

22 EXPRESION OF INTEREST FOR THE HEAD CONTRACTOR TENDER FOR THE CONVERSION AND OFFICE FITOUT OF 2 BIRIPI WAY, TAREE SOUTH

Report Author Alex Scollen, Program Manager
File No. / ECM Index EOI No 2019-2020/12
Date of Meeting 27 November 2019
Authorising Director Steve Embry, Director Corporate Services

SUMMARY OF REPORT

This report provides the outcomes of the EOI process conducted to create a shortlist of Respondents who are suitably qualified to act as Head Contractor for the construction of Council's new Head Office. Respondents on this shortlist will be invited under a select tender to provide submissions for construction of the new office.

SUMMARY OF RECOMMENDATION

That Council;

- (i) endorse the proposed shortlist of Respondents
- (ii) allow the project to proceed to select tender with the shortlisted Respondents for the construction of Council's new office

FINANCIAL/RESOURCE IMPLICATIONS

The Financing Strategy presented to Council at the 31 October 2018 Ordinary Meeting (Financing Strategy) sets out projected costs and funding for the project.

In terms of resourcing, the project is to be managed by CBRE (formerly Montlaur) with the assistance of an internal Program Manager.

LEGAL IMPLICATIONS

This EOI has been conducted in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005. It has also been conducted under the supervision of an external Probity Advisor to ensure due process has been adhered to.

ATTACHMENTS

A: CONFIDENTIAL – Tender Evaluation Report

Attachment A has been classified as confidential and circulated to the Councillors and Senior Staff only. The Attachment has been classified as **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:

- (d) commercial information of a confidential nature that would if disclosed:
 - (i) prejudice the commercial position of the person who supplied it

Expression of Interest (EOI) details, should they be revealed, may result in commercial disadvantage to parties involved in the EOI process. Some information provided to Council by Respondents is provided on the basis that Council will treat it as commercial in confidence.

It is not in the public interest to reveal all details of these submissions or the assessment process. Respondents have provided sensitive information about their operations in the confidence that their details will not be made public by Council. The practice of publication of sensitive information provided by Respondents could result in the withholding of such information by Respondents and reduction in the provision of information relevant to Council's decision.

BACKGROUND

In December 2017 Council acquired the former Masters Site at 2 Biripi Way, Taree South. Following extensive due diligence it was determined that the building would be converted to Council's Head Office to allow co-location of staff following the merger.

Accordingly, CBRE (formerly Montlaur) were appointed as Project Manager in May 2019. The Concept Plan is now complete and the Development Application was lodged on 24 October 2019. Detail design is progressing with the Design Development due to be complete February 2020. Council is now seeking Expressions of Interest from appropriately qualified and experienced Respondents to undertake the services of the Head Contractor for the Project. From these EOI's a shortlist of suitably qualified Respondents will be created. The shortlisted Respondents will then be invited, under a select tender, to provide submissions to construct Council's new office.

The intention is that the Head Contractor will be responsible to finalise the design & engage the relevant contractors as necessary, and will be ultimately responsible to deliver the construction and fitout of the new premises.

DISCUSSION

EOI Process

An open EOI was issued to the market on 4 October 2019. Advertising occurred in three local papers, as well as the Sydney Morning Herald and Council's e-tendering portal Tenderlink. The Respondents were given 21 days to respond as per the requirements of the Local Government Act 1993. The tender closed at 3pm on 25 October 2019.

Fourteen submissions were received and assessed. Submissions were received from the following parties;

- AW Edwards Pty Ltd
- Built
- Graphite Projects Pty Ltd
- Hunter Mason Pty Ltd
- Lipman Pty Ltd
- Magbuild Pty Ltd
- MCR Building
- North Construction Building Pty Ltd
- Patterson Building Group Pty Ltd
- Reeman Properties Pty Ltd
- Renascent Australia Pty Ltd
- RFS Commercial Interiors Pty Ltd
- Schiavello Constructions NSW Pty Ltd
- Stephen Edwards Construction Pty Ltd

Evaluation

The evaluation process was carried out:

- by the Evaluation Committee, comprising of Council staff members and CBRE; and
- was compliant with a previously approved Tender Evaluation Plan
- was reviewed by an external Probity Advisor.

Compliance

All tenders complied with Conditions of Tendering, however not all Respondents met the Mandatory Selection Criteria. Several of the Respondents did not meet the minimum insurance requirements, but stated that they would increase their insurance if appointed.

RFS Commercial Interiors also failed to meet the required Environmental Management System accreditation, which was a mandatory criterion.

Overall Comments

The Evaluation Committee considered:

- Each shortlisted Respondent has the ability and capacity to act as Head Contractor for construction of the new office; and
- None of the shortlisted Respondents present undue risk that cannot be mitigated through contract and project management.
- The EOIs from;
 - The shortlisted Respondents represented the best value for money given their experience, methodology and management of risk.

The Evaluation Committee recommends to proceed to select tender with the shortlisted Respondents below:

- Schiavello Constructions NSW Pty Ltd
- North Construction Building Pty Ltd
- AW Edwards Pty Ltd
- Built

ALIGNMENT WITH COMMUNITY PLAN/OPERATIONAL PLAN

The construction of the Council's new office aligns with the Delivery Program and Operational Plan by meeting and supporting the following objectives;

- Strategy 5.1: Use technology and innovation to improve the way we live, work, learn and connect
- Strategy 13.2: Provide the community with an efficient, convenient and professional experience when using council services
- Strategy 13.5: Develop and deliver services and programs that provide value for money
- Strategy 13.6: Implement community focused systems to support simple and convenient ways to access and do business with our council
- both online and in person
- Strategy 14.1: Develop and grow a skilled, motivated and accountable workforce
- Strategy 14.2: Support a culture that values achievement, adaptability and safety

By bringing our staff together in one centralised location we will improve operating efficiency while creating a cohesive culture that allows us to provide services to our community in the most efficient way possible.

TIMEFRAME

It is estimated that the select tender will be issued to the shortlisted Respondents early in February 2020, with the recommendation to Council being made in April 2020. (this will be after the Development Application is considered by the Joint Regional Planning Panel) Works are scheduled to commence in May with completion forecast for December 2020.

BUDGET IMPLICATIONS

A Financing Strategy for this project has been developed and was presented to Council on 31 October 2018. Accordingly, funds for this project have been identified. The funds identified under the Financing Strategy are estimated to be sufficient to cover the cost of the construction plus some contingency.

RISK CONSIDERATION

All Respondents were marked against their ability to manage risk. This included assessing their;

- Quality Management Systems
- Environmental Management Systems
- Work Health and Safety Systems
- Risk identification and management systems
- Integration of the above systems.

By selecting suitably qualified and experienced Respondents, the level of risk is reduced as their experience allows them to identify and manage risk based on past experience and the systems they have implemented to mitigate these risks.

Also, by using CBRE as an external Project Manager a further layer of risk management expertise is overlayed, as they have sound risk identification and mitigation procedures built into their Project Management Framework.

RECOMMENDATION

That Council;

- (i) endorse the shortlisting of the following Respondents;
 - Schiavello Constructions NSW Pty Ltd
 - North Construction Building Pty Ltd
 - AW Edwards Pty Ltd
 - Built
 - (ii) allow the project to proceed to select tender with the shortlisted Respondents for the construction of Council's new office.
-