

## BALLINA SHIRE COUNCIL – MEMORANDUM

**MEMO TO:** All Councillors  
**COPY:** Senior Staff  
**MEMO FROM:** Chris Allison – Projects and Contracts Co-ordinator  
**DATE:** 22 October 2012  
**SUBJECT:** RTF644 – Provision for Preliminary Civil/Groundworks - Wollongbar Sports Fields - Supplementary Information

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### Background

This report is provided as supplementary information to the October meeting agenda, item 10.13 – Tender – Wollongbar Sports Fields. The initial report indicated that the final evaluation report would be provided prior to the Council meeting.

### Evaluation

Tenders were received from the following six companies:

<b>Tenderer</b>	<b>Tender Price (\$)</b>
Peachy Constructions	1,761,084
Valley Earthworks	1,830,859
Ditchfield Contracting	2,100,673
Civil Contractors	2,107,270
Santin Earthmoving	2,114,814
Morgans	2,583,720

An initial review of the undertaken by the Consultant Project Manager, Mr Craig Zerk, confirmed that all tenders complied with the tender specification. The estimate for this component of the works was \$1.9m to \$2.1m, which includes a contingency of \$150,000. Based on the tendered rates Morgans were not considered any further in the evaluation.

The tender evaluation panel assessed each of the five remaining tenders against the stated criteria and a summary of the rankings follows:

<b>Evaluation Criteria</b>	<b>Peachy Constructions</b>	<b>Valley Earthworks</b>	<b>Ditchfield Contracting</b>	<b>Civil Contractors</b>	<b>Santin Earthmoving</b>
<b>Total Price</b>	40.0%	38.4%	32.3%	32.1%	32.0%
<b>Capability &amp; Experience</b>	13.0%	8.5%	13.1%	13.9%	10.6%
<b>Management Plans</b>	10.2%	5.3%	8.0%	12.2%	4.8%
<b>Construction Program &amp; Proposed Sub-Contractors</b>	9.5%	5.9%	9.1%	10.3%	10.0%
<b>Management &amp; Financial</b>	5.7%	2.3%	5.8%	5.3%	4.3%
<b>Total</b>	<b>78.4%</b>	<b>60.4%</b>	<b>68.3%</b>	<b>73.8%</b>	<b>61.7%</b>

Based on the tender submissions Peachy Constructions has provided the lowest priced tender, and has ranked highest in the tender evaluation. Peachy Constructions has not previously undertaken works for Council, however reference checking has confirmed similar works have been undertaken to a high standard.

As Council has not engaged Peachy Constructions previously, it is proposed to undertake an independent financial report to confirm the company's financial viability prior to finalising the tender contract.

### **Options**

Under the Local Government (General) Regulations 2005 Council must either accept the tender that "appears to be the most advantageous" or decline to accept any of the tenders.

1. Council may determine not to accept any of the tenders received and invite fresh tenders.
2. Council may award the contract to Peachy Constructions to undertake the Provision for Preliminary Civil/Groundworks - Wollongbar Sports Fields.

Option one is not recommended as Council has undertaken the tender process in accordance with the Local Government (General) Regulations 2005.

Option two is recommended as the preferred option as the tender assessment indicates that a reliable market has been established and the assessment by the evaluation panel has determined the preferred tenderer.

Peachy Constructions is an experienced civil contractor and has completed several projects of a similar nature.

### **UPDATED RECOMMENDATIONS**

1. That Council accepts the tender (subject a satisfactory financial report into the company's financial viability) for Provision for Preliminary Civil/Groundworks - Wollongbar Sports Fields from DJ & DG Baumann T/As Peachy Constructions for the amount of \$1,761,084 plus GST.
2. That Council authorises the Council seal to be attached to the contract documents.