

5.12. CONTRACT WO5644 - REEF PARK PORT DOUGLAS STREET LIGHTING PHASE 2

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DEPARTMENT Infrastructure

RECOMMENDATION

That Council resolves to:

- 1. Adoption of contract WO5644 – Reef Park, Port Douglas Stage 2 Streetlighting with I-LEC Group Pty Ltd ABN 28 654 627 344 to the value of \$286,088.00 (GST exclusive); and**
- 2. Delegate authority under s 257 of the *Local Government Act 2009*, for the Chief Executive Officer to negotiate, finalise and execute all matters associated with the Contract.**

EXECUTIVE SUMMARY

The Footpath and Road Lighting Program was adopted in the Annual Budget 2021-2022 as part of the Douglas Shire Council Capital Works Program. Council requested an open tender for construction of the proposed Reef Park, Port Douglas Stage 2 Streetlighting project.

The Tender was advertised through the Vendor Panel Online Platform. Council received four (4) submissions in total. These tenders were accepted and evaluated by Council officers.

The evaluation in accordance with Council's procurement procedures, resulted in awarding a submission from I-LEC Group Pty Ltd.

The tender price of \$286,088.00 (GST exclusive), submitted by I-LEC Group Pty Ltd was the lower of the two (2) conforming tenders and their submission scored above average across all the assessment categories. I-LEC Group Pty Ltd has been operating as a Principal Contractor delivering similar projects in the region and successfully delivered other similar and larger sized lighting renewal projects across Far North Queensland.

This report recommends that Council resolve to enter into a contract with I-LEC Group Pty Ltd to deliver the Reef Park, Port Douglas Phase 2 Street Lighting Project.

BACKGROUND

SPA Consulting Engineers (Qld) Pty Ltd staff (SPA), met with Council staff on 20 August 2019. At the meeting Council asked SPA to review the lighting at the Reef Park precinct as they were concerned that the lights were non-standard. SPA identified a risk in terms of a fault loop impedance hazard if the protection and cabling of the lighting was unknown. Officers requested SPA to have the lighting reviewed, establish a roadway lighting hierarchy, and assess the most cost-effective method of lighting the roads.

COMMENTS

SPA recommends that Council adopt rate 2 lighting as the most cost-effective solution. SPA propose the rate 2 lights are fed from the nearest pillar and are designed by an RPEQ qualified electrical engineer, and subsequently tendered to a suitably accredited electrical contractor to install. Only Ergon should be engaged to install the cables into the live pillars.

Council released an open invitation for contractors to submit a tender for construction of the Reef Park, Port Douglas Street Lighting Phase 2. The request for tender closed on Wednesday 15 June 2022.

To achieve legislative compliance and to meet Council's objectives for the project, Council prepared an evaluation methodology outlining the process for managing the RFT procurement process. The objectives of this evaluation methodology are to:

- document the proposed approach intended to ensure principles of conformity, accountability, competition, fairness, equity, and integrity;
- provide a professional, fair and equal framework for the evaluation of responses to the RFT;
- ensure that adequate records are kept of the evaluation process to provide a suitable audit trail, and
- ensure that decisions made during the selection process are transparent and defensible.

The evaluation methodology defined criteria weightings applied in the assessment of tenders received. Council officers formed the evaluation panel to administer, facilitate and assess RFT submissions.

Four (4) submissions were received. The relevant companies and their respective lump sum values are listed below in Table 1 and 2:

Table 1. Received conforming submissions

Name of Tenders – Conforming Tenders	Price (excl. GST)
Woodburn Electrical Pty	\$309,863.00
i-LEC Pty Ltd	\$286,088.00

Table 2. Received non-conforming submissions

Name of Tenders – Non-Conforming Tenders	Price (excl. GST)
Amour Power	
Auraled Australia Pty Ltd	

In accordance with the evaluation methodology, the panel evaluated each tender using the assessment criteria and applied the following weightings:

- Relevant Experience and Track Record - 15%
- Key Personnel, Skills and Communication - 15%
- Tender's Resource and Management Systems - 10%
- Demonstrated Understanding and Methodology - 15%
- Business Profile (Local, Social and Sustainability - 20%
- Value for money – competitiveness of the submission taking into 25%

The responses were received within the requested timeframes and were considered by the evaluation panel in their assessment. Each Tenderers score and rankings are shown in Table 3.

Table 3. Tenderer's Ranking and Scoring

Weighted Score Table								
Tenderer	Experience (15%)	Key Personnel (15%)	Resource and Management Systems (10%)	Methodology (15%)	Business Profile (20%)	Value for Money (25%)	Total %	Ranking
I-LEC Pty Ltd	14.0	13.1	7.3	13.1	14.6	22.5	84.5	1
2	13.5	11.6	7.0	11.6	14.0	20.5	78.1	2
3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3
Notes: Green indicates highest score.								

Based on the results of the evaluation, I-LEC Pty Ltd is the recommended tenderer for the contract. I-LEC Pty Ltd provided a comprehensive submission. The submission also highlighted the contractor's capacity and experience to take on the scope.

PROPOSAL

That Council resolve to:

1. Enter into contract WO5644 – Reef Park, Port Douglas Stage 2 Streetlighting with I-LEC Group Pty Ltd ABN 28 654 627 344 to the value of \$286,088.00 (GST exclusive); and
2. Delegate authority under s 257 of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute all matters associated with the contract.

FINANCIAL/RESOURCE IMPLICATIONS

Council budgeted \$300,000.00 in the 2021/22 Council Budget for this project. The I-LEC Pty Ltd tender price is \$286,088.00 excl. GST.

Table 4. Budget and Expenditure

Financial Year Budget 2021-2022	Amount (excl. GST)
Project Budget	\$300,000.00
Expended to Date	0
Budget Available	\$300,000.00
Recommended Tender Price (RTP)	\$286,088
Contingency (5% of RTP)	\$14,018.31
Total Project Cost	\$300,106.31

RISK MANAGEMENT IMPLICATIONS

I-LEC is a privately owned and operated business, based in Cairns, specialising in Electrical Civil Infrastructure projects, and commercial and industrial electrical maintenance contracts. They have completed similar projects as the Principal Contractor and the tender assessment identified their tender value and their experience in a Principal Contractor role as a minimal risk.

Council contract supervision and project management for this project will ensure regular communication, understanding of the construction processes and timeframes are maintained to the required standard. Traffic delays are expected to be minor and will be mitigated through community notification, construction updates and efficient construction techniques and management.

SUSTAINABILITY IMPLICATIONS

Economic: Street lighting is an essential public service and is considered a protective method which provides economic benefits such as the reduction in time and costs from first responders in relation to nighttime accidents and incidents.

The Streetlighting Phase 2 project will provide direct and indirect employment for contractors and suppliers.

Environmental: Our project complies with environmental and industry standards.

Social: Lighting upgrades will provide a higher level of safety compliance with relevant standards to provide social benefits. The renewal also creates an enhanced sense of personal security for the public.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 1 - Celebrating Our Communities

Douglas Shire Council embraces the diversity of our communities and values the contribution that all people make to the Shire. We recognise that it is a core strength of the region. We acknowledge our past so that it may guide us in the future. We recognise the wrongs done to our Indigenous community and we actively seek to reconcile so that we may all benefit from and enjoy our Shire. We acknowledge early European settlers who forged an agricultural base for our economy and we welcome all new arrivals as part of our broader community.

Goal 2 - We will deliver programs and services that protect and enhance the liveability of our beautiful Shire.

Goal 3 - We will develop programs that promote health, well-being and safety in the community.

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.

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.
Service Provider	Council provides many services to the community from roads and waste services to libraries and recreational facilities. Services evolve over time and it is the Council's mission to ensure that these services are appropriate, delivered efficiently, and designed with the customer at the center.

CONSULTATION

Internal:	Infrastructure Department
External:	Electric Engineering Consultants for Rate 2 Lighting Design and to finalise all Ergon Approvals.

COMMUNITY ENGAGEMENT

Property owners affected by Streetlighting Installations were advised of the proposed project, with further consultation to be undertaken prior to commencement of the installation.

ATTACHMENTS

Nil