

49	7 June 10	Bald Hills Road Stage 1A & 1B Construction	<b>Reason:</b> (k) tenders for the supply of goods, the provision of services or the carrying out of works.	Documents attachments, minutes	Process concluded.	Extend Confidential Order unit September 2011  The Chief Executive Officer be delegated the authority to revoke all or part of the order and directed to present a report containing the item for which the confidentiality has been revoked	5 Sept 11	NA	RELEASE 5 Sept 11
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**133.2**      **REPORT TITLE:**      **CONFIDENTIAL ITEM:**  
   **TENDER – BALD HILLS ROAD STAGE 1A**  
   **AND 1B CONSTRUCTION**  
**DATE OF MEETING:** **7 JUNE 2010**  
**AUTHOR:**                    **MATTHEW DAWKINS**  
**AUTHOR'S TITLE:**      **SENIOR PROJECT MANAGER -**  
   **INFRASTRUCTURE**  
**FILE NUMBER:**          **48/030/058**  
**DEPARTMENT:**          **GOVERNANCE & PROJECTS**  
**DEPARTMENT**  
**MANAGER:**                **BRIAN CLANCEY**

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Moved Councillor Kuchel that Council:

Pursuant to Section 90(3)(k)

1. Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except Chief Executive Officer, General Manager Council Services, General Manager Vision and Compliance, General Manager Governance and Projects, Senior Project Manager Infrastructure, and the Minute Secretary, be excluded from attendance at the meeting for Agenda Item Tender – Bald Hills Road Stage 1 Construction .

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 is a tender for the provision of reconstruction of Bald Hills Road between Yaktanga Way and Springs Road.

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.

Seconded Councillor Zanker and CARRIED

Moved Councillor Kuchel that Council:

Pursuant to Section 91(7)

2. That having considered Agenda Item 17.2 Tender – Bald Hills Road Stage 1 Construction in confidence under 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, attachments and all minutes (other than as detailed below) be retained in confidence until March 2011.

This order is subject to Section 91(8)(b) of the Act which provides that details of the identity of the successful tenderer must be released once Council has made a selection. In addition Section 91(8)(ba) of the Act requires details of the amount(s) payable by the Council under a contract for the provision of reconstructing a road must be released once the contract has been entered into by all concerned parties.

3. That Council awards Tender 2009.015 Construction of Bald Hills Road Stage 1A and 1B to Watpac Civil Infrastructure for \$1,600,931 (ex GST and contingencies of 10% = \$160,093).
4. Notes that the awarding of this contract commits a portion of the current draft 2010/11 budget with respect to the "Transport – Roads" budget area and specifically, "Bald Hills Road Upgrade Stage, \$2.024M"
5. That Council authorises the Chief Executive Officer or his delegate to execute relevant contract documents for Tender 2009.015, Construction of Bald Hills Road Stage 1A / 1B.

Seconded Councillor Irvine and CARRIED

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17.2      **REPORT TITLE:**      **CONFIDENTIAL ITEM:  
TENDER – BALD HILLS ROAD STAGE 1A  
AND 1B CONSTRUCTION**

**DATE OF MEETING:** 7 JUNE 2010

**AUTHOR:**                      **MATTHEW DAWKINS**

**AUTHOR'S TITLE:**      **SENIOR PROJECT MANAGER -  
INFRASTRUCTURE**

**REPRESENTORS:**      **NIL**

**FILE NUMBER:**              **48/030/058**

**ATTACHMENTS:**              **1. STAGING PLAN  
2. SHORTLIST TENDER SCORES**

**DEPARTMENT:**              **GOVERNANCE & PROJECTS**

**DEPARTMENT  
MANAGER:**                      **BRIAN CLANCEY**

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#### **PURPOSE**

To gain Council's approval to award Tender 2009.015 Re-construction of Bald Hills Road between Yaktanga Way and Springs Road and inclusive of the Burnbank Way junction.

#### **RECOMMENDATION**

That Council:

##### **Pursuant to Section 90(3)(k)**

1. Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except Chief Executive Officer, General Manager Council Services, General Manager Vision and Compliance, General Manager Governance and Projects, Senior Project Manager Infrastructure, Manager Governance and Business Services, Minute Secretary, be excluded from attendance at the meeting for Agenda Item Tender – Bald Hills Road Stage 1 Construction .

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Pursuant to Section 91(7)

2. That having considered Agenda Item Tender – Bald Hills Road Stage 1 Construction in confidence under 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, attachments and all minutes (other than as detailed below) be retained in confidence until March 2011.

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3. That Council awards Tender 2009.015 Construction of Bald Hills Road Stage 1A and 1B to Watpac Civil Infrastructure for \$1,600,931 (ex GST and contingencies).
4. Notes that the awarding of this contract commits a portion of the current draft 2010/11 budget with respect to the "Transport – Roads" budget area and specifically, "Bald Hills Road Upgrade Stage, \$2.024M"
5. That Council authorises the Chief Executive Officer or his delegate to execute relevant contract documents for Tender 2009.015, Construction of Bald Hills Road Stage 1A / 1B.

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**BACKGROUND**

Council has previously and most recently considered this project on 19 April 2010 when, via an information report, Council was informed that the tender submissions received for the construction between Yaktanga Way and Springs Road were lower than the originally estimated costs enabling delivery of a greater length of road than previously thought possible in one financial year. Further, the information report informed Council that the construction of this section of road would commence in Spring 2010 once the likelihood of inclement weather had reduced.

## **DISCUSSION**

In accordance with Council's Procurement policy, an open tender process commenced on 9 February 2010 calling for suitably qualified civil contractors to tender for the construction works. The tender period closed at 2pm on the 23<sup>rd</sup> of February 2010.

The open tender call attracted five (5) tender submissions from:

1. Ertech Pty Ltd
2. SEM group
3. DML
4. Beltrame Civil, and
5. Watpac Civil Infrastructure

The tender evaluation panel comprised:

1. Matthew Dawkins – Senior Project Manager - Infrastructure
2. Ian Powell – Senior Project Manager
3. Atis Berzins –Manager, CWMS

In accordance with the evaluation criteria provided with the tender documents, this tender has been evaluated against the following criteria and weightings (%):

- a) **NON-FINANCIAL**
  1. Relevant Experience (15%)
  2. Past Performance (10%)
  3. Management and Technical Skills (10%)
  4. Resources (15%)
  5. Methodology (10%)
- b) **FINANCIAL**
  1. Lump sum price scenario (40%).

This project comprises largely of excavation of existing pavement and subgrade and replacement with a wider road with deep asphalt pavement.

The construction timeframe, as proposed by the preferred tenderer, is anticipated to comprise approximately three months of construction activity subject to weather and any unforeseen circumstances.

It is anticipated therefore that the construction will be substantially completed before 2010 Christmas.

During the construction period, construction will be carried out in short sections, one side of the road at a time. These sections of construction will be up to 300m in length. It will not be possible to maintain 2-way flow and there will therefore be some delay during times when traffic control is in place. There may be occasions when it will be advantageous to carry out night works for example when full

width final surfacing is being placed. Through post-tender interviewing, the preferred contractor has indicated that their management of the traffic will be tailored to suit the demands of traffic with a view to minimising queuing and unnecessary delays.

### **BASIS OF DECISION**

Of the five (5) tenders received, a shortlist of three (3) was developed by the panel based on initial scoring. During the post tender period, the shortlisted three were asked to respond to common tender assessment queries. Furthermore, the scope of the project was extended to include the laying of a section of treated wastewater pipeline within the road construction area (approximately 250m in length). This additional pipe laying augments the existing pipeline and was determined necessary for the medium term delivery of future higher flow rates to the soon to be completed dam and also mitigates the need to trench through a section of the new road at a later date. Final tender pricing inclusive of the scope extension was used in the final scoring of the tenders.

Other than price, 5 other criteria were closely reviewed and scored by the tender assessment panel to ensure that the final selection is well considered and not focussed solely on price. The Watpac Civil Infrastructure tender received the highest and most favourable score.

The following dot points summarise the shortlist tender scoring out of 10:

Watpac Civil Infrastructure	6.3
Ertech Pty Ltd	5.7
SEM Group	5.3

where scores between 4 and 5 are considered "adequate and scores between 6 and 7 "good". Attachment 2 presents the overall and final tender assessment summary sheet.

### **Stage 2 Works**

As illustrated in the attachment 1, Stage 2 continues south of Springs Road to Hartman Road. It is planned that design works will commence soon for this section with tendering later in the calendar year for construction to commence early in the new calendar year.

### **POLICY IMPLICATIONS**

#### **1. Financial/budget**

Based on the above discussion, when considering all of the assessment criteria, Watpac Civil infrastructure scored the highest. The contract value for which Council approval is sought is \$ 1,761,024 (ex GST) comprised of:



- Lump Sum Tender Price \$ 1,600,931
- 10% contingency allowance \$ 160,093

The above contract value is within the draft budget allocation of \$2.024 million in FY2010/11 for this project.

Special Local Roads Program funding (\$1 million) has been provided for this construction stage as part of the FY2009/10 budget. Council has also applied for a similar level of funding for the abovementioned Stage 2 construction. To date, there have been favourable indications suggesting Council will be successful in the Stage 2 application for funds for FY2010/11.

**2. Legal**

The tendering process will be completed in accordance with Council's procurement policies and procedures. A formal agreement will be established with the successful tenderer.

In accordance with Council's Procurement policy the name of the contractor and the total value of the contract will be available to the public.

**3. Staffing/Work Plans**

The tendering process will be completed by existing staff. The construction works will be overseen by internal Projects Group staff.

**4. Environmental**

Council has previously approved two of the required tree removals with the third and final tree removal approval request (Tree 11) being considered in a separate item in this agenda.

Soil erosion and drainage management will be managed in accordance with the relevant EPA codes of practice.

**5. Social**

The project will provide outcomes that enable safer negotiation of this busy road including the use of the road as a heavy vehicle route. Further, delays during construction will be mitigated via a traffic management plan that focuses on major road pavement works being undertaken at night.

**6. Strategic Plans**

The recommendations within this report connects with Council's Strategic Plan 2009 – 2019 with:

Strategy 4.5 – "Improved transportation services; a safe and integrated transport network" together with the associated target, T27 – "Implement the 2009 Transport Masterplan as required and as funding resources become available."

**7. Risk Assessment**

There are no adverse risk assessment implications arising from this report.

**8. Asset Management**

These contract works will result in a higher level of service afforded to the community through primarily the increased road pavement width and the installation of safety barriers. This will have a net increase on the overall quantum of assets in Councils care and control and will therefore require the incremental and necessary increases in operating costs to maintain the assets and accommodate future renewals. Upon completion of the work, a comprehensive handover will be made to Council's Asset Management professions such that Council's asset data can be accurately updated.

**COMMUNITY CONSULTATION****1. Customer Needs Analysis**

Recognising the weather implication of working in winter, works have been postponed to a more favourable time of year to avoid unnecessary delays and achieve cost efficiencies at the same time. Traffic management plans have been sought as part of the tender and these have been reviewed in detail to ensure the most effective and efficient measures are planned. Further, Council has negotiated the use of a special working platform treatment enabling use of this section of road with the preferred tenderer aimed at easing delays during the course of construction. Finally, Council and the preferred tenderer are in the process of discussing the coordination of advance warning notification prior to works commencing.

**2. Promotion**

Information on the project, is updated regularly on Council's web site and quarterly newsletter. Letter dropping will be undertaken to all properties fronting the project location.

## Attachment 1 to Item 17.2

Tender Selection Criteria																				
Criteria Weighting (%)	Relevant Experience			Past Performance			Management and Technical Skills			Resources			Methodology			Price			Total	
	Point Score	Weighting	Weighted Score	Point Score	Weighting	Weighted Score	Point Score	Weighting	Weighted Score	Point Score	Weighting	Weighted Score	Point Score	Weighting	Weighted Score	Price*	Point Score	Weighting		Weighted Score
15%																				100%
BALD HILLS ROAD STAGES 1A / 1B																				
Tenderer																				
	6	15%	0.9	0	10%	0.0	0	10%	0.0	6	15%	0.9	7	10%	0.7	\$ 1,675,118	5	40%	2	5.7
	7	15%	1.05	6	10%	0.6	6	10%	0.6	7	15%	1.05	7	10%	0.7	\$ 1,600,931	5.65	40%	2.26	6.3
	7	15%	1.05	8	10%	0.8	6	10%	0.6	6	15%	0.9	5	10%	0.5	\$ 1,860,795	4.15	40%	1.65	5.3

The Tender Selection System is a weighted point score system which allows both price and non-price attributes to be taken into account in the selection of the preferred tender.

The following criteria will form the basis for the comparative evaluation of Tenders: Relevant experience, Past Performance, Management and Technical Skills, Resources, Methodology and Price.

During the evaluation process, each tender will be evaluated on the criteria nominated in the Tender. Point scores will be allocated in the range 0 to 10 on the following basis:

Points	Description
10	Exceptional
8 - 9	Superior
6 - 7	Good
4 - 5	Adequate
1 - 3	Poor to deficient
0	Unacceptable

After the allocation of point scores to criteria, they will be multiplied by the relevant nominated weights and summed to determine an overall

For the assessment of price, the following point score formula will be used:

$$P = 5 + 10 (\$M - \$T) / \$M$$

where:

\$T = tender price

\$M = mean price

\*Price score based on assessment panel adopted price scenario

Abnormally low or high tenders, of more than 30% from the mean may be rejected.

Mean Price Calculation	\$ 1,675,118
30% below	\$ 1,172,583
30% above	\$ 2,177,653



## Attachment 2 to Item 17.2



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Date Compiled: 05/05/2010 Drawn by: Tony Jordan

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Meters

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District Council of Mount Barker

### Bald Hills Road Upgrade (Hartmann Road to Princess Highway)

Attachment 1



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CONFIDENTIAL

