



**TO:** CHIEF EXECUTIVE OFFICER

**CC:** MANAGER INFRASTRUCTURE CAPITAL WORKS  
COORDINATOR DESIGN  
COORDINATOR CONSTRUCTION

**FROM:** DIRECTOR ASSETS

**FILE REF:** 42182 21/279476

**DATE:** 5 JULY 2021

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**REQUEST FOR TENDER 21042  
PROVISION OF MATERIAL TESTING SERVICES**

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**Issue**

To consider Tender 21042 – Provision of Material Testing Services for a three (3) year period with two, twelve month options to extend.

**Background**

The present contract (18170) arrangements for these services with Aslab Pty Ltd expires on 2 September 2021.

Due to the continuous need for materials testing services on sites associated with construction and maintenance activities, term contract arrangements are currently utilised by the City. Materials testing activities are an imperative quality control requirement to ensure compliance with specification requirements for in house day labour activities. Many contracts require contractors to undertake routine material testing at their own expense utilising their own sub-contracted materials testing provider, however it is vital that the City also utilise its own materials testing term contractor to audit contract activities to satisfy specification compliance requirements.

The Request for Tender document, as advertised, incorporated a specification and schedule of rates items compliant with National Association of Testing Authorities (NATA) requirements.

The tender submission received was responsive to these requirements and provided a compliant submission. No Addendums were issued during the tender period.

## Tender 21042 – Provision of Material Testing Services

### Details

Tender No. 21042 for the Provision of Material Testing Services within the City of Wanneroo was advertised on 1 May 2021 and closed on 25 May 2021.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Goods and Services
Contract Type	Schedule of Rates
Contract Duration	3 years
Commencement Date	1 September 2021
Expiry Date	31 August 2024
Extension Permitted	Yes, two (2) extension periods of 12 months
CPI Price Adjustment	Yes, applicable for two (2) 12 month extension periods
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions

### Tenders Received

One tender submission was received as defined below:

Tenderer	
Aslab Pty Ltd	"Aslab"

This submission was accepted for tender evaluation on the basis that the submission was compliant and worthy of inclusion in the tender evaluation process.

The Tender Evaluation Panel (TEP), consisting of two Project Managers and the Maintenance Engineer and the City's OSH Officer, evaluated the tender submissions in accordance with the following selection criteria defined in the Procurement and Evaluation Plan (PEP).

The PEP included the following selection criteria:

Item No	Description	Weighting
1	<b>Sustainable (Corporate Social Responsibility) Procurement</b> a. Environmental Considerations 5% b. Buy Local 15% c. Reconciliation Action Plan 2.5% d. Disability Access & Inclusion 2.5%	25%
2	*OSH	20%
3	*Organisational Experience*	35%
4	*Resources, Capacity and Methodology*	20%

Pricing is not included in the qualitative criteria and is considered as part of the overall value for money assessment. Tenderers must achieve a minimum acceptable qualitative score (as determined by the City) and for each of the qualitative criteria detailed above (\*) to be considered for further evaluation.

### **Probity Oversight**

Submissions were evaluated in accordance with the Procurement and Evaluation Plan (PEP) with oversight from the City's Contracts Officer.

### **Evaluation Criteria 1 – Sustainable Procurement (25%)**

Evidence of Sustainable (Corporate Social Responsibility) Procurement was assessed based on the Tenderers' responses provided within the Questionnaires provided in Schedules 3A, 3B, 3C and 3D that were included in the tender documentation.

#### **Sub Criteria a) - Environmental Considerations (5%)**

The City is committed to procuring goods and services that provide the most positive environmental, social and economic impacts over the entire life cycle of a product or service. Tenderers are encouraged to provide credentials of any environmental claims of the goods and/or services being submitted in this Tender.

Aslab provided satisfactory details relating to environmental considerations within Schedule 3A.

#### **Sub Criteria b) - Buy Local (15%)**

The City encourages the development of competitive local businesses within the geographical boundaries of the City first and secondly within the broader region. This commitment includes, but is not limited to:

- Purchasing locally made and sourced goods/services;
- Inviting local businesses to participate in quotation, tender and expressions of interest opportunities;
- Providing an advantage to businesses based within the City's boundaries;
- Providing an advantage to businesses, which can demonstrate economic benefit to the City's community such as employing local residents/sub-contractors and/or purchasing goods/services from local providers.

Aslab provided satisfactory details relating to buy local considerations within Schedule 3B.

#### **Sub Criteria c) - Reconciliation Action Plan (RAP) (2.5%)**

The City's vision for reconciliation is to create an inclusive community with strong relationships across cultures based on mutual respect and understanding. The Reconciliation Action Plan (RAP) was developed to realise this vision. As part of the RAP, the City is committed to procuring goods/services from suitably qualified Aboriginal and Torres Strait Islander businesses where practical.

Tenderers were encouraged to provide how their Tender submission can contribute to the achievement of this/these outcome(s), or what similar initiatives are undertaken within their own company.

Key consideration of responses provided relate to:

- RELATIONSHIPS - building positive relationships between indigenous and non-indigenous people
- RESPECT – recognising the contribution of Indigenous people to Australia and learning more about the history, culture and diversity in a two-way communication process

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- OPPORTUNITIES – attracting, developing and retaining organisational talent to build opportunities for aboriginal employment, training, development and mentoring.

Aslab provided satisfactory details relating to RAP considerations within Schedule 3C.

### **Sub Criteria d) - Access & Inclusion Plan (AIP) (2.5%)**

The City's commitment to access and inclusion is also demonstrated within the City's core business and *Strategic Community Plan 2017/18 – 2026/27*. Consistent with the Strategic Community Plan and the City's AIP, agents and contractors are required to read and to the extent practicable, implement the relevant strategies of the City of Wanneroo AIP.

The City encourages its agents and contractors to adopt similar initiatives as outlined in the City's AIP within their own organisations. Tenderers are encouraged to provide how their Tender submission can contribute to the achievement of this/these outcome(s), or what similar initiatives are undertaken within their own organisation.

Aslab provided satisfactory details relating to AIP considerations within Schedule 3C.

### **Consolidated Overall Sustainable Procurement Ranking Summary**

Aslab has a general commitment to sustainable procurement objectives most strongly reflected in the company use of solar power at its laboratory, recycling and water re-use practices. Local economic support opportunities are limited and while there is expressed recognition of RAP and AIP compliant practices, company defined policies and practices are yet to be developed.

### **Evaluation Criteria 2 - Tenderer's Occupational Health and Safety Management Systems (20%)**

Aslab's response to the Safety Management System Questionnaire questions was assessed to be marginal; additional information was sought to satisfy the TEP that the company has adequate safety management measures established.

### **Evaluation Criteria 3 – Tenderer's demonstrated experience relative to this Tender (35%)**

Relevant experience in demonstrating the achievement of meeting client expectations as presented in their tender submission was assessed in order to evaluate their capability to meet the requirements of the contract. Assessment of their tender submission against this criterion examined the tendering entity's credentials to fulfil the requirements of the contract.

Aslab provided satisfactory details relating to this evaluation criterion. The company has a strong metropolitan local government service provision record characterised by excellent communication with fast response at short notice to testing requirements.

### **Evaluation Criteria 4 - Tenderer's resources, capacity and methodology to meet the requirements of the Contract (20%)**

The methodology and resources as presented in their tender submission was assessed in order to evaluate their capacity to meet the requirements of the contract.

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Assessment against this criterion considered their staff resources, vehicles, plant/equipment and supply approach to manage the contract.

Aslab provided satisfactory details relating to this evaluation criterion although resources were not comprehensively defined. The methodology demonstrates a sound understanding of service needs with very good performance to timeline records.

### **Overall Qualitative Weighted Assessment and Ranking**

Aslab's submission was reviewed in accordance with the Procurement and Evaluation Plan with the following key observations:

- Price is not weighted and is not included in the overall value for money assessment of this tender in response to receipt of only one submission.
- The tender submission was evaluated in accordance with the qualitative criteria and weightings as detailed in the Procurement and Evaluation Plan, and was assessed against sustainable procurement as well as the necessary experience, resources, methodology and safety management systems required to undertake the contract requirements.
- The final assessment result determined that Aslab's tender submission included moderate evidence that the company has the necessary resources, previous experience, ability and adequate management systems to undertake the contract, subject to an independent financial check audit.

### **Value for Money (VFM) Assessment**

An average 20% increase in rates has been identified in the tender submission in comparison to expiring rates. However, rates are fixed for a 3-year period which equates to approximately a 6% annual increase in rates which can be considered to be within the realm of competing market rates. Material testing expenditure is a small proportion of most project costs funded from the capital work budget, there is no significant unacceptable adverse impact from the increased rates.

### **Overall Assessment and Comment**

In summary, Aslab provided a tender submission in accordance with the terms of the tender document which was evaluated to fully meet the City's supply needs with tendered rates assessed to be acceptable. Acceptance of Aslab's tender submission as the recommended tenderer has been determined from the tender assessment process.

### **Consultation**

Primary stakeholder Asset Maintenance and Infrastructure Capital Works staff were consulted in advance of the tender process to ensure procurement arrangements fully meet this organisation's needs.

### **Statutory Compliance**

Tenders were invited in accordance with the requirements of Section 3.57 of the *Local Government Act 1995*. The tendering procedures and evaluation complied with the requirements of Part 4 of the *Local Government (Functions and General) Regulations 1996*.

### Strategic Implications

The proposal aligns with the following objective with the Strategic Community Plan 2017 – 2027:

- “3. Environment – Built Environment
  - 3.2 – Enhanced Environment
  - 3.4 – Activated Places”

### Enterprise Risk Management Considerations

<b>Risk Title</b>	<b>Risk Rating</b>
CO-007 Purchasing	Low
<b>Accountability</b>	<b>Action Planning Option</b>
Director Corporate Strategy and Performance	Manage
<b>Risk Title</b>	<b>Risk Rating</b>
CO-O08 Contract Management	Low
<b>Accountability</b>	<b>Action Planning Option</b>
Director Corporate Strategy and Performance	Manage

### Broader Economic Impact Implications for the City of Wanneroo

The Tender document included consideration of tenderer local employment and local purchasing arrangements as an assessment criterion. The provision of the material testing service ensures high quality control on infrastructure build maximising whole of asset life benefits.

### Purchasing Policy Implications

Tenders were invited in accordance with the requirements of the City's Purchasing Policy.

### Financial and Performance Risk

#### Financial Risk

An Express Financial (Credit) check of Aslab's financials was sought from Equifax Australasia Credit Ratings Pty. Ltd. resulting in a “Very Strong” rating.

Aslab has therefore been assessed as having a satisfactory financial capacity to meet the contract requirements.

#### Performance Risk

Given the nature of this contract and the established track record servicing material testing needs of the Perth market, particularly the local government sector, characterised by reliable supply with no known performance shortcomings, it is concluded that it is reasonable to assume negligible performance risk would exist if the contract is awarded to Aslab.

## Tender 21042 – Provision of Material Testing Services

### **Financial (Budget) Implications**

The extent of expenditure associated with this tender is dependent on the type of capital works projects approved in the Capital Works Program. The cost of such works will be directly charged to projects. Expenditure will also be incurred for maintenance works, with costs incurred to be charged to Maintenance Operating Budget allocations. Based on service requirements similar to recent years the estimated annual cost of material testing is estimated to be in the vicinity of \$110,000 per annum.

### **Recommendation:**

**That the Chief Executive Officer, in accordance with Delegation 1.1.14 - Choice of Most Advantageous Tender of the Delegated Authority Register, ACCEPTS the tender submission for Tender 21042 for the Provision of Material Testing Services from Aslab Pty Ltd for a period of 3 years with options to extend for a further two 12 month periods.**