

**ITEM 8. TENDER - CAPITAL WORKS PROGRAMMING SERVICES - CITY
PROJECTS AND PROPERTY**

FILE NO: S062965

TENDER NO: 1582

SUMMARY

This report provides details of the tenders received for capital works programming services for the City Projects and Property Division.

The City Projects and Property Division is responsible for management, delivery and maintenance of \$860 million in capital works over the next 10 years. A programming service provider is required to provide whole of lifecycle project management services, including maintenance of the master schedule to support delivery of up to 220 active projects per year.

The scope of the programming services contract includes capital works programming services and coordinating the resourcing, planning, scheduling, reporting and project cash flow management of the City's Capital Works.

This report recommends that Council accept the tender of Tenderer 'A' for the supply of capital works programming services for the City Projects and Property Division.

RECOMMENDATION

It is resolved that:

- (A) Council accept the tender of Tenderer 'A' for the supply of programming services for City Projects and Property for a period of two years, with the option of an extension for 12 months, if appropriate;
- (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)

(As Attachment A is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. City Projects and Property engages a programming service provider to provide capital works programming services. The scope includes providing specialist programming and advisory support to the management team, project managers (design and construction) by maintaining project schedules, milestones and program.
2. The City currently procures programming services from an expert external provider because this work is highly technical and developing this specialist skillset in-house to a proficient level would be difficult to both fund and retain. This approach also allows the City to keep focus on its in-house project management core competencies of design excellence, construction management, quality control and safety.
3. The contract scope of programming services provider includes:
 - (a) General Programming Advice
Provide general programming advice to leadership team and Project Managers as required.
 - (b) Project Programs / Schedules
Review projects at all lifecycle stages in consultation with Delivery team to determine realistic time frames including future impact on program and cash flow forecasts.
 - (c) Program Status Tracking / Reporting
Provide reports on program status / milestones highlighting changes to project programs.
 - (d) Link in Council Reporting Cycle
Identify key milestone dates in the Council reporting cycle relevant to each project in the capital works program.
 - (e) Cost Planning and Cost Control
For project and program cost planning purposes, have the ability to provide cash flow and project expenditure forecasting advice based on programming.
 - (f) Risk Management Input
Have the ability to contribute from a capital works programming perspective to the project risk management plan, WHS and Environmental Management Plans.
 - (g) Contractor Program
Provide review and advice in relation to contractor program submissions.
4. The City's current programming services contract will expire in April 2016.
5. This report recommends the appointment of a programming service provider for a period of 24 months with a further option of one year.

INVITATION TO TENDER

6. The tender was advertised on 10 December 2015 in The Sydney Morning Herald and The Daily Telegraph and 15 December 2015 in The Sydney Morning Herald. The tender closed on 19 January 2016.

TENDER SUBMISSIONS

7. In total, eight submissions were received from the following organisations (listed alphabetically):
- Blue Visions Management Pty Ltd;
 - Eda Project Management Pty Ltd;
 - Hinds Blunden Pty Ltd;
 - Invictus Management Pty Ltd (the incumbent);
 - Lineaire Projects;
 - Montlaur Project Services;
 - PMRT Consultants Pty Ltd; and
 - Tracey Brunstrom and Hammond Group Pty Limited
8. One late submission was 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 following approved evaluation criteria:
- (a) experience in capital project scheduling services for projects valued between \$1M and \$100M;
 - (b) demonstrated experience in providing programming support for all delivery phases in a multi-project environment, including input to whole of program forecasting, cost planning and resourcing;
 - (c) understanding of project scheduling practices and familiarity with government reporting and approval processes;
 - (d) ability to use professional tools and systems for providing the programming services, including MS PROJECT and PRIMAVERA;
 - (e) Work Health and Safety;
 - (f) financial and commercial trading integrity including insurances; and

- (g) lump sum price and schedule of rates.

FINANCIAL IMPLICATIONS

12. There are sufficient funds allocated for this project within the current year's operating budget and future years' forward estimates.

RELEVANT LEGISLATION

13. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Contracts Procurement Policy.
14. Attachment A contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies 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.
15. 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

16. This report recommends that the provision of the services commences in April 2016.
17. This engagement is for a two year period, with the option for a 12 month extension at Council's discretion.

AMIT CHANAN

Director City Projects and Property

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