

Item 8.

Tender - Reject and Negotiate - T2021-487 - Inspection and Condition Assessment of Road Reserve Assets

File No: X019123

Tender No: 2021-487

Summary

The Local Government Act 1993 requires that Councils plan for, account and manage assets for which it is responsible. The City's Asset Management Policy and Asset Management Plans provide the commitment and framework to ensure that its assets meet community expectations by planning for the necessary maintenance and renewal of assets to meet technical, safety and functionality requirements. Future maintenance and renewal plans rely on an up-to-date inventory of City assets. Asset condition assessments are required to ensure that these fundamental requirements are met.

This report provides details of the tenders received for the Inspection and Condition Assessment of Road Reserve Assets which comprise six categories of road reserve assets:

- Category 1 - Roads;
- Category 2 - Cycleways;
- Category 3 - Kerb ramps;
- Category 4 - Traffic facilities;
- Category 5 - Kerb and gutter; and
- Category 6 - Footpath.

This data is required to inform the requirements for capital works renewal programs, update asset management plans, ensure confidence that the long-term financial plan aligns with asset management requirements and to establish defect remediation plans. The data is also critical for the purpose of the asset valuations that underpin the City's annual audited financial statements.

This report recommends that Council decline to accept the tender offers received for the Inspection and Condition Assessment of Road Reserve Assets and enter into negotiations with suitable vendors for the Inspection and Condition Assessment of Road Reserve Assets.

Recommendation

It is resolved that:

- (A) Council decline to accept the tender offers for the Inspection and Condition Assessment of Road Reserve Assets 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 vendor via the CEO Update.

Attachments

Attachment A. Tender Evaluation Summary (Confidential)

Background

1. The Local Government Act 1993 requires that Councils plan for, account and manage assets for which it is responsible. The City's Asset Management Policy and Asset Management Plans provide the commitment and framework to ensure that its assets meet community expectations by planning for the necessary maintenance and renewal of assets to meet technical, safety and functionality requirements.
2. The City is responsible for managing its assets to meet community expectations by planning for the necessary maintenance and renewal of assets to meet technical, safety and functionality requirements. Future maintenance and renewal plans rely on an up to date inventory of City assets. Asset condition assessments are required to ensure that these fundamental requirements are met.
3. The City is required to prepare its accounts in accordance with the standards set by the Australian Accounting Standards Board. This includes that assets owned by the City are properly valued in the accounts and reflected in the audited annual financial statements. It is an audit requirement that the City continue to maintain current asset condition data so that the value of assets owned by the City can be calculated.
4. Tender 2021-487 for Inspection and Condition Assessment of Road Reserve Assets related to six asset categories as follows:
 - (a) Roads: Local Roads and Regional Roads are owned and managed by the City. State roads are excluded as they are managed by Transport for New South Wales.
 - (i) Local Roads - Approximately 300km.
 - (ii) Regional Roads - Approximately 30km.
 - (b) Cycleways:
 - (i) Physically separated permanent cycleways (located within the road reserve and separated by a kerb/median) - approximately 19km.
 - (ii) Pop-up cycleways (located within the road reserve and separated by a prefabricated bolt-down device) - approximately 7km.
 - (iii) On-road cycleways (delineated by pavement markings) - approximately 37km.
 - (iv) Shared paths lengths to be determined through this project.
 - (c) Kerb Ramps - Exact Number is to be determined through this project, which is expected to be over 9,000.
 - (d) Traffic Facilities - Various types involved. Exact numbers are to be determined through this project.
 - (e) Kerb and gutter - Approximately 615km along Regional and Local roads.
 - (f) Footpath - Approximately 575km of footpath on Local and Regional roads and 90km on State roads.

5. The City called for tenders from specialist consultants to undertake the "Inspection and Condition Assessment of Road Reserve Assets". The tender also included the development of 10-year Capital Works program projections based on the condition data for selected asset categories. This program is then to be incorporated into the City's Corporate Asset Management System (CAMS).

Invitation to Tender

6. Requests for Tenders were advertised via TenderLink, City of Sydney Website on Wednesday 17 November 2021. The tender period closed on Wednesday 15 December 2021.
7. The tender comprised six categories of road reserve assets:
 - Category 1 - Roads;
 - Category 2 - Cycleways;
 - Category 3 - Kerb ramps;
 - Category 4 - Traffic facilities;
 - Category 5 - Kerb and gutter; and
 - Category 6 - Footpath.

Tender Submissions

8. Two submissions were received from the following organisations:
 - Infrastructure Management Group Pty Ltd; and
 - Pavement Management Services Pty Ltd.
9. No late submissions were received.

Tender Evaluation

10. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
11. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.
12. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) demonstrated experience in carrying out works of a similar size and nature including:
 - (i) asset condition assessments;

- (ii) updating asset inventory and condition assessment results in Confirm software and in ArcGIS (Confirm Mapping Interface) software; and
 - (iii) using condition assessment results to develop capital work and maintenance programs using Industry Enterprise Level asset management software;
- (b) methodology and understanding of the scope of services;
 - (c) personnel, qualifications, experience and capacity, including sub-consultants;
 - (d) proposed program;
 - (e) Work Health and Safety; and
 - (f) financial and commercial trading integrity, including insurances.

Performance Measurement

- 13. Upon entering into a contract, the City will ensure that the successful tenderer meets the required performance standards, by:
 - (a) auditing the works undertaken and data collected to ensure required accuracy and technical standards are met; and
 - (b) complying with the scope of work described in the tender specification which clearly states the level of service required by the City.

Financial Implications

- 14. There are sufficient funds allocated for this project in future years' forward estimates.

Relevant Legislation

- 15. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2021 and the City's Procurement and Contract Management Policy.
- 16. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
- 17. 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.

18. 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

19. Negotiations to commence 1 June 2022.
20. Contract commencement approximately 1 October 2022.

Options

21. Council could resolve to decline all tenders and re-advertise. This option is not recommended as it is not considered this would attract additional suitable vendors over and above those that have responded to this tender.

Public Consultation

22. No public consultation was required in preparing the scope of works for this project.

VERONICA LEE

Director City Services

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