



TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

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

FROM: DIRECTOR ASSETS

FILE REF: 42651 22/6515

DATE: 7 JUNE 2022

TENDER 21098 PROVISION OF CONSULTANCY SERVICES FOR A-SPEC AS CONSTRUCTED ASSET DATA PICK UP

Issue

To consider the decline of Tender No. 21098 for the Provision of Consultancy Services for A-SPEC "As-Constructed" Asset Data Pick Up.

Background

Currently "As-Constructed" data is collected for assets inherited by the City from land development projects using the GISSA A-SPEC format. A-SPEC is an umbrella specification, which comprises R-SPEC for roads, D-SPEC for drainage, O-SPEC for parks and open spaces and B-SPEC for buildings.

In-house capital program delivery is now also required to progressively provide as-constructed asset data pick up information for recording by the Strategic Asset Management team in the A-SPEC format. Provision of as-constructed data in A-SPEC format facilitates optimum asset management and provides for assets to be appropriately created, maintained, and renewed in a suitably prioritised informed manner.

The Assets Directorate seeks to appoint suitably qualified and experienced consultants for Provision of Consultancy Services for A-SPEC "As-Constructed" Asset Data Pick Up for Capital Projects within the City of Wanneroo municipality for a period of 18 months with provision for one, 12 month extension or part thereof.. The tender provides for allocation of service providers on a separable portion basis.

Prior to the expiry of the consultancy contract, the intent is to evaluate the cost and adequacy of ongoing outsourced A-SPEC consultancy services delivery in the long term and to determine if that service delivery model is optimal based on evaluation of the expiring consultancy contract or whether an in-house resource service delivery capacity should be established instead.

Tender No. 21098 – Provision of Consultancy Services for A-SPEC As Constructed Asset Data Pick Up

Detail

Separable portion Tender No. 21098 for the Provision of Consultancy Services for Provision of A-SPEC “As-Constructed” Asset Data Pick Up was advertised on 22 January 2022 and closed on Tuesday 8 February 2022.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Consultancy
Contract Type	Schedule of Rates
Contract Duration	18 Months
Commencement Date	1 July 2022
Expiry Date	31 December 2023
Extension Permitted	Yes, one (1) extension period of 12 months or part thereof
Rise and Fall	Maximum Perth All Groups CPI increases upon extension

The tender document defined three separable portion elements consisting of the following separate A-SPEC disciplines:

- Buildings (B-SPEC)
- Roads and Drainage (R-SPEC and D-SPEC)
- Parks and Reserves (O-SPEC)

Tenders Received

Tender submissions were received from the following companies:

Tenderer’s Legal Name	Trading Name	Abbreviation
Veris Australia Pty Ltd*	Veris Australia Pty Ltd	Veris Australia
McGregor Surveys Pty Ltd	McGregor Surveys Pty Ltd	McGregor Surveys

*Veris Australia provided a submission for only 2 of the separable portions.

Both submissions were accepted for assessment on the basis that they were compliant.

The Tender Evaluation Panel (**TEP**) comprised:

- Project Manager Construction, Infrastructure Capital Works
- Senior Engineering Surveyor, Infrastructure Capital Works
- Asset System Administrator, Asset Planning
- Coordinator Safety Systems

Probity Oversight

The City’s Contracts Officer undertook oversight of the tender assessment process.

Tender submissions were evaluated in accordance with the Procurement and Evaluation Plan (**PEP**). The PEP included the following selection criteria:

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

Tenderers needed to 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.

Pricing Assessment

Pricing was not included in the qualitative criteria but was considered in the overall value for money assessment.

The typical percentage value of capital project costs previously established for completed projects was used to determine the annual A-SPEC data pick up value for the annual capital works program.

Value for Money (VFM) Assessment

Veris Australia did not submit pricing for Building A-SPEC data pick up so the VFM analysis was determined based only on Roads and Parks A-SPEC data pick up pricing which represents the majority of the contract value. This value for money assessment resulted in the following ranking:

Tenderer	Ranking
Veris Australia	1
McGregor Surveys	2

The Tender Evaluation Panel considers that the tender submissions do not represent an acceptable value for money outcome to the City regardless of any qualitative assessment undertaken and that all tender submissions therefore be declined. Please refer to the Confidential Attachment for further information.

Consultation

The primary stakeholders in Asset Planning and Infrastructure Capital Works were engaged in advance of the tender process to ensure procurement arrangements fully meet operational requirements.

Comment

Percentage of project value was considered the most appropriate basis upon which to define the price schedule rather than hourly rates but possibly tenderers were

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factoring in excessive risk factor costs due to the need to provide a percentage of project cost rates schedule without insight into each individual project's specific requirements. Consequently, a recommended tenderer cannot be determined resulting in the decision not to recommend the establishment of a contract with any of the tenderers.

Accordingly, there is merit in determining a business case justification to provide an in-house resource capacity to provide this core service activity. It is considered that such an in-house resourcing solution would need to be phased in to provide a full service and the collection of Building A-SPEC data would need to be deferred for at least 12 months as part of an in-house service solution so that the initial focus can be on the provision of Roads and Parks A-SPEC data.

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 within the Strategic Community Plan 2021 – 2031:

“Goal 5: A well-planned, safe and resilient City that is easy to travel around and provides a connection between people and places.

5.3 – Responsibly managed and maintained assets

Enterprise Risk Management Considerations

Risk Title	Risk Rating
CO-007 Purchasing	Low
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage
Risk Title	Risk Rating
CO-008 Contract Management	Low
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage
Risk Title	Risk Rating

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CO-017 Financial Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage
Risk Title	Risk Rating
CO-023 Safety of Community Accountability	Moderate
Accountability	Action Planning Option
Director Community & Place	Manage

Purchasing Policy Implications

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

Financial and Performance Risk

Financial Risk

A financial risk assessment was not undertaken as part of the tender evaluation process on the basis that the recommendation is to decline all tenders.

Performance Risk

Not undertaken on the basis of the recommendation to decline all tenders.

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 and based on previously completed A-SPEC services provided for previous projects, an annual contract expenditure of \$800,000 was forecast.

The percentage rates received in the tender submissions would generate annual costs excessively above this estimated cost. In response to identifying this large unforeseen increased budget liability associated with consultancy service delivery arrangements it would be prudent to evaluate an in-house service delivery option with business case justification.

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Recommendation:

That the Chief Executive Officer, in accordance with Delegation 1.1.14 - Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of tenders, DECLINES all tenders submitted for Tender No. 21098 Provision of Consultancy Services for A-SPEC “As-Constructed” Asset Data Pick Up.