

ITEM 8. TENDER – PROVISION OF QUANTITY SURVEYING AUDITS OF APPLICATIONS FOR DEVELOPMENT

FILE NO: S125427

TENDER NO: 1532

SUMMARY

This report provides details of the tenders received for the provision of quantity surveying audit services to the City's Planning Assessment Unit. The recommended service providers will form a panel for the purpose of undertaking cost audits of works associated with development applications.

Audits are performed on estimates of development costs submitted with development applications to the Planning Assessment Unit, where the cost of work is over \$40 million or if the cost of work appears to be underestimated. Audits are also required to confirm construction certificate and complying development cost estimates over \$3 million for the purpose of calculating financial contributions to Council.

Of the development applications, construction certificates and complying development certificates lodged from July 2014 – June 2015 about 80 applications required an audit. The value of applications audited ranged from \$3 million to approximately \$262 million.

The City has successfully appointed a quantity surveying audits panel over the last five years. The previous panel expired in June this year. Following a request for tender process, a new panel is proposed again for a period of two years, with the option to extend for a further one year.

This report recommends the engagement of service providers through a rotational panel arrangement. The panel establishes a list of eligible, multi-disciplined quantity surveyors that can deliver expertise and services to audit cost of works for development applications.

RECOMMENDATION

It is resolved that:

- (A) Council approve the appointment of the panel of consultants in accordance with the Quantity Surveyor Audit Panel, as described in confidential Attachment B to the subject report, and their nominated hourly rates, for a period of two years, with the option of a further one year extension;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the option referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly.

ATTACHMENTS

Attachment A: Tender Evaluation Summary (Confidential)

Attachment B: Consultant Schedule of Rates and Charges (Confidential)

(As Attachments A and B are confidential, they will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. The City's Planning Assessment Unit requires a consultancy panel of quantity surveyors on an ongoing basis to audit cost of work estimates for applications for development.
2. Quantity Surveying audits are performed on the applicants estimated development cost if it exceeds \$40 million, or if the applicants estimated cost of work appears to be underestimated. The purpose of the audits is to ensure applications are referred to the correct consent authority for determination (Central Sydney Planning Committee determines applications over \$50 million), that current application fees are paid and to ensure correct section 61 contributions are paid.
3. Audits are also required to confirm privately certified construction certificate and complying development cost estimates over \$3 million for the purpose of calculating section 61 financial contributions to Council.
4. The previous panel arrangement has expired and therefore tenders have been sought to establish a new panel arrangement to accommodate the ongoing need for these services.
5. As the workload varies, timing and volume of work will be given to the successful consultants on a rotational basis for small value engagements, with quotations required for larger engagements.

INVITATION TO TENDER

6. The Request for Tender was advertised in the Local Government Tenders section of The Sydney Morning Herald and The Daily Telegraph on Tuesday 23 June 2015. Tenders were also advertised via the City's online eTender portal, Tenderlink. Tenders closed at 11am on 14 July 2015.

TENDER SUBMISSIONS

7. Twelve submissions were received from the following organisations:
 - Altus Group Consulting Pty Ltd
 - Aquenta Consulting
 - Donald Cant Watt Corke Pty Ltd
 - MBMpl Pty Ltd
 - QCost Consultants
 - Rider Levett Bucknall NSW Pty Ltd
 - Slattery Australia Pty Ltd
 - Sweett Group
 - Tracey Brunstrom and Hammond Group Pty Limited
 - Turner & Townsend

- Wilde & Woolard
 - WT Partnership
8. Two late submissions were received.

TENDER EVALUATION

9. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
10. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
11. All submissions were assessed in accordance with the approved evaluation criteria being:
- (a) demonstrated experience in previous services of a similar nature;
 - (b) key personnel capability, qualifications, level of expertise and technical ability;
 - (c) capability to meet the City's delivery times;
 - (d) Work, Health & Safety;
 - (e) financial and commercial trading integrity including insurances; and
 - (f) schedule of rates.

PERFORMANCE MEASUREMENT

12. Subsequent performance of appointed consultants will be measured using the nominated key performance indicators:
- (a) Key Objectives/Deliverables;
 - (b) Quality of work;
 - (c) Time;
 - (d) Reporting;
 - (e) Communication; and
 - (f) WHS compliance.

FINANCIAL IMPLICATIONS

13. There are sufficient funds allocated for this work within the current operating budget and future years' forward estimates.

RELEVANT LEGISLATION

14. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Policy.

15. Attachments A and B contain confidential commercial information of the tenderers and details of Council's tender evaluation which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
16. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

CRITICAL DATES / TIME FRAMES

17. The implementation of this consultancy panel will allow for the procurement of quantity surveyors for the planning assessment unit to engage for upcoming works.

GRAHAM JAHN, AM

Director City Planning, Development and Transport

Georgina Woodhouse, Planning Support Coordinator