

ITEM 7 TENDER T1000144 - WEST DAPTO ROAD UPGRADE STAGES 1A AND 2-4

This report recommends that Council decline to accept any of the tenders submitted for West Dapto Road Upgrade Stages 1A and 2-4 in accordance with Section 178(1)(b) of the Local Government (General) Regulation 2021.

West Dapto is the fastest-growing residential area in New South Wales outside the Sydney region. The West Dapto Road upgrade is part of Council's plans to meet the changing needs of current and future residents who will call this area home over the next 50 years.

This tender requested responses from suitably experienced civil contractors to complete upgrades to West Dapto Road between Shone Avenue, Wongawilli through to Yard Street, Kembla Grange.

During the tender assessment process, it was identified that a more satisfactory result could be achieved, with a better value outcome for the community, by not accepting any tenders and undertaking negotiations with the tenderers in relation to the works that will result in these outcomes being achieved.

RECOMMEDATION

- 1 In accordance with Section 178(1)(b) of the Local Government (General) Regulation 2021, Council decline to accept any of the tenders received for West Dapto Road Upgrade Stages 1A and 2-4.
- 2 In accordance with Section 178(3)(e) of the Local Government (General) Regulation 2021 Council resolve to enter into negotiations with one or all of the tenderers with a view to entering into a contract in relation to the subject matter of the tender.
- 3 In accordance with Section 178(4) of the Local Government (General) Regulation 2021, the reason for Council declining to invite fresh tenders on the basis that the time may impact funding conditions for the works and it is anticipated that a satisfactory outcome can be achieved with one of those parties who demonstrate a capacity and ability to undertake the works.
- 4 Council delegate to the General Manager the authority to undertake and finalise the negotiations, with the tenderers with a view to entering into a contract in relation to the subject matter of the tender.
- 5 Council grant authority for the use of the Common seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Jeremy Morgan, Manager Project Delivery (Acting)
Authorised by: Joanne Page, Director Infrastructure + Works

ATTACHMENTS

- 1 Location Plan

BACKGROUND

The upgrade of West Dapto Road is part of Council's plan to meet the changing needs of current and future residents of the West Dapto area over the next 50 years. Over the past 10 years, Council has invested more than \$100 million in researching, designing, upgrading and building new roads, bridges, paths and stormwater structures in West Dapto. Council has a long-term commitment to extend this upgrade along the whole length of West Dapto Road as outlined in the West Dapto Development Contributions plan (2020). The upgrade of West Dapto Road East of Rainbird Drive, Kembla Grange will form part of a separate project. The upgrade of West Dapto Road between Shone Avenue, Wongawilli and Yard Street, Kembla Grange includes:

- Road, pavement, and drainage works
- Upgrades which improve access during flooding events
- Boom gates and flashing gates at the Shone Avenue rail crossing
- New shared pathways and a pedestrian bridge

- New traffic signals

West Dapto Road upgrade stage 1A includes the upgrade of the intersection between Shone Avenue, Wongawilli Road and West Dapto Road and stages 2-4 extends from approximately 250 m east of Shone Avenue through to Yard Street, Kembla Grange.

The scope of works includes but is not limited to the following:

- Site establishment, including erection and maintenance of all environmental controls and temporary construction compound
- Stormwater drainage
- Relocation of services
- Earthworks
- Pavements
- Kerb and gutter
- Line marking and signage
- Signals (traffic and rail)
- Pedestrian bridge
- Site disestablishment, including removal of all environmental controls as appropriate.

Open tenders were invited for this project with a close of tenders of 10:00 am on 22 August 2024.

Four (4) tenders were received by the close of tenders and all tenders have been scrutinised and evaluated by a Tender Evaluation Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representatives of the Project Delivery, Infrastructure Strategy and Planning and Customer + Business Integrity Divisions.

The Tender Evaluation Panel evaluated all tenders in accordance with the following Evaluation criteria and weightings as set out in the formal tender documents.

Mandatory Criteria

- 1 Satisfactory references from referees for previous projects of similar size and scope
- 2 Financial evaluation acceptable to Council which demonstrates the tenderers financial capacity to undertake the works
- 3 Accredited Work Health & Safety Management System
- 4 Accredited Environmental Management System
- 5 Level 1 and 2 Accredited Service Provider
- 6 Sydney Water Capability
- 7 Transport for NSW Prequalification and Accreditation
- 8 Demonstrated experience working in and around the rail corridor

Evaluation Criteria

- 1 Cost to Council – 40%
- 2 Appreciation of Scope of Works and construction methodology – 20%
- 3 Demonstrated experience and satisfactory performance in undertaking projects of a similar size, scope and risk profile, including staff qualifications and experience – 15%
- 4 Proposed sub-contractors – 5%
- 5 Tender Program – 5%
- 6 Demonstrated strengthening of local economic capacity – 10%

7 Workplace health and safety management system and environmental management policies and procedures – 5%

PROPOSAL

Risks have been identified with the tenders received and it is recommended that Council decline to accept any tender and enter into negotiations with one or all of the tenderers, with a view to entering into a contract for the subject matter of the tender.

The Panel anticipates that a satisfactory outcome will be achieved through a negotiation process conducted in accordance with Council's Procurement Policies and Procedures to mitigate the identified risks.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Evaluation Panel
- 2 Nominated Referees

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2032 Goal 6 "We have affordable and accessible transport". It specifically delivers on the following:

Community Strategic Plan 2032	Delivery Program 2022-2026
Strategy	Service
6.3 Effective and integrated regional transport with a focus on road, bus, rail and freight movement (including the port of Port Kembla)	Transport Services

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the Local Government Act 1993.

The recommendations of this report are aligned with Council's Risk Appetite Statement ratings of cautious for financial and reputational risk categories. The evaluated financial risk is assessed as Extreme and Reputational risk is assessed as high for this project based upon Council's risk assessment matrix. By implementing the recommendations of the report, the evaluated residual levels of risk are high for financial and medium for reputation.

SUSTAINABILITY IMPLICATIONS

The works are aligned to the West Dapto Vision 2018 which articulates the actions to deliver a community that will be healthy, sustainable and resilient. The project is aligned to the five road network principles in the vision:

- 1 Supportive of land use patterns
- 2 A safe, connected and legible road network for all users
- 3 Design roads to complement the environment
- 4 Quality infrastructure
- 5 Road network to support sustainable transport outcomes.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source/s as identified in the Operational Plan –

2024/25 Capital Budget

2025/26 Capital Budget

2026/27 Capital Budget

The construction of the project is partially funded by:

- NSW Government Restart - NSW Housing Acceleration Fund (HAF) grant funding
- Public Domain Works Contract for constructing a roundabout 401 West Dapto Road, Horsley

CONCLUSION

It is anticipated that the best outcome for Council can be achieved through direct negotiations with one or all tenderers who has demonstrated capacity and ability to undertake the works. Council should endorse the recommendations of this report.



