

Item 11.**Tender - Civil and Sydney Street Infrastructure Works****File No: X012177****Tender No: 1840****Summary**

This report provides details of tenders received for the Civil and Sydney Street Infrastructure Works schedule of rates contract.

The tender is for the following two contracts to deliver civil improvement programs and maintenance on City civil assets within the local government area:

1. Contract A has an estimated annual value of \$18 million for the delivery of the traffic safety, stormwater, footpath and street infrastructure upgrade and renewal programs.
2. Contract B has an estimated value of \$10 million for the delivery of the In Road Tree Planting program with the Footpath Maintenance and Lighting Renewal programs.

The rates in the tender are based on the Sydney Streets Design Code and Sydney Streets Technical Specification.

The Tender is for the replacement of the services provided through the existing civil works contract that expires on 31 July 2019 and the Street Lighting and Traffic Signal Contract that expires on 31 August 2019.

This report recommends that the existing Civil Works Contract 1319 is extended until 30 September 2019, to allow City staff to ensure sufficient time for on boarding of the new contractors to the process of the new contract and that Council accept the tender offer of Tenderer 'E' for Contract A and Tenderer 'B' for Contract B.

Recommendation

It is resolved that:

- (A) Council note that because of extenuating circumstances a satisfactory result would not be achieved by inviting tenders for the services currently provided under the existing civil works contract that expires on 31 July 2019 for a two month period between 1 August 2019 to 30 September 2019;
- (B) Council note the reasons why a satisfactory result would not be achieved by inviting tenders for the services referred to in (A) above are:
 - (i) the existing service providers have good performance ratings and are providing good value for the service they are delivering
 - (ii) limited time is available from now to the end of the contract to achieve a robust City tender process.
- (C) Council approve an extension to the term of the Civil Works Contract 1319 by two months to 30 September 2019;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a variation to the Civil Works Contract 1319 to provide for the extension of the term referred to in (C) above;
- (E) Council accept:
 - (i) the offer of Tenderer 'E' for Contract A for a term of five years; and
 - (ii) the offer of Tenderer 'B' for Contract B for a term of five years;
- (F) authority be delegated to the Chief Executive Officer to negotiate, execute and administer:
 - (i) the contract with Tenderer 'E' referred to in (E)(i) above for the Schedule of Rates detailed in Confidential Attachment B and otherwise on terms acceptable to the City; and
 - (ii) the contract with Tenderer 'B' referred to in (E)(ii) above for the Schedule of Rates detailed in confidential attachment B and otherwise on terms acceptable to the City.

Attachments

- Attachment A.** Tender Evaluation Summary (Confidential)
- Attachment B.** Schedule of Rates (Confidential)

Background

1. The City of Sydney manages approximately 333 kilometres of roadway, 619 kilometres of kerb and gutter, 533 kilometres of footways, 12,000 stormwater pits, 100,000 square meters of CBD granite paving, 2,000 traffic facilities and 190 kilometres of stormwater infrastructure with an asset value of approximately \$2 billion.
2. The City uses both internal and contract resources to improve and maintain its civil assets. This tender is to appoint two suitably qualified and experienced contractors to deliver the City's annual civil improvement and maintenance programs.
3. Successful tenderers will be required to provide professional construction and maintenance services, with consideration of all community and other stakeholder requirements. They must have relevant experience, and be capable of delivering a high standard of work to set time constraints.
4. Contract A has an estimated annual value of approximately \$18 million for the delivery of the traffic safety, stormwater, footpath and street infrastructure upgrade and renewal programs. Contract B has an estimated value of approximately \$10 million for the delivery of the In Road Tree planting program with the footpath maintenance and lighting renewal programs.
5. Having two contracts to deliver the works will sustain the customer service skills that civil contractors need to conduct work activities in the City's complex working environment. It also promotes competition in the civil contractor industry for future contracts.
6. This contract will replace the panel contracts created by the Civil Works contract 1319 and the Street Lighting and Traffic Signals contract 1666.
7. In September 2018 Council resolved to extend the Civil Works contracts for 10 months as a result of a review of contract improvement processes, improved data and asset management processes and procurement of a range of other significant projects. Given the time required to develop the revised Civil Works tender to ensure the next contract will provide improved data capturing, improved end to end process, use of technology, quality control and cost management procedures.
8. It is recommended that the existing Civil Works Contract 1319 is extended for an additional two months to 30 September 2019 to allow City staff to ensure sufficient time for on boarding of the new contractors to the process of the new contract and testing of the corporate systems that will capture the data from the operations of the contracts. The Street lighting and Traffic Signals Contract 1666 does not require an extension because there is no work scheduled to be allocated for this contract in the period between 31 August 2019 and 31 September 2019.
9. The work to be delivered as part of this tender is based on the City's standard civil work specifications and drawings that are used by all civil contractors and service authorities that work in the City.
10. The City does not guarantee any minimum quantity of work to the tenderers.
11. The term of each contract will be for a period of five years.

12. Tenderers were assessed on their commitment to Aboriginal and Torres Strait Islander employment and corporate social responsibility initiatives supporting, for example:
 - apprenticeships for females;
 - long term unemployed and people exiting homelessness;
 - people with a disability;
 - disadvantaged young people;
 - asylum seekers/new arrivals with employment access issues; and
 - older people.
13. This tender also specifies the use of sustainable materials such as green star concrete and requires a commitment to sustainable work practices with particular reference to energy, water, waste and fuel consumption.

Invitation to Tender

14. The tender was advertised on 22 January 2019 in The Sydney Morning Herald, and online through Tenderlink and closed on 15 March 2019.

Tender Submissions

15. Eleven submissions were received from the following organisations:
 - Byrne Civil Engineering Constructions Pty Ltd;
 - CA&I Pty Ltd;
 - Civotek Pty Ltd;
 - Ezypave Pty Ltd;
 - Ford Civil Contracting Pty Ltd;
 - Planet Civil Pty Ltd;
 - Quality Management Constructions Pty Ltd;
 - Sam the Paving Man Pty Ltd;
 - Stateline Asphalt Pty Ltd;
 - Sydney Civil Pty Ltd; and
 - Bedrule Pty Ltd Trading as Tobco.
16. No late submissions were received.

Tender Evaluation

17. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
18. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
19. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) proposed resourcing;
 - (b) example program and methodology;
 - (c) depot, plant and equipment;
 - (d) draft quality and operational plan;
 - (e) environmental control and sustainable practices;
 - (f) reporting and data management;
 - (g) Work, Health and Safety;
 - (h) financial and commercial trading integrity, including insurances; and
 - (i) schedule of rates.

Performance Measurement

20. The City will ensure that all contractors meet the required performance standards by:
 - (a) undertaking quality assurance inspections;
 - (b) complying with the scope of work described in the tender specifications which clearly states the level of service required by the City;
 - (c) monitoring the works undertaken by the tenderers to ensure the City's standard civil work specifications are met; and
 - (d) completing all work instructions within the allocated time-frame, in accordance with the conditions of contract.
21. Formal performance reviews will be conducted in accordance with the City's standard contract management practices. This tender specifies a formal performance review every three months.
22. Tenderers on the works panel will have their performance assessed against the following key performance indicators (KPI's);
 - (a) Work Health and Safety performance;
 - (b) standard of contract administration;

- (c) standard of site management;
- (d) data management;
- (e) environmental performance;
- (f) coordination with service utilities;
- (g) community engagement;
- (h) program management; and
- (i) quality of construction work.

Financial Implications

- 23. Individual capital and maintenance projects hold the capital and operating budgets that include the works performed under this tender.
- 24. The quantity of work awarded each year is subject to approved works programs and activities required to achieve desired service levels for the City within allocated funding.
- 25. Where appropriate, the City will supply materials through existing City supply contracts, such as stone and street furniture, to reduce the overall costs for the City.
- 26. The tender allows for quotations to be called from both contractors for projects that utilise large quantities of a specific item or have significant value.
- 27. While the panels are managed by the City Infrastructure and Traffic Operations unit, they may also be utilised by other Divisions within Council when the need arises.
- 28. The financial assessment of the recommended tenderers rates is provided in the Confidential Tender Evaluation Summary – Attachment A.
- 29. The rates of the recommended tenderers rates is provided in the Confidential Tender Evaluation Summary – Attachment B.

Relevant Legislation

- 30. 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.
- 31. Attachments A and B 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.

32. 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

33. The current Civil Works contract 1319 will expire on 31 July 2019. This report recommends that the contract be extended until 30 September 2019.
34. The current Street Lighting and Traffic Signals Work Contract ends on 31 August 2019.
35. The proposed Civil and Sydney Street Infrastructure Works contract is scheduled to commence on 1 October 2019.
36. The proposed contract period is for five years.

Public Consultation

37. No public consultation is required, however the civil works will include:
 - (a) appropriate site management, signage, preparation and implementation of traffic management plans in accordance with specific job requirements; and
 - (b) notification letters to be provided to residents of affected nearby properties of the construction work outlining duration of works and contact details.

DAVID RIORDAN

Director City Services

George Angelis, Chief Engineer

Andrew Christie, Construction Services Manager