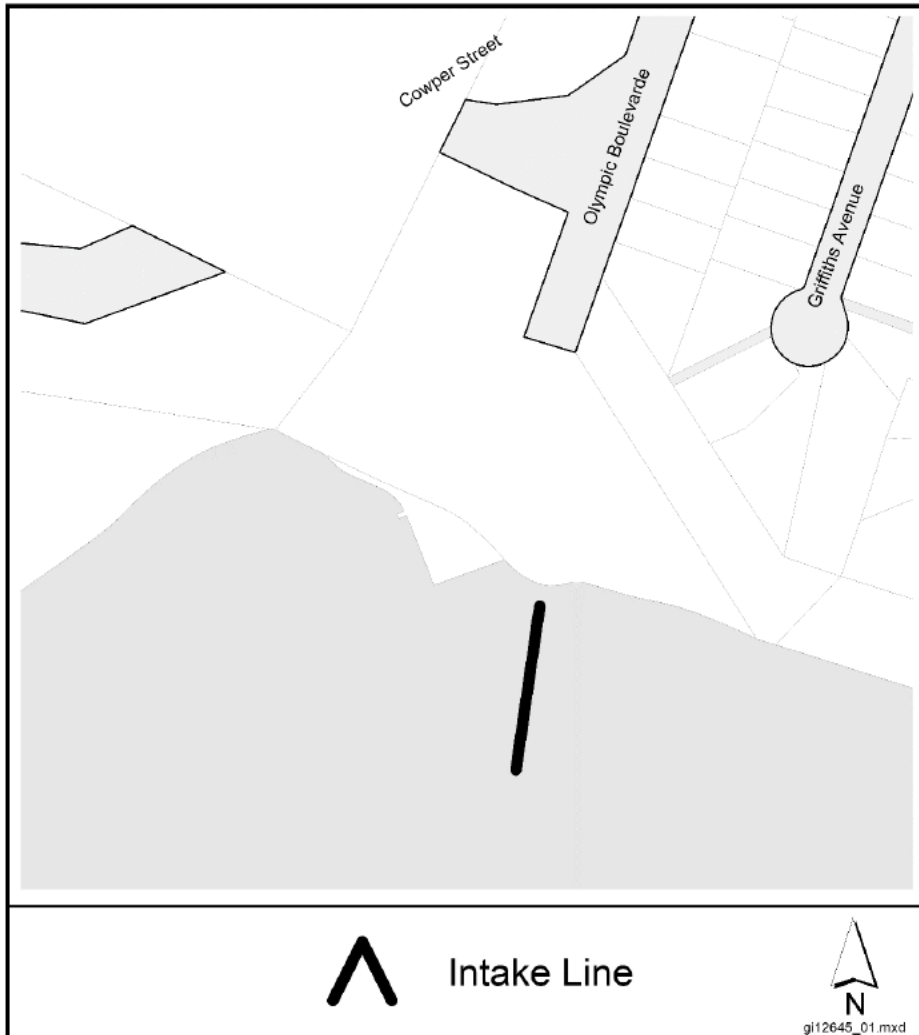
FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Operational Plan –

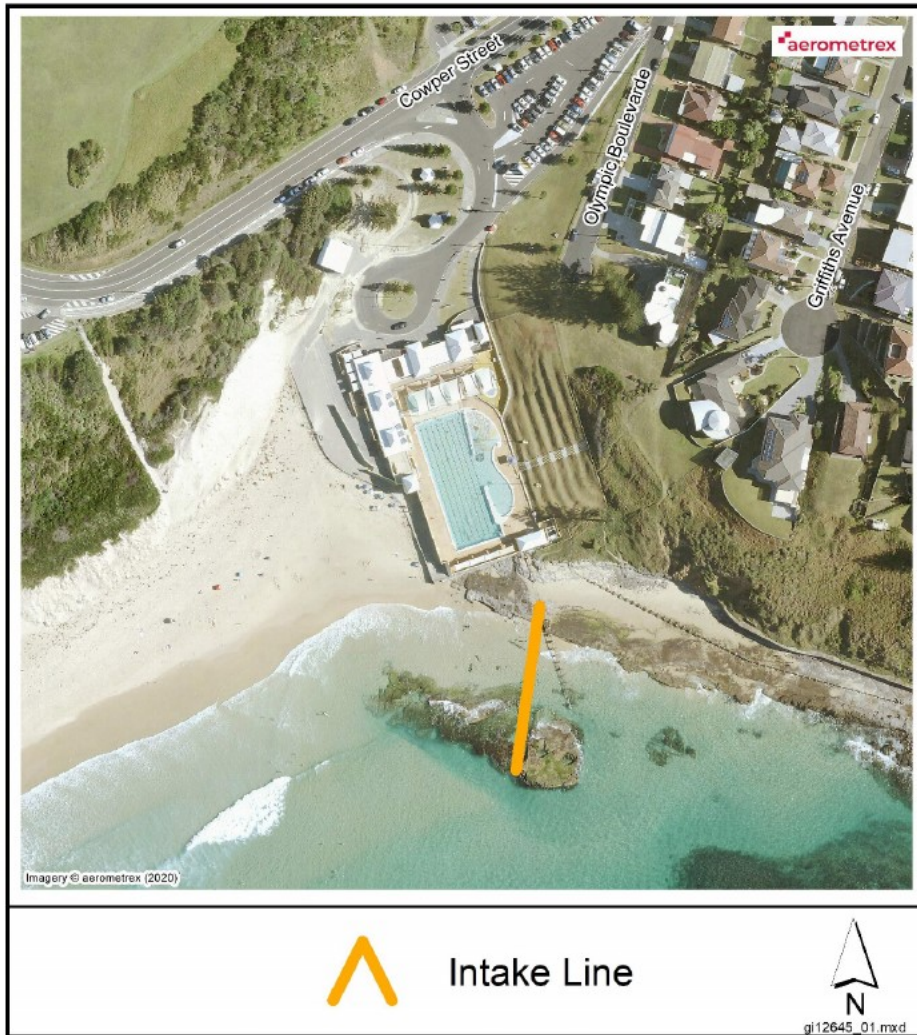
2021/22 Capital Program

CONCLUSION

It is anticipated that the best value outcome can be achieved via a direct negotiation with one or all of the tendering parties, or any other party who has demonstrated a capacity and ability to undertake the works. Council should endorse the recommendations of this report.



While every effort has been made to ensure the highest possible quality of data, no liability will be accepted for any inaccuracy of the information shown.
Copyright © Wollongong City Council, Planning Services Section. This map may not be reproduced in any form without the express written permission of Wollongong City Council.



While every effort has been made to ensure the highest possible quality of data, no liability will be accepted for any inaccuracy of the information shown.
Copyright © Wollongong City Council, Mapping Services Sector. This map may not be reproduced in any form without the express written permission of Wollongong City Council.