

## **TENDER RECOMMENDATION REPORT**

**TO:** CHIEF EXECUTIVE OFFICER  
**CC:** MANAGER ASSET MAINTENANCE  
**FROM:** DIRECTOR ASSETS  
**FILE REF:** 43386: 21/532685  
**DATE:** 3 February 2022

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**TENDER 21178 - Supply and Management of the City of Wanneroo's  
Two Way Radio Network**

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### **Issue**

To consider Tender No: 21178 for the Supply and Management of the City of Wanneroo's Two Way Radio Network.

### **Background**

The City's two-way radios operate as an analogue system, providing essential communication for the outside workforce, predominantly within the mobile waste team and rangers. The radio network allows for fast, efficient communication to multiple dispersed staff members. The use of two-way radios also allows all staff members in a team to have situational awareness on what tasks the team as a whole is completing. For example, rangers are able to listen to tasks that are allocated to other rangers and make an assessment on their ability or requirement to assist or take on the task. This facilitates improved efficiency and safety within the team. Two-way radio users across the organisation have been consulted as part of a stakeholder group and were unanimous in the view that there is currently no viable alternative to operating a two-way network.

Due to the age of the current radio equipment, replacement parts for required repairs are no longer readily available and maintenance agreements are no longer offered. Conversely, a significant number of radios are unused due to no longer meeting the requirements of specific service units (e.g. parks) whilst still being heavily relied upon by other parts of the organisation.

The current two-way radio system is failing with increasing regularity (including two major outages in March 2021), leaving the outside workforce without group communications for extended periods of days at a time.

In January 2021, in response to an increased number of two-way system failures and concerns over the safety of the Yanchep Mast structure, a consultant was engaged to undertake a holistic review of the communications equipment, to determine the City's future requirements and to provide recommendations for a reliable future-proof solution. This resulted in a proposal to commission an external service provider for the supply and management of the City's two-way radio network.

## Detail

Tender 21178 for the Supply and Management of the City's Two Way Radio Network was advertised on Saturday 23 October 2021 and closed on Tuesday 9 November 2021.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Services
Contract Type	Lump Sum
Contract Duration	3 Years
Commencement Date	To be confirmed after tender award
Expiry Date	Subject to Commencement Date
Extension Permitted	Yes, 2 periods of 12 months
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions.

Tender submissions were received from the following companies:

- Telstra Corporation Limited, and
- CSE-Crosscom Pty Ltd

The Tender Evaluation panel comprised:

- Acting Senior Project Manager,
- Coordinator Community Safety,
- Coordinator Fleet Maintenance, and
- Supervisor Waste Operations

## Probity Oversight

Oversight to the tender assessment process was undertaken by an external Probity Advisor (William Buck Consulting (WA) Pty Ltd) and the City's Contracts Officer.

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

Item No	Description	Weighting
1	Sustainable Procurement a) Environmental Considerations 5% b) Buy Local 10% c) Reconciliation Action Plan 2.5% d) Disability Access & Inclusion 2.5%	20%
2	*Demonstrated Experience & Capacity	30%
3	*Methodology	35%
4	*OHS	15%
5	Price (assessed under Value for Money)	Not Weighted

Pricing is not included in the qualitative criteria and is considered as part of the overall value for money assessment. Minimum scores are required for each qualitative criterion identified with (\*).

Both tender submissions received were conforming and were included in the evaluation process.

**Evaluation Criteria 1 – Sustainable Procurement (20%)**

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

An assessment was made to determine the ranking based on tenderers' environmental policy and practices.

The assessment of this criterion determined the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Telstra Corporation Limited	1
CSE-Crosscom Pty Ltd	2

**Sub Criteria b) Buy Local (10%)**

An assessment was made to determine the ranking based on the responses provided, detailing the following information:

- Purchasing arrangements through local businesses;
- Location of tenderer's offices and workshops;
- Residential municipality of staff and subcontractors; and
- Requirement for new employees arising from award of the contract.

The assessment of this criterion determined the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
CSE-Crosscom Pty Ltd	1
Telstra Corporation Limited	2

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

An assessment was made to determine the ranking based on the responses provided that 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; and
- Opportunities – attracting, developing and retaining organisational talent to build opportunities for aboriginal employment, training, development and mentoring.

The assessment of this criterion determined the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Telstra Corporation Limited	1
CSE-Crosscom Pty Ltd	2

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

An assessment was made to determine the ranking based on the responses provided that relate to:

- People with disabilities have the same buildings and facilities access opportunities as other people;
- People with disabilities receive information in a format that will enable them to access information as readily as other people are able to access it;
- People with disabilities receive the same level and quality of service from staff as other people receive;
- People with disabilities have the same opportunities as other people to make complaints; and
- People with disabilities have the same opportunities as other people to participate in any employment opportunities.

The assessment of this criterion determined the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Telstra Corporation Limited	1
CSE-Crosscom Pty Ltd	2

The overall assessment of this criterion has resulted in the following overall ranking:

<b>Tenderer</b>	<b>Ranking</b>
CSE-Crosscom Pty Ltd	1
Telstra Corporation Limited	2

**Evaluation Criteria 2 - Demonstrated Experience and Capacity (30%)**

The tenderer’s resources as presented in their tender submission were assessed in order to evaluate their capacity to meet the requirements of the contract. Assessment of this criterion considered the tenderer’s staff resources, vehicles, plant/equipment and workshop support to manage the contract. The assessment of this criterion has resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
CSE-Crosscom Pty Ltd	1
Telstra Corporation Limited	1

**Evaluation Criteria 3 – Methodology (35%)**

Assessment of this criterion considered the tenderer’s demonstrated understanding of the methodology to deliver the supply and management of the City of Wanneroo’s Two-Way Radio Network. Tenderers were also to provide an implementation plan for the transition from the old network to the new. The assessment of this criterion has resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
CSE-Crosscom Pty Ltd	1
Telstra Corporation Limited	2

**Evaluation Criteria 4 - Occupational Health and Safety (15%)**

Evidence of safety management policies and practices were assessed from the tenderers submissions. The assessment for safety management was based on the tenderers responses to an occupational health and safety management system questionnaire included within the tender documentation.

Both tenderers provided details of their safety management systems with the following ranking:

Tenderer	Ranking
CSE-Crosscom Pty Ltd	1
Telstra Corporation Limited *	2

\*did not achieve minimum acceptable score for this criterion.

### Overall Qualitative Weighted Assessment and Ranking

Tenderer's submissions were reviewed in accordance with the Procurement and Evaluation Plan with the following key observations:

- The tenderer's submissions were evaluated in accordance with the selection criteria and were assessed as having the necessary resources, previous experience, capability and safety management systems to undertake the tender; and
- The tenderers' methodology and schedule for the decommissioning of the current system and implementation of the new digital solution complied with the tender specifications.

The overall qualitative weighted assessment resulted in the following tenderer ranking:

Tenderer	Ranking
CSE-Crosscom Pty Ltd	1
Telstra Corporation Limited	2

### Evaluation Criteria 5 – Price (Non-weighted)

The following table outlines the lump sum price ranking (lowest to highest) as submitted by each Tenderer:

Tenderer	Ranking
CSE-Crosscom Pty Ltd	1
Telstra Corporation Limited	2

### Value for Money Assessment

Although Telstra Corporation Limited failed to meet the minimum score for the occupational health and safety mandatory qualitative criterion, an evaluation of all qualitative criteria for both tenders was undertaken to identify the most competitive tenderer; it determined that CSE-Crosscom Pty Ltd provided the best value to the City.

### Consultation

In January 2021, a consultant was engaged to undertake a review of the communications equipment, to determine the City's future requirements and to provide recommendations for a reliable future-proof two-way radio solution. Technical detail was extracted from this consultant report to prepare the tender specification.

Considerable consultation with a number of internal stakeholders and user groups as well as involvement from the City's Legal Services team was undertaken as part of this tender process.

### Comment

The tender submission from CSE-Crosscom Pty Ltd achieved the highest ranking in accordance with the assessment criteria and weightings as detailed in the Procurement and Evaluation Plan and is therefore recommended as the successful tenderer.

### 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 2021-2031:

5 – *A well-planned, safe and resilient City that is easy to travel around and provides a connection between people and places*

5.1 – *Develop to meet current need and future growth*

6 – *A future focused City that advocated, engages and partners to progress the priorities of the community*

6.4 – *Understand our stakeholders and their needs*

### Enterprise Risk Management Considerations

<b>Risk Title</b>	<b>Risk Rating</b>
ST-S23 Stakeholder Relationships	Low
<b>Accountability</b>	<b>Action Planning Option</b>
CEO	Manage
<b>Risk Title</b>	<b>Risk Rating</b>
CO-005 Corporate Systems	Moderate
<b>Accountability</b>	<b>Action Planning Option</b>
Director Corporate Strategy & Performance	Manage
<b>Risk Title</b>	<b>Risk Rating</b>
CO-025 System Security	High
<b>Accountability</b>	<b>Action Planning Option</b>
Director Corporate Strategy & Performance	Manage

### Financial and Performance Risk

#### Financial Risk

A financial risk assessment was undertaken as part of the tender evaluation process and the outcome of this independent assessment advised that CSE-Crosscom Pty Ltd has been assessed with a ‘sound’ financial capacity to meet the requirements of the contract.

#### Performance Risk

CSE-Crosscom Pty Ltd has extensive experience with network management and telecommunication solutions and have a strong track record working with numerous local governments across Western Australia.

Independent reference checks have indicated that CSE-Crosscom Pty Ltd has comparable contracts with other Local Governments across Australia with minimal issues whilst providing works and services to a high standard. In addition, CSE-

Crosscom Pty Ltd has had no disputes or claim history as stated in their tender submission.

**Social and Environmental (Sustainable Procurement) Considerations**

The two submissions received were not from local tenderers, however the recommended Tenderer states 5% of their employees are living within the City and they have investments in site infrastructure in Yanchep. The recommended Tenderer also noted that they intend to purchase consumables and any project related incidentals from businesses within the City.

**Policy Implications**

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

**Financial (Budget) Implications**

Based on the recommended tenderer's prices, the costs associated with the supply and management of the City of Wanneroo's two way radio network including 150 devices are \$412,215 over the three year contract period. These costs will be apportioned to the two way radio user service units and funded through the operational budgets.

It is confirmed that adequate funds are available in 2021/2022 Operating Budget to cover the costs associated with the proposed contract.

Ongoing budget requirements will form part of the forthcoming years' operating budgets.

**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 ACCEPTS the tender submitted by CSE-Crosscom Pty Ltd, for Tender No. 21178, for the Supply and Management of the City of Wanneroo's Two Way Radio Network, for the Fixed Lump Sum of \$412,215.00 ex GST, for an initial period of three (3) years with two (2) twelve (12) month options to extend at the discretion of the City.**