



Civic Centre, 10 Watson Terrace
Mount Gambier SA 5290

PO Box 56
Mount Gambier SA 5290

Telephone 08 87212555
Facsimile 08 87249791
city@mountgambier.sa.gov.au

mountgambier.sa.gov.au

I hereby give notice that a Council Meeting will be held on:

Date: Tuesday, 13 December 2022
Time: 6.00 p.m.
Location: Council Chamber
Civic Centre
10 Watson Terrace
Mount Gambier

CONFIDENTIAL AGENDA

Council Meeting
13 December 2022

A handwritten signature in black ink, appearing to read "Sarah Philpott", is positioned above the printed name and title.

Sarah Philpott
Chief Executive Officer
9 December 2022

**23.2 AF22/295 TENDER - PROCUREMENT - TENDER FOR VALLEY LAKES AMENITIES
UPGRADE – REPORT NO. AR22/83421**

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except the Mayor, Councillors and (Council Officers) be excluded from attendance at the meeting for the receipt and consideration in confidence of Agenda Item 23.2 AR22/83421 AF22/295 Tender - Procurement - Tender For Valley Lakes Amenities Upgrade.

The Council is satisfied that, pursuant to section 90(3) (k) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- tenders for the:
 - supply of goods, or
 - the provision of services, or
 - the carrying out of works

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because tenders for the: supply of goods, or the provision of services, or the carrying out of works.

CONFIDENTIAL

23.2 AF22/295 TENDER - PROCUREMENT - TENDER FOR VALLEY LAKES AMENITIES UPGRADE – REPORT NO. AR22/83421

Committee: Council
Meeting Date: 13 December 2022
Report No.: AR22/83421
CM9 Reference: AF13/64
Author: Julie Scoggins, Manager Financial Services
Authoriser: Barbara Cernovskis, General Manager City Infrastructure
Summary: Council has received grant funding as part of the Local Roads and Community Infrastructure Program (Phase 3), with the Valley Lakes Amenities Upgrade forming part of the approved works schedule.

Strategic Plan Reference: Goal 2: Our Location
Goal 3: Our Diverse Economy
Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage

The Council is satisfied that, pursuant to Section 90(2) & (3) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is:

- (k) tenders for the: supply of goods, or the provision of services, or the carrying out of works.

REPORT RECOMMENDATION

1. That Council Report No. AR22/83421 titled 'AF22/295 Tender - Procurement - Tender For Valley Lakes Amenities Upgrade' as presented on 13 December 2022 be noted.
2. Authorises the award of the contract AF22/295 to the preferred tenderer Kennett Pty Ltd for the fixed lump sum amount of \$639,000.00 (GST exclusive).
3. Authorises the Chief Executive Officer to execute contract documents between Council and the preferred tenderer.
4. Authorises the Chief Executive Officer to approve additional justified expenditure during the contract within the allocated overall project budget of \$750,000 as at Budget Review 1.



TYPE OF REPORT

Corporate

BACKGROUND

1. **Grant Funding** - The Commonwealth (represented by the Department of Infrastructure, Transport, Regional Development and Communications) has provided funding to the City of Mount Gambier as part of the Local Roads and Community Infrastructure Program (LRCI).
2. **Program Objectives** - The objective of the LRCI Program is to support local councils deliver priority local roads and community infrastructure construction projects, whilst supporting local communities with short-term job opportunities during the COVID-19 pandemic.
3. **Phase 3 LRCI Grant Funding Projects** - Council, at its meeting held on 21 June 2022 resolved to use the Local Roads and Community Infrastructure Fund (Phase 3) for a total of three separate projects. The New Valley Lakes Public Amenities was one of these projects. The original allocation for this project was \$490,000 (included design costs of \$50,000).

PROPOSAL

1. **Phase 3 Grant** - Council has received grant funding as part of the Local Roads and Community Infrastructure Program (Phase 3), with the New Valley Lakes Public Amenities (including the demolition of the previous building and construction of the new facility) forming part of the approved works schedule.
2. **Open Tender Overview** - An open Request for Tender was issued on 1 September 2022, seeking responses from suitably qualified tenderers. At close of tender on 5 October 2022, Four conforming submissions were received from:
 - Cushman & Wakefield
 - Dycer Constructions Pty Ltd
 - Godrik Construction & electrical
 - Kennett Pty Ltd
3. **Tender Evaluation** - After the Tender Evaluation Team assessment of the individual submission and scoring process, Kennett Pty Ltd ranked as number 1 and was selected as the preferred contractor for the demolition of existing and construction of new Valley Lake/Ketla Malpi Amenities project.
4. **Procurement Process Detail** – More detailed information of the procurement process undertaken is attached in Attachment 1.
5. **Original Project Budget** - The total original project budget aligned with the grant application budget for the project was estimated at \$490,000 over two financial years with \$50k included in 2021/2022 for design and \$440,000 for construction in 2022/2023.
6. **Proposed Budget Review 1** - Following the review of tender submissions reflecting current market conditions the approved budget for 2022/2023 (adopted budget + carry forwards) has been increased from \$452,806 to \$750,000. The overall project budget also includes design and other activities not included in the scope of the project tender and a conservative project contingency sum anticipating Covid-19 and any other cost implications and other project activities outside of the scope of this tender.
7. **Project Budget Allocation** - This tender is for the upgrade of the existing toilet blocks which is costed at a lump sum amount of \$639,000 (GST exclusive). The remainder of the allocated budget is assumed as contingency and other project activities.



LEGAL IMPLICATIONS

As per the LRCI phase 3 Funding agreement the construction of this project has to be completed by 30 June 2023.

STRATEGIC PLAN

Goal 2: Our Location

2.1 Infrastructure development and managing our current assets

COUNCIL POLICY

[P420 Procurement & Disposal of Land and Assets](#)

ECONOMIC IMPLICATIONS

ENVIRONMENTAL IMPLICATIONS

N/A

SOCIAL IMPLICATIONS

The upgraded toilet block will include a unisex accessible toilet which is compliant with Council's accessibility and public amenity commitment in the Disability Access and Inclusion Plan.

Improved public amenity at the Valley Lakes building provides infrastructure that will support ongoing activation.

CULTURAL IMPLICATIONS

N/A

RESOURCE IMPLICATIONS

N/A

VALUE FOR MONEY

The project is fully funded by the Local Roads and Community Infrastructure Program (Phase 3) and procurement is in accordance with Council Policy P420 Procurement & Disposal of Land and Assets.

RISK IMPLICATIONS

Council officers expect to complete the project within the deadline of 30 June 2023 as per the terms of the LRCI phase 3 funding guidelines. However, challenges may present during the course of construction due to an over stimulated market that may risk meeting the funding milestones.

Council officers will closely monitor the project progress and continue to liaise with the Department of Infrastructure.

EQUALITIES AND DIVERSITY IMPLICATIONS

N/A

ENGAGEMENT AND COMMUNICATION STRATEGY

The procurement tender process was undertaken in accordance with Council Procurement Policy P420. The tender was advertised through SA Tenders and Contracts.

Once awarded, contractors that provided tenders will be notified of the outcome of the tender evaluation and provided feedback on their submission in accordance with Council's Procurement Policy.



IMPLEMENTATION STRATEGY

This project will be led by Council staff who will manage the delivery of this project and actively monitor and report progress so that the delivery of the project can be ensured within the milestones of the funding agreement.

CONCLUSION AND RECOMMENDATION

As per the procurement report recommendation.

ATTACHMENTS

1. Attachment 1 - Procurement Recommendation Report [↓](#) 

CONFIDENTIAL





PROCUREMENT RECOMMENDATION REPORT

Request for Tender AF22/295

**Demolition of Existing and Construction of New
Valley Lake/Ketla Malpi Amenities**

CONFIDENTIAL



TABLE OF CONTENTS

1.	BACKGROUND	2
2.	ACQUISITION STRATEGY USED	2
3.	PROCUREMENT PROCESS DETAILS	2
3.1	Documentation Used	2
3.2	Tenders Submitted.....	3
3.3	Conformance Assessment	4
3.4	Probity/Conflict of Interest	4
3.5	Due Diligence	4
4.	EVALUATION METHODOLOGY	4
4.1	Approved Evaluation Methodology.....	4
4.2	Evaluation Team	5
4.3	Evaluation	5
5.	TENDER EVALUATION TEAM RECOMMENDATION.....	6
6.	BUDGET POSITION.....	6
7.	CONTRACT ADMINISTRATION.....	6
8.	CONCLUSION	6
9.	RECOMMENDATION	6

CONFIDENTIAL



Procurement Recommendation Report

1. Background

The City of Mount Gambier issued an open Request for Tender (RFT) on 1 September 2022 seeking responses from suitability qualified tenderers for the demolition of existing and Construction of New Amenities, located at the Valley Lake/Ketla Malpi, Mount Gambier. At close of tender on 5 October 2022, four conforming submissions were received.

This report details the procurement process and provides a recommendation for Council's consideration.

2. Acquisition Strategy Used

In order to ensure best value for money and maximum community benefit and pursuant to Council's Procurement policy, an open market tender was used to secure a suitably qualified contractor to undertake the works.

Probity oversight and overall process; submission evaluation, due diligence checks and preparation of this procurement recommendation report has been completed by the Council.

The procurement process and evaluation methodology has followed a rigorous and robust process and met the requirements for procurement under Council's Policy P420 Procurement and Disposal of Land and Assets and the SA Local Government Act 1999 (SA).

3. Procurement Process Details

3.1 Documentation Used

A collaborative approach with key stakeholders was utilised in the preparation of the tender specification documentation. Council engaged the services of Troppo Architects Pty Ltd to prepare detailed design drawings for the construction to AS 4905 Minor Works Contract Conditions.

The RFT documentation was prepared taking into account:

- Local Government Act 1999 (SA)
- Council's P420 Procurement and Disposal of Land and Assets
- Detailed specification and drawings, facility detail and response schedules for required outcomes.
- Draft Contract Terms and Conditions
- City of Mount Gambier Contractor Management Guide

Tender documentation was uploaded to SA Tenders & Contracts website portal:



SA Tenders & Contracts Screenshot:

New Tender Details for CMG051956

Tender Issued By:
City of Mount Gambier

Type:
Request for Tender

Opening Date:
1 Sept 2022 16:00

Closing Date:
5 Oct 2022 12:00

Contract No.
No. AF22/295

Tender Name:
Tender AF22/295 Demolition of Existing and Construction of New Valley Lake/Ketla Malpi Amenities

Description:

The City of Mount Gambier (the Council) invites Tenders from suitably qualified Tenderers to provide demolition and construction works at the Valley Lake/Ketla Malpi area, Mount Gambier (the Works), to AS 4905 Minor Works Contract Conditions. Council will enter into a Contract for Works with the successful Tenderer.

All necessary permits and approvals to complete the works as specified have been obtained by the Council.

Demolition and Construction Works must be completed before 31 May 2023.

Tender Link:
This tender can be viewed here: [Tender AF22/295 Demolition of Existing and Construction of New Valley Lake/Ketla Malpi Amenities](#)

3.2 Tenders Submitted

Tenders closed with SA Tenders and Contracts at 12.00 Noon ACST on 5 October 2022. Four tender submissions were received and downloaded by Procurement:

- Cushman & Wakefield
- Dycer Constructions Pty Ltd
- Godrik Construction & electrical
- Kennett Pty Ltd



SA Tenders & Contracts Screenshot:

Tender Team Details

Tender Box Opened: 12/10/2022 01:28 pm

Downloaded Tender Responses: 12/10/2022 01:28 pm

3.3 Conformance Assessment

Conformance assessment was undertaken by Procurement and all tender submissions received were compliant.

3.4 Probity/Conflict of Interest

No Probity or Conflict of Interest issues were identified in relation to this procurement (refer AR22/73145 Probity and Evaluation Plan; AR22/73105 Probity and Evaluation Plan Process Log).

3.5 Due Diligence

The following due diligence checks were made:

- ABN/ACN checks
- Financial Capacity
- Licences and Accreditation
- Insurance
- Work Health Safety and Risk Management
- Environmental Management Systems
- Quality Systems
- COVID-19 Strategy for potential impacts/disruptions

4. Evaluation Methodology

4.1 Approved Evaluation Methodology

The evaluation criteria and weightings for this procurement which outlined the proposed approach for the evaluation:

Table 1 – Evaluation criteria, scoring and weighting:

2 Qualitative Evaluation Criteria	Comments	Max Score	Score	% applied weighting	Final Score
Organisation Structure, Facilities and Resources		10		15	0
Experience		10		15	0
Customer Service Plan		10		10	0
Implementation Schedule and Transition Plan		10		25	0
Methodology		10		15	0
Value Added Services, Improvements & Innovations		10		10	0
Local Content *refer definition below for scoring		10		10	0
	Total:	70	0	100	0

Scoring against evaluation criteria was undertaken using a scale from 1 to 10 (10 representing the maximum available score)

Table 2 – Evaluation score ranges

Qualitative Evaluation Criteria	EXCELLENT	VERY GOOD	SATISFACTORY	UNSATISFACTORY	UNACCEPTABLE
	Full achievement of the requirements specified in the RFT. Demonstrated strengths, no significant weaknesses or omissions.	Sound achievement of the requirements specified in the RFT. May contain minor weaknesses or omissions which may be acceptable as offered.	Reasonable achievement of the requirements specified in the RFT. Some weaknesses or omissions, which can be corrected/overcome with minimum effort.	Minimal achievement of the requirements specified in the RFT. Some weaknesses or omissions which may be possible to correct/overcome and make acceptable.	Totally deficient and non-compliant.
Score ranges	9-10	7-8	5-6	2-4	0-1

Score ranges	9-10	7-8	5-6	2-4	0-1
• Local Content	Full intended use of compliant local service providers, local materials or working with local agencies to secure labor.	Good intended use of compliant local service providers, local materials or working with local agencies to secure labor.	Reasonable intended use of compliant local service providers, local materials or working with local agencies to secure labor.	Minimal intended use of compliant local service providers, local materials or working with local agencies to secure labor.	No intended use of compliant local service providers, local materials or working with local agencies to secure labor.

The tender evaluation considers both price and non-financial qualitative criteria.

Emphasis has been placed on awarding the tender to a contractor who can:

- meet the project timelines required (works completed by May 2023)
- propose an appropriate project methodology and implementation schedule
- demonstrate previous construction experience
- Complete the works within the budget amount set for this project

4.2 Evaluation Team

Table 3 – Tender Evaluation Team

Name	Position Title	Role
Andrew Thompson	Design Engineer	Evaluator 1
Nicole Dodds	Environmental Health Officer	Evaluator 2
Joanne Fowler	Iservices Team Leader	Evaluator 3

4.3 Evaluation

All tenders progressed to the weighted evaluation stage. Scoring was undertaken individually and submitted individually against the defined and weighted qualitative (non-financial) criteria and a summary prepared by Procurement. No conflicts of interest were declared by members of the tender evaluation team (TET).

Table 4 – Submission Qualitative (non-financial) Scoring Summary

QUALITATIVE SUMMARY	Evaluator 1	Evaluator 2	Evaluator 3	Average	Rank
Cushman & Wakefield	86	63.5	65.5	71.67	3
Dycer Constructions Pty Ltd	84	66.5	80	76.83	2
Godrik Construction Pty Ltd	52	36	39	42.33	4
Kennett Pty Ltd	93	72	67.5	77.50	1

Table 5 – Tendered pricing (exc GST)

PRICING (exc GST)	Total
Cushman & Wakefield	\$835,227.90
Dycer Constructions Pty Ltd	\$730,574.91
Godrik Construction Pty Ltd	\$631,647.85
Kennett Pty Ltd	\$639,000.00

Table 6 – Value for Money outcome

VALUE FOR MONEY	Tendered indicative value (TV)	Evaluation Score (ES)	TV + ES = Value for Money	Final Ranking
Cushman & Wakefield	\$835,227.90	71.67	\$11,653.80	3
Dycer Constructions Pty Ltd	\$730,574.91	76.83	\$ 9,508.98	2
Godrik Construction Pty Ltd	\$631,647.85	42.33	\$14,921.99	4
Kennett Pty Ltd	\$639,000.00	77.50	\$ 8,245.16	1

5. Tender Evaluation Team Recommendation

Following a comprehensive evaluation process of the tenders received, and consideration of the views of the TET at a meeting held 31 October 2022, **Kennett Pty Ltd** was unanimously selected by the TET as the preferred tenderer on the following basis:

- Highest TET consensus score of all tenderers for the non-financial qualitative assessment criteria highlighted in *Table 4 – Submission Qualitative (non-financial) Scoring Summary* above.
- Kennett Pty Ltd ranked 1 for value for money highlighted in *Table 6 – Value for Money outcome*

In overall terms, considering both qualitative non-financial criteria and tender pricing, Kennett Pty Ltd tender submission is ranked as the highest scoring submission and is considered to offer the best value-for-money outcome with minimum risk.

6. Budget Position

A budget provision for the Valley Lake Public Amenities (LCRI Phase 3 Funding) of \$440,000 for the activities included within this tender was included the 2022/23 adopted capital expenditure budget (with \$50,000 included in 2021/22 for design).

All tender submissions received are significantly over the adopted budget.

At Budget Review 1 the Frew Park Amenities budget is proposed for cancellation so that additional funding can be allocated to this project. \$750,000 has been included in the draft Budget Review 1 to fund the activities included in this procurement activity and additional expenditure.

7. Contract Administration

A formal fixed lump sum construction contract will be executed to deliver these works. The contractor will be required to submit a full Work Health Safety Plan with associated documents and Risk Management Plan to Council prior to any works commencing onsite and in accordance with the contract terms and conditions.

The contract and associated works will be managed internally by Council staff.

8. Conclusion

The TET has undertaken evaluation in accordance with the planned procurement strategy, and the tender recommendation as presented in this report is a true reflection of the evaluation undertaken. The following recommendation is presented for formal consideration and approval.

9. Recommendation

That Council:

1. Authorises the award of the contract AF22/295 to the preferred tenderer Kennett Pty Ltd for the fixed lump sum amount of \$639,000.00 (GST exclusive).
2. Authorises the Chief Executive Officer to execute contract documents between Council and the preferred tenderer.
3. Authorises the Chief Executive Officer to approve additional justified expenditure during the contract within the allocated overall project budget of \$750,000 as at Budget Review 1.

Julie SCOGGINS

6



MANAGER FINANCIAL SERVICES

CONFIDENTIAL



CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 23.2 AR22/83421 AF22/295 Tender - Procurement - Tender For Valley Lakes Amenities Upgrade and its attachments, having been considered by the Council in confidence under Section 90(2) & (3) (k) be kept confidential and not available for public inspection until 12 months after the completion of the tender works, with the name of the successful tenderer and the tender contract value to be disclosed following execution of a contract.
2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CONFIDENTIAL

**MINUTES OF CITY OF MOUNT GAMBIER COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT
GAMBIER
ON TUESDAY, 13 DECEMBER 2022 AT 6.00 P.M.**

PRESENT: Mayor Lynette Martin (OAM), Cr Ben Hood, Cr Frank Morello, Cr Josh Lynagh,
Cr Kate Amoroso, Cr Max Bruins, Cr Paul Jenner, Cr Sonya Mezinec

OFFICERS IN ATTENDANCE:

Chief Executive Officer	- Mrs S Philpott
General Manager City Infrastructure	- Ms B Cernovskis
General Manager Corporate and Regulatory Services	- Mr D Barber
Acting General Manager City and Community Growth	- Mrs G Davison
Manager Governance and Property	- Mr M McCarthy
Manager Financial Services	- Mrs J Scoggins
Media and Communications Coordinator	- Mr J McDonald
Communications Officer	- Ms M Brookes
Executive Administrator	- Mrs S Dohnt
Executive Administrator	- Ms T Chant

RESOLUTION 2022/250

Moved: Cr Frank Morello

Seconded: Cr Josh Lynagh

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except the Mayor, Councillors and Mrs S Philpott, Ms B Cernovskis, Mr D Barber, Mrs G Davison, Mr M McCarthy, Mrs J Scoggins, Mr J McDonald, Ms M Brookes, Mrs S Dohnt and Ms T Chant be excluded from attendance at the meeting for the receipt and consideration in confidence of Agenda Item 23.2 AR22/83421 AF22/295 Tender - Procurement - Tender For Valley Lakes Amenities Upgrade.

The Council is satisfied that, pursuant to section 90(3) (k) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- tenders for the:
 - supply of goods, or
 - the provision of services, or
 - the carrying out of works

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because tenders for the: supply of goods, or the provision of services, or the carrying out of works..

CARRIED



The Mayor sought the approval of at least two-thirds of the members present at the meeting to suspend meeting procedures:

Purpose of the Suspension: To discuss Item 23.2 – AF22/295 Tender – Procurement – Tender for Valley Lakes Amenities Upgrade

Carried by more than two-thirds of the members present at the meeting.

Meeting Procedures were suspended at 7:53 PM

The Mayor determined that the period of suspension should be brought to an end;

Carried by more than two-thirds of the members present at the meeting.

The Period of Suspension came to an end and Meeting Procedures resumed at 8:38 PM

FORMAL MOTION -

RESOLUTION 2022/251

Moved: Cr Max Bruins

Seconded: Cr Paul Jenner

That the question be adjourned until after item 19.4 had been dealt with.

CARRIED

19.4 LOCAL ROADS AND COMMUNITY INFRASTRUCTURE (LRCI) PROGRAM - PHASE 3 - VARIATIONS TO APPROVED WORKS SCHEDULE

Consideration of Item 19.4 recorded in the public minutes.

RESOLUTION 2022/252

Moved: Cr Frank Morello

Seconded: Cr Max Bruins

1. That Council Report No. AR22/83421 titled 'AF22/295 Tender - Procurement - Tender For Valley Lakes Amenities Upgrade' as presented on 13 December 2022 be noted.
2. Authorises the award of the contract AF22/295 to the preferred tenderer Kennett Pty Ltd for the maximum fixed lump sum amount of \$639,000.00 (GST exclusive) subject to any negotiations allowed as per the project scope and Council's procurement policy.
3. Authorises the Chief Executive Officer to execute contract documents between Council and the preferred tenderer.
4. Authorises the Chief Executive Officer to approve additional justified expenditure during the contract within the allocated overall project budget of \$750,000 as at Budget Review 1.

CARRIED



RESOLUTION 2022/253

Moved: Cr Max Bruins
Seconded: Cr Ben Hood

CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 23.2 AR22/83421 AF22/295 Tender - Procurement - Tender For Valley Lakes Amenities Upgrade and its attachments, having been considered by the Council in confidence under Section 90(2) & (3) (k) be kept confidential and not available for public inspection until 12 months after the completion of the tender works, with the name of the successful tenderer and the tender contract value to be disclosed following execution of a contract.
2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CARRIED