

ITEM NO: 7

SUBJECT: TENDER FOR THE CONSULTANCY SERVICES FOR THE DESIGN AND DOCUMENTATION FOR THE KATOOMBA CIVIC CENTRE AND LANEWAY CONNECTIONS – RFT 2007-005

FILE NO: F03616

Recommendations:

- 1. That the Council accepts the tender submitted by McGregor Westlake Architecture Pty Ltd (MWA) for the provision of consultancy services for the design and documentation for the Katoomba Civic Centre and Laneway Connections for the cost of \$307,285 (\$279,350 + \$27,935 GST).*
 - 2. That the Council approve expenditure up to \$338,013.50 (which is made up of \$279,350 tender, plus contingency of \$27,935.00, plus \$30,728.50 GST) which includes a 10% contingency.*
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Report by the Group Manager, Community & Corporate:

Reason for Report

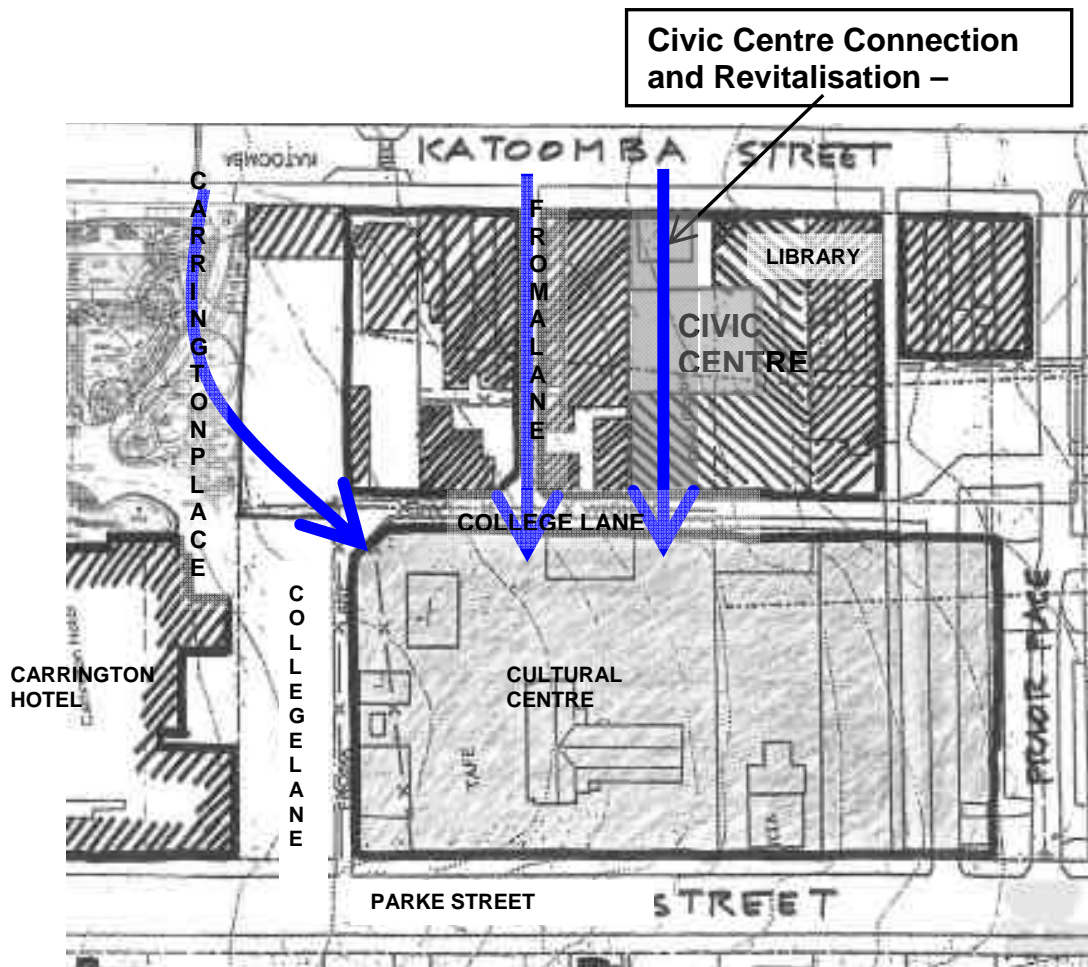
The Council Tendering Policy and the estimated cost of the consultancy services determined that tenders should be called for the provision of consultancy services for the design and documentation for the Katoomba Civic Centre and Laneway Connections. Resolution by the Council is required for the preferred tender to be formally accepted based on the recommendations in this report.

Background

The Blue Mountains Cultural Centre and new Katoomba Library are intended to showcase the Blue Mountains' unique artistic life, world heritage environment, and culture in a remarkable cultural and educational precinct. It is to be a place that offers fluid interaction between art, culture, education and townscape.

The Council's aim is to develop a landmark building featuring public art, environmentally sustainable design principles and state-of-the-art technology. It will provide a community, educational and cultural meeting place and inject fresh life into Katoomba.

The development is intended to be a key element in the revitalisation of the Katoomba town centre, and is to be a landmark attractor, providing state-of-the-art cultural and library facilities for the Blue Mountains and adjoining regions. Consequently, it is essential that strong connections are created to and from the site to the Katoomba town centre and to other parts of the CBD to contribute to the success of the project.



The tender includes the provision of design and documentation consultancy services for the following linkage projects:

- The establishment of a connection through the Civic Centre site and the revitalisation of the Civic Centre;
- The development of a strong pedestrian connection through a refurbished Froma Lane; and
- The development of a new strong pedestrian connection through Carrington Place.

The pedestrian connections are critical to the viability of the Cultural Centre and in turn, to the commercial activity in Katoomba Street. The quality of these linkages is essential to achieve the Council’s objectives for the Cultural Centre; therefore it is essential to select a quality consultant team that can deliver the statement of requirements as outlined in the Request for Tender (RFT) document.

The Tender

Open tenders were called in accordance with the Council Tendering Policy. The tender was advertised in the Sydney Morning Herald on 19 February 2008 and 26 February 2008 and in the Blue Mountains Gazette on 20 February 2008 and 27 February 2008. The tender was also advertised on the Council’s website, with the RFT available for free download from WSROC’s eTendering website portal on the NSW Governments Department of Commerce website. RFT documents were released to seventy nine (79) potential tenderers.

Tenders closed at 2.00pm on Wednesday, 12 March 2008.

Evaluation Criteria

The following table sets out the evaluation criteria for determining the value for money represented by the tenders. The criteria are those notified to tenderers in the RFT. The panel applied these criteria to evaluate the tenders.

Evaluation criteria were weighted as follows:

	Description	Rounded Weighting (Sum = 100%)
A	Vendor Profile	10 %
B	Response to Statement of Requirement	57 %
C	Compliance Pricing Declaration	33 %

The various individual components of the Vendor Profile and Response to the Statement of Requirement were assessed by the panel for each tenderer.

The Tender Evaluation

A Tender Evaluation Panel (hereafter referred to as the panel) was established to evaluate the submissions in accordance with the assessment criteria and processes specified within the RFT documents. The panel, which was made up of five (5) Council staff, was required to establish which tender offers the most benefit to the Council.

A comprehensive confidential tender evaluation report is available on file for Councillors reference. The tender evaluation process comprised of nine (9) stages as defined in the Request for Tender (RFT) document, which are summarised below:

Stage 1 - Opening of the Tender Box

Three (3) submissions were received from the following companies:

- Borst Architects (Borst);
- Wayne McPhee & Associates (McPhee);
- McGregor Westlake Architecture (MWA).

Each tender lodged with the Council in response to this RFT was initially assessed to ensure that the tender has been submitted by the closing time and at the time of opening the tender, the tenders meet the minimum content and format requirements specified in the RFT. All three tenders were submitted by the closing time and did meet the minimum content and format requirements.

Stage 2 - Conditions for Participation Evaluation

Tenders were assessed against the Conditions for Participation. All tenders met this mandatory requirement.

Stage 3 - Compliance Evaluation

Tenders were assessed against compliance requirements stipulated in the RFT. All tenderers met this mandatory requirement.

Stage 4 – Technical Worth (Evaluation Criteria)

An initial quantitative and qualitative assessment of the response to the Statement of Requirement was undertaken to determine the degree of effectiveness against the weighted Evaluation Criteria. The initial scoring is outlined in the following table:

Tenderer	Efficiency (ability to meet Statement of Requirement)
MWA	93 %
McPhee	80 %
Borst	57 %

The panel identified a significant efficiency gap (i.e, the difference between what is offered in a tender and what is required by the Council) in the Borst submission and undertook a gap analysis to determine the possible materiality of any weaknesses of that tender.

The gap analyses presented a 23% gap between Borst and McPhee, and 36% gap between Borst and MWA. Following a detailed analysis of the efficiency gap the panel determined the Borst submission was lacking to an unacceptable degree in the essential areas of the Statement of Requirement.

The RFT advised tenderers that any tender demonstrating a significant gap, which would reduce the likelihood of the Council achieving the stated objective, may be excluded from further consideration in the evaluation process at this stage. Based on the Borst gap analysis that identified a significant gap in the essential areas of the Statement of Requirement, the panel excluded Borst Architects Pty Ltd from further consideration in the evaluation process.

Stage 5 – Price Evaluation

Following the risk assessment, the panel proceeded to Stage 5 price evaluation, and considered pricing details for the remaining tenders.

Tenderer	Price
MWA	\$279,350 + GST
McPhee	\$240,000 + GST

The relative value for money of the tenderers when considering the other criteria was addressed in stage 9.

Stage 6 – Risk Analysis

The panel also identified risks associated for both short-listed tenderers in their ability to deliver the Statement of Requirement.

In developing a Risk Profile for a tenderer, the panel undertook a Risk Analysis of any risk issues identified. In developing a Risk Profile for a tenderer, the panel performed referee checks for both short-listed tenderers. The panel documented the results of these referee reports and scored the short-listed tenderers accordingly.

The panel found that McPhee scored a risk magnitude of Medium to High, and MWA scored Low to Medium in areas where the Council has extremely limited influence (which means that it is largely beyond the capacity of the Council to manage the risk).

MWA is shown to offer the most risk effective solution, with McPhee offering the least risk effective offer.

Stage 7 and 8 – Presentations and Interviews

In developing a risk profile for a tenderer, the panel decided that it would be of benefit to request the two short-listed tenderers to provide a presentation and attend an interview for the purpose of demonstrating how their tender addressed the Statement of Requirement.

MWA provided the panel with a very comprehensive and detailed graphic presentation outlining their understanding of the Statement of Requirement, and how they would deliver the Statement of Requirement. They presented a detailed knowledge and involvement in a broad range of similar projects in the public domain, such as laneway connections, squares, retail, rail interchange connections, community buildings and town centre framework. They also provided a comprehensive overview of their proposed team, covering each required discipline.

McPhee provided the panel with a verbal outline of their understanding of the Statement of Requirement and some projects that had limited reference, such as a sport centre, college and town hall.

The RFT advised tenderers that any tender demonstrating unacceptable risk, which would reduce the likelihood of the Council achieving the stated objective, may be excluded from further consideration in the evaluation process.

As an outcome of the presentations and interviews, the panel agreed that they now had additional information to more accurately score the short-listed tenderers. The panel reviewed all assessment criteria and adjusted the scores for the short-listed tenderers as necessary, with the following outcome:

Tenderer	Efficiency (demonstrated ability to meet the Statement of Requirement following presentations)
MWA	94.28 %
McPhee	74.88 %

Stage 9 – Evaluation Recommendations

Tenders were assessed to determine their relative ability to satisfy the overall requirement (Technical Worth) at a competitive cost (Cost Analysis) and at an acceptable risk (Risk Analysis).

Cost Effectiveness Report			
Vendor	Cost	Effectiveness	Cost per Percentage Effectiveness
MWA	\$279,350	94.28%	\$2,963.00
McPhee	\$240,000	74.88%	\$3,205.10

Based on a cost per percentage effectiveness MWA is more cost effective.

The preferred tenderer is recommended on a value for money basis and their ability to deliver the Council’s project objectives as outlined in the Statement of Requirements.

The panel established MWA is best placed tenderer to deliver the Council’s project objectives as outlined in the Statement of Requirements based upon a clear and demonstrated methodology and capability in:

- Vision and understanding of what is involved in the project;
- Relevant experience of the proposed team in similar projects;
- Consultation methodologies; and
- Vision and knowledge regarding the integration of public art into the project.

Evaluation of Value for Money and Risks

Value for money is a comprehensive assessment that takes into account:

- Cost represented by the assessment of price;
- Value represented by the technical assessment; and
- An assessment of risk in the context of the risk profile presented by the tenderer.

The panel reviewed the Royal Australian Institute for Architects (RAIA) standard scale of fees. The panel noted RAIA recommends 7-18% of the total project budget (\$2,970,000.00) be the cost of architectural services depending on the complexity of the works. The panel noted all submissions appeared to be on the low side of the expected cost range (\$237,600 to \$534,600), and decided that based upon the complexity of the design and documentation of the Civic Centre and Laneway Connections the prices were fair and reasonable.

TBL Sustainability Assessment

The sustainability assessment relates to the recommended tenderer, MWA.

Effects	Positive	Negative
Environmental	<ul style="list-style-type: none"> • MWA have stated they are an environmentally aware firm that undertake actions to minimise their negative impacts on the environment. 	Nil
Social	<ul style="list-style-type: none"> • The selection of a quality firm with the essential relevant experience will ensure that quality linkages are established. This will contribute to the vibrancy of the cultural centre precinct and Katoomba Street. 	Nil
Economic	<ul style="list-style-type: none"> • MWA has the best price effectiveness on a value for money basis. Their price falls within the budgeted amounts for the 07/08 year and the 08/09 year. • The selection of a quality firm with the essential relevant experience will ensure that quality linkages are established. This will contribute to the economic viability of the cultural centre and the businesses in Katoomba Street. 	Nil

Financial Implications for the Council

The design and documentation of the Civic Centre and Laneway Connections is to be funded from the current 2007/2008 Capital Works Program Budget (\$50,000) and the draft 2008/2009 Capital Works Program Budget includes \$ 700,000 for the Katoomba Civic Centre and laneway connections.

Legal and Risk Management Issues for the Council

The tender process has been conducted in accordance with the Council Procurement Policies. The Tender Review Committee (TRC) has reviewed the tender procedures and is satisfied as to the fairness of the process and that the process has complied with policies. There are no identified legal or risk management issues related to this matter.

External Consultation

No external stakeholder consultation was undertaken.

Conclusion

Based on the assessment of the tenders received, it is recommended that the Council accepts the tender submitted by McGregor Westlake Architecture Pty Ltd (MWA) for the provision of consultancy services for the design and documentation for the Katoomba Civic Centre and Laneway Connections for the cost of \$279,350.00 exclusive of GST.

It is recommended that the Council approve expenditure of \$307,285.00 exclusive of GST (\$279,350.00 + \$27,935.00) which includes a 10% additional contingency.

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