

10.2.1 - Request for Tender – RFT 10/2024 – Oakford Bush Fire Brigade Station (Design and Construct)

10.2.1 - Request for Tender – RFT 10/2024 – Oakford Bush Fire Brigade Station (Design and Construct) (SJ4485)

Responsible Officer:	Chief Executive Officer
Senior Officer:	Director Infrastructure Services
Disclosure of Officer's Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations, and setting and amending budgets.
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Report Purpose

The purpose of this report is for Council to consider awarding RFT10/2024 for the design and construction of the Oakford Bush Fire Brigade Fire Station. In addition, to seek approval for the revised project budget amendments noting that a final budget variation will be submitted following negotiations with DFES on the funding split and the finalisation of detailed design.

Relevant Previous Decisions of Council

Special Council Meeting – 31 July 2023 - SCM016/07/23 - COUNCIL RESOLUTION / - extract That Council:

2. *ADOPTS the borrowing of new loan funds of \$2,095,000 Self Supporting Loan for the Oakford Fire Station.*

Ordinary Council Meeting – 20 March 2023 - OCM043/03/23 - COUNCIL RESOLUTION

That Council APPROVES the development application for proposed 'Civic Building' at Lot 800 Pony Place, Oakford, as contained within attachment 2, subject to the following conditions.

- a. *The development is to be carried out in compliance with the plans and documentation listed below and endorsed with the Shire of Serpentine Jarrahdale stamp, except where amended by other conditions of this consent. Plans and Specifications P1 - P2 received at the Shire's Offices on the 16 January 2023 P3 - Bushfire Management Plan dated 13 January 2023 P4 - Transport Impact Statement dated 12 January 2023 P5 - Acoustic Assessment dated 27 February 2023*
- b. *Prior to lodgement of a Building Permit, a Landscaping Plan shall be submitted to show screening of the development from the street. Once approved, the Landscaping Plan shall be implemented prior to completion of the development and thereafter maintained to the satisfaction of the Shire of Serpentine Jarrahdale.*

Contact Us

Enquiries

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In Person

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Open Monday to Friday 8.30am-5pm (closed public holidays)



www.sjshire.wa.gov.au



c. Prior to occupation, all recommendations as set out in the Transport Impact Statement shall be undertaken to the satisfaction of the Shire of Serpentine Jarrahdale.

Ordinary Council Meeting – 17 October 2022 – OCM250/10/22 – COUNCIL RESOLUTION

That Council:

- 1. AGREES in principle to a self-supporting loan to deliver the Oakford Bushfire Brigade Project.*
- 2. AUTHORISES the Chief Executive Officer to formally commence the project based upon the Shire's project management framework.*
- 3. NOTES the Oakford Bush Fire Brigade Station Major Capital Project will be updated in the 2022-2026 Corporate Business Plan in a future performance report*

Background

The scope of Oakford Bush Fire Brigade Fire Station project includes the design and construction of a 4-bay bushfire station to cater for two existing volunteering brigades (Oakford Bushfire Brigade and Emergency Support Brigade).

The project mandate is provided in the following Council strategic documents:

- The 20 Year Facilities Plan for the Shire's six Bush Fire Brigades, adopted by Council in June 2022 (OCM137/06/22), identifies the Oakford Bushfire Brigade Facility as priority 1 of 6 for implementation. The plan further identifies the project brief, delivery target and benefits realisation.
- In August 2020 (OCM254/08/20), Council endorsed the 2ha portion of Lot 106 Wills Place (off Pony Place) as the preferred location for the future Oakford Fire Station.
- The Community Infrastructure Implementation Plan, adopted by Council in August 2017 (OCM106/08/17), identifies the Oakford Fire Station as priority 14 of 30. (Note - the context within this document for the facility to maintain on the current site is outdated as resolved by Council in August 2020).

Following confirmation of the funding arrangement for the project and initiation under the Shire's Project Management Framework in October 2022, a consultative concept design process was undertaken via the establishment of a Stakeholder Reference Group, to inform the specifications and concept plan for the design and construct tender.

The Request for Tender RFT 10/2024 – Oakford Bush Fire Brigade Station (Design and Construct) was issued on Saturday, 6 July 2024 and closed at 2pm on Tuesday, 20 August 2024.

The Tender was advertised in the following ways:

- West Australian Newspaper and Shire website (Saturday, 6 July 2024).
- Shire Notice Boards (Monday, 8 July 2024).
- Sound Telegraph and Mandurah Times Newspapers (Wednesday, 10 July 2024).
- Serpentine Jarrahdale and Armadale Examiner Newspapers (Thursday, 11 July 2024).



Community / Stakeholder Consultation

Stakeholder Reference Group

The Stakeholder Reference Group, to inform the specifications and concept plan for the design and construct tender comprised of the following representatives:

Bushfire Service Representatives	Shire Representatives
<ul style="list-style-type: none">• Oakford Bush Fire Brigade Captain• Emergency Support Brigade Captain• DFES District Officer South East• Emergency Service Coordinator• Community Emergency Services Manager (CESM)	<ul style="list-style-type: none">• Director Community Engagement• Coordinator Facility Maintenance• Manager Major Projects• Project Support Officer

The Stakeholder Reference Group met five times over the course of 2023 and 2024.

Department Fire and Emergency Services

Shire Officers have engaged with the Department Fire and Emergency Services (DFES) throughout the project. DFES have provided written confirmation of their financial contribution towards the project, which is provided at **attachments 6 and 7**.

Statutory Environment

Section 3.57 (1) of the *Local Government Act 1995* requires a local government to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply the goods or services.

Division 2 under Part 4 of the *Local Government (Functions and General) Regulations 1996* prescribes the kinds of contracts that must be publicly invited. Regulation 11(1) states:

Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$250 000 unless subregulation (2) states otherwise.

The Regulations also prescribe requirements and processes to apply when undertaking a public tender.

In relation to the award of tenders, Regulation 18(4) states:

Tenders that have not been rejected under subregulation (1), (2), or (3) are to be assessed by the local government by means of a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept and it is to decide which of them (if any) it thinks it would be most advantageous to the local government to accept.

In relation to variation before entering in a contract, Regulation 20(1) states:

If, after it has invited tenders for the supply of goods or services and chosen a successful tenderer but before it has entered into a contract for the supply of the goods or services required, the local government wishes to make a minor variation in the goods or services required, it may, without again inviting tenders, enter into a contract with the chosen tenderer for the supply of the varied requirement subject to such variations in the tender as may be agreed with the tenderer.

**Comment**Tender Submissions

Five (5) submissions were received, and the submissions are summarised in **CONFIDENTIAL attachment 1**.

Tender submissions were received from the following companies:

#	Company Name
1	BE Projects (WA) Pty Ltd
2	Cloudbreak (WA) Pty Ltd
3	Construct360 Pty Ltd
4	Infrastructure Development Builders Pty Ltd
5	Schlager Group Pty Ltd

Evaluation Panel

An evaluation panel was convened and consisted of the following personnel:

- Director Community Engagement;
- Manager Engineering Services;
- Chief Bushfire Control Officer/CESM;
- Manager Facilities;
- Manager Major Projects.

All Evaluation Panel members completed a Declaration of Confidentiality and Interest form. Any declarations were managed in accordance with the Shire's Conflict of Interest procedures and are detailed with **CONFIDENTIAL attachment 1**.

The Manager Major Projects left the panel on their departure from the Shire on 27 September 2024.

Probity Auditor

In accordance with Council Policy 3.2.5 – Procurement of Goods or Services through Public Tendering, a Probity Auditor was appointed for this tender. A copy of the Probity Certificate is contained in **CONFIDENTIAL attachment 2**.

The Probity Certificate concludes the process was fair and equitable and in accordance with the requirements of the RFT document.



Evaluation Criteria

The following evaluation criteria and weightings were used by the tender evaluation panel to assess tender submissions:

EVALUATION CRITERIA						WEIGHTING
Price with quantities						60%
Relevant Experience: Demonstrated relevant experience of the Company in providing the same or similar services to local government, Federal and WA State government bodies, the private sector, or other public sector bodies/organisations over the past five years. Please provide a response which addressed this criterion. You may wish to use the following headings to assist with your response.						15%
Project	Client	Duration	Value	Deliverables	Achieved Results	
Key Personnel, Skills and Resources Capacity to deliver the services including: Key personnel / Professional skills Describe the key personnel who will be involved in the work, including past work of a similar nature Please provide a response which addressed this criterion. You may wish to use the following headings to assist with your response.						10%
Name	Years in Industry	Roles and Responsibility	Experience			
Demonstrated Understanding Companies should detail the process they intend to use to achieve the Requirements of the Specification. Use dot points to explain the process. The process should include a timetable for delivering the services. <ul style="list-style-type: none"> Tenderers should also demonstrate their understanding of the project requirements through their agreement with the Shire’s General Conditions of Contract and Special Conditions of Contract. Tenderers must provide a statement confirming their acceptance of the Shires contract terms, or outline any departures in the following format: 						15%
Clause #	Proposed Alteration	Reason For Alteration				
<ul style="list-style-type: none"> Deviation from the Shires' contracting terms that is considered neither immaterial nor acceptable may lead to a penalty in the tenderer's score. 						



Evaluation Outcome

All tender submissions were assessed against the evaluation criteria and the qualitative and quantitative results of this assessment, and prices are documented in **CONFIDENTIAL attachment 1**.

Following the evaluation of all tender submissions against the selection criteria, the tender submitted by Cloudbreak (WA) Pty Ltd was determined to be the best value for money that meets the Shire's requirements.

The tender evaluation panel therefore recommends the tender submission made by Cloudbreak (WA) Pty Ltd be accepted.

Project Scope

The scope of the project has been developed in line with the Development Application (DA) for the facility, as approved by Council at Ordinary Council Meeting of 20 March 2023 (OCM043/03/23). This has resulted in a scope that suits delivery of a modern and complaint fire station facility set within a rural site. The scope constraints also consider budgetary limitations so that the project can be funded through cost contributions by DFES and the Shire.

Refer to **attachments 4 and 5** for the site scope and building.

The current scope does not include decommissioning of the existing brigade facility, which is located on Lot 197 Nicholson Road, Oakford. It is expected reinstating the site to the owner's expectation and relocating the brigade is likely to require additional funding. This will be the subject of a future report to Council.

Options

The following options have been identified:

Option 1

That Council:

1. AWARDS Tender RFT 10/2024 – Oakford Bush Fire Brigade Station (Design and Construct) to Cloudbreak (WA) Pty Ltd to the value of \$2,451,079 as contained within **CONFIDENTIAL attachment 1**;
2. AUTHORISES the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 10/2024 – Oakford Bush Fire Brigade Station (Design and Construct);
3. AUTHORISES the Chief Executive Officer, in accordance with Regulation 20 of the *Local Government (Functions and General) Regulations 1996* to negotiate a minor variation to the contract to incorporate the following terms into the contract:
 - A Bank Guarantee of 10% (as recommended in the Organisational & Financial Risk Assessment Report)
 - A warranty that the subcontractor 'Collective Design Agency' is subcontracted for the project (as recommended by the Panel in their qualitative assessment)
4. APPROVES the borrowing of an increased self-supporting loan of \$2,260,000 (increased from \$2,095,000) for the Oakford Fire Station;



5. APPROVES the following budget variation:

Account Number	Type	Account Description	Debit \$	Credit \$
6600-80304-6600-0000	Increase Expenditure	Oakford Fire Brigade – Capital Expenditure	535,000	
6600-80304-5043-0000	Transfer From Reserve	Oakford Fire Brigade – Trf From Reserve – Oakford Fire Station Reserve		370,000
TR-200011-210	Increase Loan Drawdown	Oakford Fire Bridge – Self Supporting Loan		165,000

Reason: Increase budget to award tender as well as to reflect the increase in the agreed loan amount and additional contribution from the Shire.

6. AUTHORISES the Chief Executive Officer to negotiate with the Department Fire and Emergency Services the funding contribution amounts for delivery of the project between the Shire of Serpentine Jarrahdale and the Department Fire and Emergency Services and REQUESTS the Chief Executive Officer present a report back to Council at the conclusion of the detailed design phase on the final funding arrangements.

Option 2

That Council

1. DECLINES to accept any tender;
2. REQUESTS the Chief Executive Officer calls new Tenders for design only for the Oakford Fire Station facility.

Option 3

That Council DECLINES to accept any tender.

Option 1 is recommended.

Conclusion

Cloudbreak (WA) Pty Ltd has been assessed as being able to meet the requirements of the proposed contract. The respondent met all of the requirements for Relevant Experience, Key Personnel, Skills and Resources and Demonstrated Understanding and was assessed as providing the best value for money. Notwithstanding the outstanding funding negotiations, Officers are satisfied the risks detailed within this report are being appropriately managed.

Therefore, it is recommended that Council support Option 1 and the contract be awarded to Cloudbreak (WA) Pty Ltd.

Attachments (available under separate cover)

- **10.2.1 - CONFIDENTIAL attachment 1 - RFT 10/2024 - Oakford Bush Fire Brigade Station (Design and Construct) - Evaluation Report (E24/9480)**



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- **10.2.1 - CONFIDENTIAL attachment 2** - RFT 10/2024 - Oakford Bush Fire Brigade Station (Design and Construct) - Probity Certificate (E24/17314)
- **10.2.1 - CONFIDENTIAL attachment 3** - RFT 10/2024 - Oakford Bush Fire Brigade Station (Design and Construct) - Organisational & Financial Risk Assessment Report - Cloudbreak (WA) Pty Ltd (E24/13477)
- **10.2.1 - attachment 4** - Oakford Bush Fire Brigade Station: Site Layout (E24/17737)
- **10.2.1 - attachment 5** - Oakford Bush Fire Brigade Station: Building Layout (E24/17738)
- **10.2.1 - attachment 6** - Oakford Bush Fire Brigade Station: Self Supporting Loan Letter (E24/2546)
- **10.2.1 - attachment 7** - Oakford Bush Fire Brigade Station: DFES confirmation for additional funds - (IN24/8780)

Alignment with our Council Plan 2023-2033

Thriving
1. Plan for the sustainable growth of the Shire of Serpentine Jarrahdale
Liveable
4. Invest in facilities and amenities to meet current and future needs
Connected
2. Contribute to a well-connected, accessible, and healthy community

Financial Implications

DFES have confirmed their contribution to the project being \$2,260,000 as per the letters at **attachments 6 and 7**.

Refer to the table below for details of the Shire's funding contribution:

Budget Description	Current Project Life Budget	Proposed Amended Budget	Budget Variation Required
Funding Sources			
Self-Supporting Loan	(\$2,095,000)	(\$2,260,000)	(\$165,000)
Transfer from Reserve – Oakford Fire Station	(\$344,000)	(\$714,000)	(\$370,000)
Municipal Funding	(\$6,000)	(\$6,000)	-
Total Funding	(\$2,445,000)	(\$2,980,000)	(\$535,000)
Expenditure			
Capital Expenditure	\$2,445,000	\$2,980,000	\$535,000
Total Expenditure	\$2,445,000	\$2,980,000	\$535,000



Continued

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Negotiations are being undertaken with DFES to determine the funding split to cover the project costs and until these are finalised the final contribution from each party towards the project cost cannot be confirmed. Council awarding the Tender concludes the Tender assessment process and allows for discussion between the contractor, DFES, the Shire to determine the correct apportionment of the costs for the project. Officers have attempted to reach this position through formal tender clarifications, however, given the formality this process requires, a final position was not able to be fully ascertained. Once the cost split is finalised between the Shire and DFES, a report will be presented to Council seeking a further budget variation.

The design and construction contract value of this tender is \$2,451,840 (Excluding GST). However, in addition to the contract amount, the project budget also needs to include the following elements:

Element	Cost (\$)
Shire Project Management Costs	\$283,000
Other Fees (provisional sum for further work by externals ie consultancy)	\$50,000
Design Contingency	\$50,240
Construction Contingency	\$125,600
Expenditure to date	\$237,990
Total	\$746,830

Therefore, the proposed budget for the project is **\$3,197,909**.

There is a shortfall of \$217,909 that is subject to negotiations with DFES and completion of the detailed design phase. Whilst the amount of the contract is unlikely to change, the funding split between the Shire and DFES will result in confirmation of shortfall funding responsibility.

Nevertheless, Officers are proposing to amend the budget to reflect the funding currently available for the project.



Risk Implications

Risk has been assessed on the Officer Options:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	The tender is awarded, and the company does not agree to contract terms leading to prolonged negotiations or the need to retender resulting in a delay to project delivery.	Tender documentation includes a copy of the proposed contract.	Organisational Performance	Unlikely	Minor	LOW	Nil
2	Not awarding the tender and commencing an RFT for design phase only will result in the project timeframes being delayed which could disaffect the stakeholders.	Regular communication and project updates to stakeholders.	Reputation	Likely	Moderate	SIGNIFICANT	Nil
3	Not awarding the tender and ceasing the project may result in dissatisfaction with stakeholders and community.	Nil	Reputation	Likely	Moderate	SIGNIFICANT	Nil



Voting Requirements: Absolute Majority

Officer Recommendation

That Council:

1. **AWARDS** Tender RFT 10/2024 – Oakford Bush Fire Brigade Station (Design and Construct) to Cloudbreak (WA) Pty Ltd to the value of \$2,451,079 as contained within CONFIDENTIAL attachment 1;
2. **AUTHORISES** the Chief Executive Officer to sign a contract on behalf of the Shire of Serpentine Jarrahdale for Tender RFT 10/2024 – Oakford Bush Fire Brigade Station (Design and Construct);
3. **AUTHORISES** the Chief Executive Officer, in accordance with Regulation 20 of the *Local Government (Functions and General) Regulations 1996* to negotiate a minor variation to the contract to incorporate the following terms into the contract:
 - A Bank Guarantee of 10% (as recommended in the Organisational & Financial Risk Assessment Report)
 - A warranty that the subcontractor ‘Collective Design Agency’ is subcontracted for the project (as recommended by the Panel in their qualitative assessment)
4. **APPROVES** the borrowing of an increased self-supporting loan of \$2,260,000 (increased from \$2,095,000) for the Oakford Fire Station;
5. **APPROVES** the following budget variation:

Account Number	Type	Account Description	Debit \$	Credit \$
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Reason: Increase budget to award tender as well as to reflect the increase in the agreed loan amount and additional contribution from the Shire.

6. **AUTHORISES** the Chief Executive Officer to negotiate with the Department Fire and Emergency Services the funding contribution amounts for delivery of the project between the Shire of Serpentine Jarrahdale and the Department Fire and Emergency Services and **REQUESTS** the Chief Executive Officer present a report back to Council at the conclusion of the detailed design phase on the final funding arrangements.