

5.11. COOYA BEACH PCN-PH3 TENDER EVALUATION

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DEPARTMENT	Project Office

RECOMMENDATION

That Council:

1. Resolves to award Contract WO5462.3 – Cooya Beach PCN PH3 to MC Group (QLD) Pty Ltd (ABN 12 618 868 661) for \$425,008.90 (GST exclusive).
2. Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contract.

EXECUTIVE SUMMARY

Douglas Shire Council requires a contractor to construct Stage 3 and 4 of the Principal Cycle Network at Cooya Beach. This project is part of a major infrastructure program that will provide a safe access cycleway and footpath throughout the Douglas Shire region.

Douglas Shire Council will be undertaking this upgrade under the 2021/22 delivery program. The project budget is \$515,000 (exclusive of GST) and is partially funded by the Principal Cycle Network Program from Transport and Main Roads.

The primary challenges with the scope are constructing the works within a short timeframe. The construction of over one kilometre of cycleway and pedestrian foot path also follows the recent completions of bulk earthworks and drainage improvements in the vicinity of works. At the time of the tender close, five contractors submitted five submissions. The submissions received are outlined in Table 1 - Received Submissions Summary below. It is noted that one submission was non-comparative and deemed non-conforming.

Table 1. Received Submissions Summary

Tenderer	Price	Offer	Status
MC Group (QLD) Pty Ltd	\$425,008.90	Comparative	Conforming
2	\$427,000.00	Comparative	Conforming
3	\$505,800.00	Comparative	Conforming
4	\$586,600.00	Comparative	Conforming
–	\$27,608.00	Non-comparative	Non-Conforming

All submissions were assessed by the evaluation committee. This evaluation process was weighted with 40% price criteria and 60% weighting for the non-price criteria.

Based on the results of the evaluation, MC Group (QLD) Pty Ltd is the recommended tenderer for the contract. MC Group (QLD) Pty Ltd provided a comprehensive submission in terms of

strong understanding of the scope with experience to handle concrete works. The submission also highlighted the contractor's experience and understanding of the program, works methodology and testing requirements that results in well above average scoring in multiple criteria components.

The offer from MC Group (QLD) Pty Ltd was the cheapest from the competing submissions. It's noted that the original submission from MC Group included a provision for testing that was not part of the original BOQ. To provide an equal comparative amongst all submissions received, the testing provision was deducted from MC Group's submission. Further information is provided on this matter under the financial and resource implication section of this report.

BACKGROUND

Douglas Shire Council requires a contractor to construct Stage 3 and 4 of the Principal Cycle Network at Cooya Beach. This project is part of a major infrastructure program that will provide safe access cycleway and footpath throughout the Douglas shire region.

The primary challenges with the scope are constructing the works within a short timeframe. The construction of over one kilometre of cycleway and pedestrian foot path also follows the recent completions of bulk earthworks and drainage improvements in the vicinity of works.

Council issued an open tender invitation through Vendor Panel for the 5462.3 – Cooya Beach PCN-PH3. The Vendor panel reference number is VP297466.

Table 2 indicates the submissions received.

Table 2. Received Submissions Summary

Tenderer	Located
The Trustee for the Harold Family Trust	Shannonvale QLD
MC Group (QLD) Pty Ltd	Mossman QLD
Bissell Concreting Pty Ltd	Cairns QLD
Sudi Investments Pty Ltd	Cairns QLD
NQ Asphalt Pty Ltd	Cairns QLD

COMMENTS

Evaluation of the received submissions was conducted by:

Table 3. Evaluation Panel Members

Position	Department
Project Manager	Project Office
Project Manager	Project Office
Assistant Project Manager	Project Office

An initial compliance check was conducted on received submissions to determine non-conforming offers from the requirements of the Request for Tender (RFT). This included compliance with the contractual requirements and provision of requested information.

It is noted that one submission provided pricing for one minor element of the construction requirements. This submission was deemed non-conforming as this was not comparative to the other submissions received.

A summary of the compliance check is shown in Table 4.

Table 4. Tender Submission Conformance

Tenderer	Price	Offer	Status
MC Group (QLD) Pty Ltd	\$425,008.90	Comparative	Conforming
2	\$505,800.00	Comparative	Conforming
3	\$427,000.00	Comparative	Conforming
4	\$586,600.00	Comparative	Conforming
–	\$27,608.00	Non-comparative	Non-Conforming

The remaining four submissions received were accepted by the evaluation panel for assessment on the basis that all terms, conditions, and mandatory requirements of the RFT had been substantively met.

During the evaluation process, submissions were assessed against the evaluation criteria detailed in the RFT documentation. Specific criteria were weighted according to their importance in delivering the project successfully and providing the best overall value for money solution in accordance with Council's procurement policies.

The weighting attributed to each criterion was:

Table 5. Evaluation Criteria

Criteria	Weighting
Technical Capacity of Tenderer	15%
Business Profile (Local, Social and Sustainability)	20%
Program of Works	10%
Works Procedures and Methodology	15%
Price	40%

Each Tenderers score and rankings are shown in Table 6.

Table 6. Tenderer's Ranking and Scoring

Tenderer	Weighted Score					Total Score	Ranking
	Price (40%)	Technical Capacity (15%)	Business Profile (20%)	Program (10%)	Methodology (15%)		
MC Group (QLD) Pty Ltd	40.00	13.3	19	8.2	13.8	94.3	1
2	34.09	12.8	15.3	8.2	11.5	81.9	2
3	39.85	8.0	15.3	5.5	8	76.7	3
4	28.19	11.0	13.0	7.2	10.5	69.9	4

The green shading in the above table indicates the highest score for the criteria and the red shading indicates the lowest score for the criteria.

Based on the results of the evaluation, MC Group (QLD) Pty Ltd is the recommended tenderer for the contract. MC Group (QLD) Pty Ltd provided a comprehensive submission in terms providing a detailed works methodology and program that supports the key deliverables and lead times for the project. The submission also highlighted the contractor's capacity and experience to take on the scope.

The offer from MC Group (QLD) Pty Ltd provided the best value for money of the competing submissions.

PROPOSAL

It is proposed that Council adopts to accept the evaluation panel's award recommendations.

That Council:

1. Resolves to award Contract WO5462.3 – Cooya Beach PCN PH3 to MC Group (QLD) Pty Ltd (ABN 12 618 868 661) for \$425,008.90 (GST exclusive).
2. Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contract.

FINANCIAL/RESOURCE IMPLICATIONS

Council has allocated the following amounts in the capital budget 21/22. It's noted that the original price received from MC group (Qld) Pty Ltd included testing requirements that was not part of the original BOQ. To provide equal comparative to the other submissions received, a deduction of \$30,960 for testing was removed from MC Group's tender submission resulting in the recommended price below. The latter was discussed with Council's procurement department. It was intended that a principal directive for variation regarding testing compliance be addressed separately upon tender award so that an accurate cost for testing can be determined in due time.

Table 7. Budget and Expenditure for PCN-PH3

Financial Year Budget 21/22	Amount (excl. GST)
Project Budget	\$515,000.00
Expended to Date (as at 19/04/2022)	\$5,000.00
Budget Available	\$510,000.00
Recommended Tender Price (RTP)	\$425,008.90
Project Management	\$9,800.00
Project Inspector	\$10,900.00
Administration Costs	\$2,800.00
Additional Design Support Costs	\$4,500.00
Principal Directive for Variation - Testing Compliance	\$31,000.00
Contingency (5% of RTP)	\$21,250.45
Total Project Costs Estimated	\$506,051.35
Net Position (Surplus)	\$3,948.65

Whilst PCN-PH3 stage reflects a surplus budget remaining, it shall be noted that other components of the project will likely result in an overall budget shortfall. These costs are noted as estimates and are highlighted in table 7.1 below. The costs described cannot be avoided as they form necessary components of the PCN-PH3 scope. A simple and achievable solution to mitigate the overall budget shortfall is to scale back the works, by reducing the lineal meterage. This option is possible as it is not critical that the works be completed to chainage 2590 under the initial principal network program. The lineal meterage deducted can be undertaken at a later stage under a separate budget.

Table 7.1. Budget and Expenditure for Overarching PCN Budget

Financial Year Budget 21/22	Amount (excl. GST)
Overarching Project Budget – Remaining	\$790,000.00
Committed to Date (as at 19/04/2022)	\$683,851.35
Budget Available	\$106,148.65
Forecast Committals	
Land Acquisitions	\$40,000.00
Earthworks	\$38,000.00
Water Main – Re-installation	\$70,000.00
Total Project Forecast Costs Estimated	\$148,000.00
Net Position (Shortfall)	\$41,851.35
<i>Note this excludes variations for other active projects within the PCN program and may result in an increased shortfall.</i>	

RISK MANAGEMENT IMPLICATIONS

The selection of MC Group (QLD) Pty Ltd provides some reduced risk by:

- Providing a program that fits within the short timeframe for practical completion, this is necessary for funding requirements.
- The contractor has provided a detailed works methodology and program sufficient for the scope.

SUSTAINABILITY IMPLICATIONS

- Economic:** Local suppliers, such as trade services, cafes and fuel.
- Environmental:** The project is located on Bonnie Doon Road. An environmental management plan is provided by the contractor with appropriate erosion and sediment control measures.
- Social:** The project will provide safe cycle way and pedestrian footpath access as part of the Principal Cycle Network program.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 2 - Fostering Sustainable Economic Growth

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector. Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

Goal 1 - We will build appropriate infrastructure and deliver services that connect and support businesses.

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Builder/Owner Council makes a significant investment every year in the infrastructure that underpins the Shire through its capital works program. Council will manage its assets with appropriate frameworks and deliver its projects through robust project management.

CONSULTATION

Internal: Project Office and Procurement Department

External: Nil

COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

Nil