

Item 11.**Tender - Reject and Negotiate - Waterloo Park Fitness Hub****File No: S116371****Tender No: 1809****Summary**

This report provides details of the tenders received for construction of the Waterloo Fitness Hub.

On 10 August 2015, Council endorsed the Park Fitness Equipment Plan to guide the delivery of future fitness equipment projects to establish a comprehensive network of facilities across the City of Sydney local government area. Budget has been allocated in the ten year capital works budget to deliver a number of fitness stations and Waterloo Fitness Hub is the second project in the program. Once the new facilities are delivered all residents will be within ten minutes walking distance (800 metre radius) of outdoor fitness equipment.

The design for the Waterloo Fitness Hub has been developed and is informed by the Park Fitness Equipment Plan. The design includes new static and dynamic fitness equipment, fixing points for imported equipment and associated hard and soft landscaping. The design was approved by Council on 13 November 2017.

In March 2018, Council advertised an invitation to tender for the construction of Waterloo Fitness Hub and three submissions were received. Following the assessment of the submissions this report recommends that Council reject the tenders and enter into negotiations with suitably qualified contractors to deliver the Waterloo Fitness Hub.

Recommendation

It is recommended that:

- (A) Council reject all tenders received for the Waterloo Fitness Hub, for the reasons set out in Confidential Attachment A to the subject report;
- (B) Council does not invite fresh tenders, as it is considered that inviting fresh tenders would not attract additional suitable vendors over and above those that have responded to this tender;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract in relation to the subject matter of the tender;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (E) Council be informed of the successful company by CEO Update prior to executing and administering the contracts relating to the tender.

Attachments

Attachment A. Landscape Plans

Attachment B. Tender Evaluation Summary (Confidential)

Background

1. The City's parks and open spaces provide for the diverse recreational needs of residents and visitors.
2. Being physically active is an essential part of a healthy lifestyle. Access to large, open, high quality and attractive open space can increase levels of physical exercise, and in turn, improve the physical and mental health and wellbeing of the community (Giles-Corti 2006, Planning Institute of Australia 2009). Improved health can lead to reductions in chronic diseases and obesity.
3. The City recognises the importance of providing accessible, safe, inclusive, needs-based facilities for fitness and physical exercise. The City encourages physical exercise through the provision of outdoor fitness equipment in parks. The City currently provides outdoor fitness equipment in nine parks.
4. The City's parks are heavily utilised for fitness and active recreation. High use leads to damage of park assets, including seating, trees and turf, where inadequate fitness facilities are provided.
5. On 10 August 2015, Council endorsed the Park Fitness Equipment Plan and resolved to proceed with design and construction of the first fitness equipment project at Turruwul Park, Rosebery. The Turruwul Park project was completed in 2016. Since opening, studies have found that there is an extremely high level of support for the new park fitness facility (92 per cent support, with no opposition) and that there has been an increase in the number of people using the park to exercise.
6. The Park Fitness Equipment Plan will guide the delivery of 10 future fitness equipment projects (subject to budget availability) to establish a comprehensive network of facilities across the City of Sydney local government area. Once the new facilities are delivered all residents will be within a ten minute walking distance (800 metre radius) of outdoor fitness equipment. The Plan provides detailed guidance in relation to potential sites, equipment types, equipment layouts and associated infrastructure. Waterloo Fitness Hub was identified as the second priority site with the new facility to be delivered in 2018.
7. The design for the Waterloo Fitness Hub (refer to Attachment B) has been informed by the Park Fitness Equipment Plan, input from trainers and community feedback and includes: new static and dynamic fitness equipment; fixing points to allow the use of imported equipment such as straps, ropes and harnesses; new seating walls, benches, bubblers and signs; new landscaping, including pathways and garden beds; protection of all existing trees; and rubber soft fall to meet Australian Standards. The concept design and scope was endorsed by Council for progression to detailed design and tender for construction on 13 November 2017.
8. The design supports the objectives of the Outdoor Fitness Code of Conduct by providing equitable, safe, needs-based fitness facilities which will mitigate impacts of fitness training.

Invitation to Tender

9. The invitation to tender period was open from 6 March 2018 to 27 March 2018. The tender was advertised in The Sydney Morning Herald and the Daily Telegraph newspapers on 6 March 2018. The tender was also advertised on Council's e-tendering portal.
10. Tenderers were invited to provide a lump sum price for the construction works.

Tender Submissions

11. Three submissions were received from the following organisations:
 - BR Durham Sons Pty Ltd;
 - By Group; and
 - Regal Innovations Pty Ltd.
12. No late submissions were received.

Tender Evaluation

13. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
14. The relative ranking of tenders as determined from the total weighted score is provided in Attachment A - Tender Evaluation Summary (Confidential).
15. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) the lump sum price and schedule of prices;
 - (b) demonstrated capacity and technical ability to carry out the work under the contract;
 - (c) demonstrated managerial capability, qualifications, experience and number of personnel;
 - (d) capacity to achieve the required project program;
 - (e) proposed methodology, including pedestrian and traffic management and environmental management;
 - (f) Work Health and Safety; and
 - (g) financial and commercial trading integrity, including insurances.

Performance Measurement

16. Performance measurement criteria includes:
 - (a) reviewing program and work method statements;
 - (b) reviewing samples and product data;
 - (c) attending regular inspections of the works;
 - (d) conducting fortnightly site meetings with the contractor; and
 - (e) ensuring the works are in accordance with the contract documents such as drawings, specifications, contract preliminaries and general requirements.

Financial Implications

17. There are sufficient funds allocated for this project in the 2018/19 capital works budget and future years' forward estimates.

Relevant Legislation

18. 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.
19. 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.
20. **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

21. The timeframes for project delivery are:
 - (a) Contractor engagement and mobilisation August 2018
 - (b) Commencement of construction November 2018
 - (c) Completion April 2019

Options

22. Council has the following options in regard to this tender:
- (a) reject all tenders and re-advertise, which is not recommended as it is considered this may not attract additional submissions; and
 - (b) reject and negotiate with suitably qualified contractors with the capacity to carry out the works and delegate authority to the Chief Executive Officer to enter into a lump sum contract. This option is recommended.

Public Consultation

23. Public consultation was undertaken for this tender.

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