

10.10.Tender for Contract 5-2023 Willoughby Road Early Works

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ATTACHMENTS	1. CONFIDENTIAL - Tender Evaluation 5/2023 Willoughby Road Early Works [10.10.1 - 4 pages]
CSP LINK	<p>2. Our Built Infrastructure</p> <p>2.1 Infrastructure and assets meet diverse community needs</p> <p>2.2 Vibrant public domains and villages</p> <p>3. Our Innovative City</p> <p>3.1 Our commercial centres are prosperous and vibrant</p> <p>4. Our Social Vitality</p> <p>4.1 North Sydney is connected, inclusive, healthy and safe</p>

PURPOSE:

The purpose of this report is to provide Council with an analysis and recommendation in relation to Tender 5-2023 Willoughby Road Early Works in Crows Nest.

EXECUTIVE SUMMARY:

- Tenders were called and received until 3pm on 25 July 2023 for the submission of tenders for Tender 5-2023 Early Works at Willoughby Road. The Early Works consist of the undergrounding of electricity and streetlighting upgrade, which are part of the Crows Nest Public Domain Masterplan Implementation project in 2023/2024.
- If the Council wishes to discuss the report, the meeting should be closed to the public to do so, in accordance with:
 - *s10A(2) (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business and because consideration of the matter in open Council would be, on balance, contrary to the public interest as it would affect Council's ability to obtain value for money services.*
 - *S10A(2) (d)(i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it and because consideration of the matter would, on balance be contrary to the public interest as publication of all tendered amounts would discourage potential tenderer from submitting commercial information in future and would affect Council's ability to obtain value for money services*

RECOMMENDATION:

1. THAT the Council accept the tender of the highest ranked tenderer for Tender 5-2023 Willoughby Road Early Works

2. THAT the General Manager be authorised to take any necessary action to implement the decision including entering into associated contracts.

3. THAT once Council has executed the Contract, the information relating to the successful tender be published in Council's Register of Contracts as required by Government Information (Public Access) Act 2009 – Part 3 Division 5-Government Contracts with Private Sector

4. THAT the Council resolves that the identified attachment to this report is to be treated as confidential in accordance with section 11(3) of the Local Government Act for the following reason under section 10A(2) of the Local Government Act:

(a) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business

(b) commercial information of a confidential nature that would, if disclosed

(c) prejudice the commercial position of the person who supplied it

Background

The upgrade of Willoughby Road was identified as a priority project in the Crows Nest Public Domain Masterplan that was reported to Council in 2017. The Masterplan identified a vision of encouraging the growth of village life in Crows Nest to consolidate its role as a hub for independent retail, restaurants, and entertainment on the lower North Shore.

Tenders were invited from suitably qualified Contractors for the undergrounding of power and streetlighting upgrade in Willoughby Road Crows Nest. The works include removal of Ausgrid overhead electrical wires and poles, installation of underground conduits and cables, supply and installation of multi-function poles, luminaires, and associated electrical upgrade.

The purpose of the early works is to underground power and provide airspace for new street trees, which will be planted as part of the streetscape upgrade in 2023/2024.



Photo 1 Willoughby Road, Crows Nest showing power lines and poles to be undergrounded as part of Tender 5-2023

Report

The methodology adopted to undertake the tender evaluation of Tender 5-2023 was based on selection criteria outlined in the tender documents and in accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Open tenders were called and were received until 3:00pm 25 July 2023 via Tenderlink. At close of tenders, four tenders were received. Listed in alphabetical order, the tenderers were:

Tenderer
Bedrule Pty Ltd T/AS TOBCO
Garde Services Pty Ltd
Non-conforming:
EzyPave Pty Ltd
Scott Electrical Services

Information provided by tenderers which is commercial-in-confidence has been protected and will not be disclosed in accordance with section 10A(2)(d) of *the Local Government Act 1993*.

A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer.

The following information is treated as confidential in the confidential attachment:

1. Tender evaluation including selection criteria

The tender process has been reviewed and endorsed by Council’s Procurement Panel for adherence to Council’s adopted *Procurement Policy*.

2. Tender evaluation panel results

The final ranking and point scores (out of a total 100) of the tenders are identified in the table in the confidential attachment. The assessment was based on Council’s standard tender evaluation methodology, as outlined in the selection criteria.

3. Funding and costing details

Application for access to documentation should be through lodgement of a GIPA Public Information application form and payment of prescribed fees.

Options

Council has the following options in relation to this matter:

1. Do nothing/take no action (not recommended)
2. Cancel tender and call for new tenders (not recommended)
3. Accept the tender offer from the highest ranked tenderer (The recommended option)

These options are assessed in the table below.

Option	Finance/Resourcing	Risk/Opportunity	Consultation
1.	<p>Do Nothing The budget for Willoughby Road is included in the 2023/2024 Delivery program and funded from \$7.11 contributions which are specific for Public Domain improvements.</p> <p>The funds are restricted for the purpose of Public Domain Improvements in Crows Nest and cannot be used for other purposes</p>	<p>The existing streetscape was designed and built in the mid-1990s and is looking increasingly tired and outdated.</p> <p>Doing nothing will result in the ongoing decline of the main street of Crows Nest.</p> <p>Given 98% community support for the upgrade, Option 1 is not recommended.</p>	<p>Community consultation undertaken in October – November 2022, and the post-exhibition report was presented to Council on 12 December 2022.</p> <p>Overall support for the upgrade was 98% from a total of 145 submissions.</p>

Option	Finance/Resourcing	Risk/Opportunity	Consultation
2.	<p>Cancel the tender and call for new tenders This option may increase the tender price due to inflation during the new tender period and is not recommended.</p>	<p>Cancelling tenders will delay the commencement of works and may negatively impact the summer trade period for businesses in Crows Nest.</p> <p>It should be noted that cancelling the tender will delay the project start and prolong construction.</p>	<p>Cancelling the tender would not meet community expectations and negatively impact the business operators in Crows Nest by prolonging construction</p>
3.	<p>Accept tender offer from the highest ranked tenderer Recommended as the price offers value for money based on the pre-construction estimate and is within the budget allocation.</p>	<p>Accepting the tender offer will allow specialist electrical work to commence before the busy summer trade period and allow construction to finish within this financial year. It should be noted the construction duration is 31 weeks or seven months.</p> <p>An opportunity to concurrently upgrade Willoughby Road with the opening of Crows Nest Metro station may be lost if the tender is delayed.</p>	<p>Accepting the tender offer will be consistent with community expectation to make Willoughby Road a destination again</p>

Option 3, is recommended for the following reasons:

- The tender offer from the highest ranked tenderer represents value for money and is within the budget allocation for Crows Nest Public Domain Masterplan implementation.
- Commencing early electrical work in winter 2023 will reduce the impact of construction on the busy summer trade period for businesses in Crows Nest and bring forward the construction finish date. This is an opportunity to finish the upgrade before the new Metro station opens in 2024.
- Community consultation reported to Council in December 2022 showed 98% support for the upgrade. Council has previously committed to starting construction in 2023 and finishing in April 2024.

Consultation requirements

Community engagement has occurred in accordance with Council's Community Engagement Protocol. The post-exhibition report, including submission summary, was presented to Council on 12 December 2022.

Financial/Resource Implications

Council has allocated sufficient funds in the Crows Nest Public Domain Masterplan Implementation cost centre for the delivery of the Contract 5-2023 Willoughby Road Early Works.

Re-tendering would have negative resource implications as the tender process would be repeated, adding a minimum of 18 weeks to the program.

Legislation

This report is to be treated as confidential in accordance with section 11(3) of the Local Government Act for the following reason under section 10A(2) of the Local Government Act:

- (d) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business*
- (e) commercial information of a confidential nature that would, if disclosed*
- (i) prejudice the commercial position of the person who supplied it*