

16.2 LATE ITEM - SKATEPARK SHADE PROGRAM 13/14

File No:	CP.613
Responsible Executive Officer:	Director Community Services
Reporting Author:	Community Project Officer
Date of Report:	13 February 2014
Applicant/Proponent:	Leisure Services
Disclosure of Interest:	Nil
Attachment(s)	Nil

PURPOSE

To seek Council direction for the method of procurement for the design and construction of permanent shade structures at the Karratha Skate Space and the Nickol West Skatepark following an unsuccessful tender process.

BACKGROUND

The 2013/14 Shire budget allowed for a high quality permanent skatepark shade structure to be designed and constructed at the Karratha skate Space located at the Youth Shed and the Nickol West Skatepark.

The Shire called for Tenders from suitably qualified persons between 22 January 2014 to 12 February 2014 to design, fabricate and install the permanent shade structures at the two skatepark sites. Unfortunately the Shire received no submissions for this Tender. Anecdotally, over the previous 4 years minor works tenders have received a strong response, particularly from local providers, and 3-4 weeks is typically a suitable advertising period for these works.

Leisure Services considers the tender process via Tenderlink to currently be a deterrent for minor works projects. Since the Shire commenced using Tenderlink in 2013; minor works projects with a budget under \$1m have received very little to no responses, especially from local providers. The Tenderlink process has been very successful for larger projects with bigger companies being comfortable and seemingly more willing to use an electronic tender lodgement service. A review of the use of Tenderlink service is currently being undertaken by Shire management. Options for the future use will be discussed with Council at a later date.

Shire Officers have considered the options now available to procure a contractor for these works, based on the scope of works outlined in the Tender (RFT 28-13/14), and consider the most advantageous option to be negotiation directly with the market; locally in the first instance.

LEVEL OF SIGNIFICANCE

In accordance with Council Policy CE-8 Significant Decision Making Policy, this matter is considered to be significant due to the positive impact on the community when permanent shade structures are built in the Shire youth spaces. Additionally, this matter will not affect Council's ability to perform its role.

COUNCILLOR/OFFICER CONSULTATION

Consultation has taken place between Shire officers from Strategic Projects, Building Maintenance and Leisure Services. Through consultation the agreed approach is to seek Council support to direct the CEO to negotiate with the market to deliver the Skatepark Shade Program 13/14.

The three options that were identified for procurement are outlined below:

- 1) Procurement by way of Request for Tender for the second time. This process will delay the project timeline by approximately 4-6 weeks. The Shire also runs the risk of having no responses for the second time and further delaying the project.
- 2) Procurement by formal Request for Quotation. This process will involve targeting a large number of suppliers directly and allowing a further 4-6 weeks lead time for responses. This will impact on the delivery deadline for the project.
- 3) Procurement by direct negotiation with the market. This process will involve the Shire negotiating directly with preferred suppliers. This process will allow for streamlined procurement and no delays in delivering the project scope within the 2013/14 financial year.

COMMUNITY CONSULTATION

No community consultation is required at this stage of the project. Community consultation occurred during the preliminary stages of the project.

STATUTORY IMPLICATIONS

Section (s. 3. 57) of the *Local Government Administration Act 1995* which refers to the *Local Government (Functions and General) Regulations 1996*, Part 4 Provision of goods and services, Division 2 Tenders for providing goods or services and states the following:

Section 11. When tenders have to be publicly invited

(2) Tenders do not have to be publicly invited according to the requirements of this Division if –

(c) within the last 6 months —

(i) the local government has, according to the requirements of this Division, publicly invited tenders for the supply of the goods or services but no tender was submitted that met the tender specifications.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

Council has allocated \$400,000.00 within the 2013/14 Shire budget towards the design, fabrication and installation of permanent shade structures at the Karratha Skate Space and Nickol West Skatepark.

The options to Request for Tender for the second time or Request for Quotation will directly impact on the Skatepark Shade Program 13/14 practical completion date due to the minimum of a further four to six weeks to manage the procurement process. These two options will also require the funds for the project to be carried over to the 2014/15 financial year.

Shire Officer's preference is to directly negotiate with market for suitably qualified persons and deliver the Skatepark Shade Program within the 2013/14 financial year.

STRATEGIC IMPLICATIONS

This item is relevant to the Council's approved Strategic Community Plan 2012-2022 and Corporate Business Plan 2012-2016. In particular the Operational Plan 2013-2014 provided for this activity:

Our Program: 1.a.2.6 Operate Community Facilities

Our Services: 1.a.2.6.3 Implement Sports, Recreation and Leisure Strategic Plan

RISK MANAGEMENT CONSIDERATIONS

Should Council wish to endorse an alternative to Officers recommendation, risks would include potential time delays, the need to roll over funds to the 14/15 year and the possibility of receiving no submissions again. Alternative, a risk associated with Officers recommendation is the best value for money may not be achieved by approaching the market directly.

IMPACT ON CAPACITY

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

RELEVANT PRECEDENTS

Council have previously supported the CEO to negotiate directly with the market, for procurement of projects over the delegated authority of \$300,000, in order to deliver the project within planned financial year.

VOTING REQUIREMENTS

Simple Majority

OPTIONS:

Option 1

As per Officer's recommendation.

Option 2

That Council by SIMPLE Majority pursuant to Section 6.8 of the *Local Government Act 1995* RESOLVES to DIRECT the Chief Executive Officer to re-Tender for the design and construction of permanent shade structures at the Karratha Skate Space and Nickol West Skatepark.

Option 3

That Council by SIMPLE Majority pursuant to Section 6.8 of the *Local Government Act 1995* RESOLVES to DIRECT the Chief Executive Officer to request quotations for the design and construction of permanent shade structures at the Karratha Skate Space and Nickol West Skatepark.

CONCLUSION

Shire Officers released a Tender for the Skatepark Shade Program 13/14 on 22 January 2014 and did not receive any submissions. After identifying three procurement options to deliver the project, Shire officers identified the best approach being direct negotiation with the market, based on the scope of works outlined in the Tender (RFT 28-13/14). This approach will deliver the project within the 2013/14 financial year.

OFFICER'S RECOMMENDATION

That Council by SIMPLE Majority pursuant to Section 6.8 of the *Local Government Act 1995* RESOLVES to DIRECT the Chief Executive Officer to negotiate with the market to attract a suitably qualified person(s) to deliver the design and construction of permanent shade structures at the Karratha Skate Space and Nickol West Skatepark.