

## ***TENDER RECOMMENDATION REPORT***

**TO: CHIEF EXECUTIVE OFFICER**

**CC: MANAGER CUSTOMER & INFORMATION SERVICES**

**FROM: DIRECTOR CORPORATE STRATEGY & PERFORMANCE**

**FILE REF: 41782 22/341162**

**DATE: 5 October 2022**

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### **TENDER 21135 – LoRaWAN Network and Associated Goods and Services**

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#### **Issue**

To consider the decline of tenders relating to Request for Tender 21135 for the provision of a LoRaWAN Network and associated Goods and Services.

#### **Background**

During February 2020, the City conducted an Expression of Interest (EOI), EOI No: 20029, to determine if technology partners were interested in building, owning and operating a LoRaWAN low bandwidth network and subsequently entering into a commercial arrangement with the City for access to the service with no upfront investment required.

The EOI received 10 submissions, of those, five (5) submissions were determined as acceptable responses to proceed to the Restricted Request for Tender (RRFT) stage of the process. In November 2020, RRFT 20141 was issued to the acceptable EOI vendors, with the intent of entering into a contract to establish a network and its associated infrastructure funded by the successful tenderer.

The RRFT process invited the following companies: A&A Teleservices Pty Ltd; Acurix Networks Pty Ltd; BSA / Maintain; NNNCO Pty Ltd and; RaptorTech Pty Ltd. Only one (1) tender submission received from National Narrowband Network Communications Pty Ltd (NNNCo).

The Tender Evaluation Panel (**TEP**) for the RRFT recommended the decline of the tender submission and that the tender be reissued to include an option for up-front infrastructure investment by the City. The City also amended its conditions of tendering and commercial conditions to align with the new requirements.

#### **Detail**

Request for Tender (**RFT**) No: 21135 for the provision of a LoRaWAN Network and Associated Goods and Services was issued on 10 July 2021 and closed on 10 August 2021. The City issued two addenda to the RFT.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Supply of Goods and/or Provision of Services
Contract Type	Lump Sum or Schedule of Rates
Contract Duration	3 year Term
Commencement Date	Proposed October 2021
Expiry Date	Proposed October 2024
Extension Permitted	Yes, 2 periods of 3 years.

At close of Tenders, the City received three (3) submissions:

- Meshed Pty Ltd (Meshed)
- National Narrowband Network Communications Pty Ltd (NNNCo)
- Sage Automation Pty Ltd (Sage)

### Tender Evaluation Panel (TEP)

The TEP comprised:

- Manager Customer and Information Services
- Technical Project Manager
- Economic Development Advisor
- ICT Policy Developer
- Coordinator Safety Systems

### Probity Oversight

The City's Contracts Officer provided oversight to the tender assessment process with William Buck Consulting (WA) Pty Ltd attending as the independent Probity Advisor.

Please refer to the Confidential Attachment for reference to the external Probity Advisor Final Report.

Tender submissions evaluated in accordance with the Procurement and Evaluation Plan (PEP), including the following selection criteria:

Item No	Description	Weighting
1	Sustainable Procurement	20%
2	Overall Solution	45%
3	Experience	20%
4	OSH	15%

Pricing is not included in the qualitative criteria and considered as part of the overall value for money assessment.

### Compliance Check

The initial pre-evaluation review deemed the Meshed submission non-conforming, based on the nature of a number of the documents submitted. The non-conformance confirmed by the independent probity advisor.

The remaining tender submissions deemed as conforming and proceeded for further assessment.

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

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

The assessment for environmental management systems and considerations based on the tenderer’s responses to the Environmental Considerations Questionnaire included within the tender documentation.

<b>Tenderer</b>	<b>Ranking</b>
Sage	1
NNNCO	2

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

The assessment for buy local considerations based on the tenderer’s responses to the Buy Local Questionnaire included within the tender documentation.

<b>Tenderer</b>	<b>Ranking</b>
Sage	1
NNNCO	2

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

The assessment for reconciliation action plan (RAP) considerations based on the tenderer’s responses to the RAP Questionnaire included within the tender documentation.

<b>Tenderer</b>	<b>Ranking</b>
Sage	1
NNNCO	2

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

The assessment for access and inclusion plan (AIP) considerations based on the tenderer’s responses to the AIP Questionnaire included within the tender documentation.

<b>Tenderer</b>	<b>Ranking</b>
Sage	1
NNNCO	2

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

<b>Tenderer</b>	<b>Ranking</b>
Sage	1
NNNCO	2

**Evaluation Criteria 2 – Overall Solution (45%)**

Evidence of the tender’s ability to build, own and operate a commercial LoRaWAN network throughout the entire City assessed from the tender submissions. The assessment based on the tenderers’ responses to meet the requirements included within the tender documentation with the following ranking

<b>Tenderer</b>	<b>Ranking</b>
NNNCO	1

Sage	2
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**Evaluation Criteria 3 – Relevant Experience (20%)**

The tenderer’s relevant experience in demonstrating the achievement of meeting client expectations as presented in their tender submission were assessed in order to evaluate their capability to meet the requirements of the contract. Assessment of this criterion considered the tendering entity’s credentials to fulfil the requirements of the contract. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
NNNCO	1
Sage	2

**Evaluation Criteria 5 – Occupational Safety and Health (15%)**

Evidence of safety management policies and practices assessed from the tender submissions. The assessment for safety management based on the tenderers’ responses to an Occupational Health and Safety Management System Questionnaire included within the tender documentation and resulted in the following ranking:

Tenderer	Ranking
Sage	1
NNNCO	2

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

Tenderer	Ranking
NNNCO	1
Sage	2

**Pricing Assessment**

Clarification of solution pricing remains unresolved hence a full pricing and value for money assessment resulting in a ranking of the two submissions is not possible.

**Overall Assessment and Comment**

The TEP recommends the decline of the tender submissions and that the City reconsiders its approach to establishing the LoRaWAN network prior to returning to the market. Whilst the TEP recognises that this is not the desired outcome from the procurement process, it considers that in this case it is necessary in order to guarantee the quality, fitness for purpose and value for money of the eventual solution.

A LoRaWAN is a key component of the City’s Smart City Strategy and a crucial foundational element of the architecture that will enable the City and developer partners to implement Smart solutions benefitting the broader Community.

Although NNNCO presents as the highest qualitative ranked tenderer, to make a recommendation as to a preferred tenderer requires taking a decision with unresolved questions regarding both the technical architecture and the future business

relationship and creating an unacceptable risk to the City. The TEP determines that tenders should be declined.

**Statutory Compliance**

The invite of Tenders is 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:

*Goal 7: A well governed and managed City that makes informed decisions, provides strong community leadership and valued customer*

*Priority 7.5 - Customer focused information and services  
The City of Wanneroo will provide a highly valued customer experience for people accessing the City. It will be an open organisation with access to data, information and services. People will be able to address their needs through a variety of traditional and digital interfaces through interaction with a skilled and agile workforce, offering a seamless customer experience.*

**Enterprise Risk Management Considerations**

Risk Title	Risk Rating
ST-S24 Strategic Asset Management	Moderate
Accountability	Action Planning Option
Director Assets	Manage

Risk Title	Risk Rating
CO-O02 Technological Advancement	Moderate
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage

Risk Title	Risk Rating
CO-O05 Corporate Systems	Moderate
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage

**Financial and Performance Risk**

Financial Risk

An advanced financial assessment was undertaken as part of the due diligence process on the highest qualitative ranking tenderer’s parent entity, Enzen Global Limited Pty Ltd and which provided a ‘satisfactory’ assessment rating.

**Policy Implications**

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

**Financial (Budget) Implications**

Not applicable.

**RECOMMENDATION:**

That the Chief Executive Officer, in accordance with the Delegated Authority, Delegation 1.1.14 (2) Choice of Most Advantageous Tender), **DECLINES** the Tender submissions received for Tender 21135 LoRaWAN Network and Associated Goods and Services.