

ITEM 14

LATE REPORT: TENDER T1000078 - BEATON PARK TENNIS COURTS, GWYNNEVILLE
- RELOCATION AND UPGRADE WORKS

Council called tenders for the relocation and upgrade of the existing tennis courts at Beaton Park, Gwynneville. This report recommends that Council decline to accept any of the tenders submitted for these works in accordance with Section 178(1)(b) of the Local Government (General) Regulation 2021.

During the tender assessment process, it was identified that a more satisfactory result could be achieved, with a better value outcome for the community, by not accepting any tenders and undertaking negotiations with the tenderers or any other party in relation to a revised scope of works that will result in these outcomes being achieved.

RECOMMENDATION

- 1 a In accordance with Section 178(1)(b) of the Local Government (General) Regulation 2021, Council decline to accept any of the tenders received for Beaton Park Tennis Courts Relocation and Upgrade Works 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 Section 178(4) of the Local Government (General) Regulation 2021, 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 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.
- 4 A report describing the outcome of the procurement process be submitted to the next available Council meeting following the successful engagement of contractor or contractors.

REPORT AUTHORISATIONS

Report of: Glenn Whittaker, Manager Project Delivery
Authorised by: Joanne Page, Director Infrastructure + Works

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

Tenders were required to be invited for the above works as part of the overall Beaton Park Master Plan endorsed by Council in 2018. The ageing tennis facility will be demolished and expanded with new international standard courts, community courts, hot shot and multi-purpose court which cater to other sports. The scope of works also includes associated infrastructure such as fencing, LED floodlighting complying with international and Australian standards, shade structures, clubhouse and player amenities, as well as civil and hydraulic packages including the construction of a temporary car park and access road.

Tenders were invited by the open tender method with a close of tenders of 10.00 am on Thursday, 17 November 2022.

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, Property and Recreation and Governance and Customer Service 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 Tenderers have as a minimum a third-party accredited Work Health & Safety Management System to AS4801 or equivalent.
- 4 Tenderers have as a minimum a third-party accredited Environmental Management System to ISO 14001 or equivalent.
- 5 Tenderers attend at least one of the mandatory site inspections.

Assessable Criteria

- 1 Cost to Council – 40%
- 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 – 10%
- 5 Project Schedule – 10%
- 6 Demonstrated strengthening of local economic capacity – 10%

PROPOSAL

The Tender Assessment Panel has concluded that none of the tenders are acceptable as all tenders have exceeded the allocated budget for the project. The panel 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.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Assessment Panel
- 2 Nominated Referees
- 3 External Consultants – Tennis NSW

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 core business activities as detailed in the Infrastructure Planning and Support Service Plan 2022-23.

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.

There are several significant community impact risks including operational and reputational risks that should be considered if Council does not undertake the reconstruction and upgrade of the tennis facility. This includes loss of grant funding, loss of opportunity to host international tennis events and failure to deliver a key item in the endorsed Master Plan for the site.

SUSTAINABILITY IMPLICATIONS

The following sustainability implications have been considered:

- Sustainable procurement by providing open tender to give local companies the opportunity to tender for the work.
- Weighting in tender assessment provided for using local services, labour and materials.
- The lighting component of the works will incorporate energy efficient LED technology, with wireless control systems to optimise energy consumption and lower maintenance costs.
- Material from the excavation will be reused on site where appropriate to minimise the costs and environmental impacts of waste disposal.
- Compensatory planting at a 2:1 ratio has also been undertaken to replace affected vegetation in accordance with our Public Tree Management Policy and project specific Review of Environmental Factors.

FINANCIAL IMPLICATIONS

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

2022/23 Capital Budget

2023/24 Capital Budget

The project is also supported by the following infrastructure grants:

- Greater Cities Sport Facility Fund - \$1,000,000 (ex GST)
- Tennis Legacy Fund - \$1,100,000 (ex GST)
- Building Better Regions Fund (in conjunction with Tennis NSW - \$1,000,000 (ex GST)
- Local Roads and Community Infrastructure (Round 3) - \$1,800,000 (ex GST)

CONCLUSION

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