

12.0 REPORTS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

12.B OFFICERS

12.B(i) TENDER – LEONORA SWIMMING POOL RE-TILING AND ASSOCIATED WORKS

SUBMISSION TO: Meeting of Council
Meeting Date: 15th March, 2022

AGENDA REFERENCE: 12.B (i) MAR 22

SUBJECT: Tender – Leonora Swimming Pool Re-Tiling and Associated Works

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: Shire of Leonora

FILE REFERENCE: Tenders General – 10.7

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 9th March, 2022

BACKGROUND

On the 1st December, 2021, Request for Tender (RFT) to undertake the removal and re-tiling of the Leonora Swimming Pool including replacement of existing concourse paving was advertised in the West Australian.

On the 14th January, 2022 an addendum was issued advising that submissions of Tenders had been extended from 2:00pm 20th January, 2022 until 2:00pm 3rd February, 2022.

Submissions were received from the following:

- Paragon Construction Solutions Pty Ltd
- Calimo Pty Ltd (Majstrovich Building Company)
- Safeway Building & Renovations Pty Ltd

Tenders were opened after the closing date and time with both Chief Executive Officer and Deputy Chief Executive Officer in attendance. All prices exclude the GST.

Tenderer	Price
Paragon Construction Solutions Pty Ltd	\$1,139,187.48
Calimo Pty Ltd (Majstrovich Building Company)	\$1,278,000.00
Safeway Building and Renovations Pty Ltd	\$1,729,556.00

On the 4th March, 2022 I emailed all three tenderers advising that the prices submitted were well in excess of Council's expectations and as such, the project could not proceed without considerable savings being identified. I did ask of each tenderer if they could review their original documentation and provide a response prior to 2:00pm Wednesday 9th March, 2022 with any new figures.

Today, being the 9th March, 2022, all three tenderers have submitted revised prices (GST Exclusive).

Tenderer	Price
Paragon Construction Solutions Pty Ltd	\$834,829.96
Calimo Pty Ltd (Majstrovich Building Company)	\$941,000.00
Safeway Building and Renovations Pty Ltd	\$1,429,236.00

Even though Paragon have submitted the lowest of all tenders, the following also needs to be considered.

The savings offered by Safeway do not reduce their original quotation to a low enough level to even consider their submission.

A detailed breakdown of the individual costs for each item within the Scope of Works, as well as clarification on calculations noted below will be provided to Councillor's separately, as the nature of the information contained within this document has been deemed Commercial in Confidence and not suitable for public distribution.

As it stands, the revised quotation by Paragon Construction Solutions Pty Ltd appears to be \$106,170 lower than Calimo Pty Ltd, in their endeavour to make reductions in project costs, however, the Paragon proposals do not make allowances for contingencies, pool covers, lane ropes, ss handrails and fittings, or paving, calculated to be worth approximately \$162,623.00.

In my opinion, this means that Calimo Pty Ltd's proposal represents a better value by \$56,840.00.

Furthermore, it must also be considered that if the paving was to be re-instated to the Paragon offer, it is most likely, that based on their revised scope price – clean and relay maximum of 20sqm, it is unlikely that they would match the Calimo price for a complete removal and relay. This would make the difference between Calimo and Paragon even greater than the \$56,840.00 reckoned.

Tenders have now been re-assessed according to price, skills and experience, and capacity to undertake the works.

STATUTORY ENVIRONMENT

Local Government (Functions and General) Regulation 11(2)(c)(ii) states that Tenders do not have to be publically invited if the Local Government has under regulation 21(1) sought Expressions of Interest with respect to the supply of goods and services but no person was, as a result, listed as an acceptable tenderer.

Local Government (Functions and General) Regulation 24 states that the CEO is to give each person who submitted an expression of interest notice in writing –

- (a) containing particulars of the persons the CEO has listed under regulation 23(4) as acceptable tenderers,
- (b) advising that the local government has decided not to invite tenders because no expression of interest that it considered was from a person who it thinks would be capable of satisfactorily supplying the goods and services; or
- (c) informing the person of any other outcome if neither paragraph (a) nor (b) is appropriate.

Section 3.57 of the *Local Government Act 1995* and Division 2 Part 4 of the *Local Government (Functions and General) Regulations* provide for tender process to be followed by local governments.

POLICY IMPLICATIONS

Regional Price Preference Policy has not been applied in this case.

FINANCIAL IMPLICATIONS

When the budget was adopted on the 27th July, 2021, expenditure for the upgrade of the Swimming Pool was not included as funds were not available.

On the 20th October, 2021, guidelines for Phase 3 of the Local Roads and Community Infrastructure Program were announced.

Leonora was allocated \$880,830.00 which will be included in the Budget Review Documents. This together with a transfer of \$258,357.48 from the Pool Reserve Account will satisfy financial obligations.

STRATEGIC IMPLICATIONS

The pool built in 2004 has now reached the stage where urgent repairs are required. Hopefully, by upgrading now, we will extend its use for another 20 years. Project works involve the replacement of certain materials that have deteriorated, in the main removing and re-tiling parts of the pool together with removing and replacing concrete paving. The estimated cost of building a new facility would exceed \$5 million and is not a viable option within the Shire's long term financial plan.

RECOMMENDATIONS

That Council accept the tender submitted by Calimo Pty Ltd (Majstrovich Building Company) for the removal and re-tiling of the Leonora Swimming Pool including replacement of existing concourse paving, amounting to \$941,000.00 excluding GST.

VOTING REQUIREMENT

Simple majority required.

SIGNATURE

Chief Executive Officer