

## **TENDER RECOMMENDATION REPORT**

**TO:** ACTING CHIEF EXECUTIVE OFFICER

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

**FROM:** A/DIRECTOR ASSETS

**FILE REF:** 42280 23/135032

**DATE:** 17 APRIL 2023

### **TENDER 22211 PROVISION OF ELECTRICAL DESIGN AND AUDIT SERVICES**

#### **Issue**

To consider Tender No. 22211 for the Provision of Electrical Design and Audit Services for a 12 month period with four, twelve month options to extend.

#### **Background**

The provision of electrical design and audit services is an essential component of effective capital program delivery of lighting and sporting facilities with the current Contract (21121) expiring on 30 June 2023.

#### **Detail**

Tender 22211 for the Provision of Electrical Design and Audit Services was advertised on 11 March 2023 and closed on 28 March 2023. No addenda were issued.

Essential details of the proposed contract are as follows:

<b>Item</b>	<b>Detail</b>
Contract Form	Goods and Services
Contract Type	Schedule of Rates
Contract Duration	12 months
Commencement Date	1 July 2023
Expiry Date	30 June 2024
Extension Permitted	Yes, four 12 month extensions with CPI or part thereof
Rise and Fall Included	No

At the expiry of the initial contract period, the City may consider extending the contract for four additional periods of one year each or part thereof. Any extension will be in accordance with the terms and conditions contract and at the discretion of the City.

Tender submissions were received from the following companies:

<b>Tenderer's Legal Name</b>	<b>Trading Name</b>	<b>Abbreviation</b>
Focus Consulting WA Pty Ltd	Focus Consulting WA	Focus Consulting
Harris Kmon Solutions Pty Ltd	HK Solutions	HK Solutions
Sage Consulting Engineers Pty Ltd	Sage Consulting Engineers	Sage Consulting

### **Probity Oversight**

Oversight to the tender assessment process was undertaken by the City's Contracts Officer. Tender submissions were evaluated in accordance with the Procurement and Evaluation Plan (PEP). The PEP included the following selection criteria:

<b>Item No</b>	<b>Description</b>	<b>Weighting</b>
1	Sustainable (Corporate Social Responsibility) Procurement a. Environmental Considerations 5% b. Buy Local 15% c. Reconciliation Action Plan 2.5% d. Disability Access and Inclusion 2.5%	25%
2	*Work Health & Safety (WHS)	15%
3	*Experience, Personnel and Organisation	35%
4	*Resources, Capacity and Methodology	25%
5	Pricing based on Schedule of Rates (assessed based exclusively on Value for Money principles)	Not weighted

All tenderers must meet the City's minimum requirements (as determined by the City) for each of the qualitative criteria detailed above (\*) in order to be considered for further evaluation.

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

All tenders received were deemed to be conforming and were included in the evaluation process.

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

Evidence of Sustainable (Corporate Social Responsibility) Procurement was assessed based on the Tenderer's responses provided to the Questionnaires within Schedules 3A, 3B, 3C and 3D which formed part of the tender documentation.

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

The City is committed to procuring goods and services that provide 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 submitted in this tender.

Tenderers provided details of their environmental considerations within Schedule 3A, with the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Sage Consulting	1
Focus Consulting	2
HK Solutions	3

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

An assessment was made based on the response provided, detailing the following information:

- Location of tenderer’s offices, depots, workshops and production facilities;
- Residential addresses of staff and subcontractors;
- Company addresses of subcontractors
- Purchasing arrangements through local businesses;
- Requirement for new employees arising from award of the contract.
- Requirement for new employees arising from award of the contract.

Tenderers provided details of their “Buy Local” considerations within Schedule 3B, with the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Focus Consulting	1
HK Solutions	2
Sage Consulting	3

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

Tenderers provided information specifying differing levels of actions in relation to indigenous reconciliation action with assessment resulting in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
HK Solutions	1
Focus Consulting	2
Sage Consulting	3

**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 having the same buildings and facilities access opportunities as other people;

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

Tenderers provided information specifying considerations for access and inclusion provisions with assessment resulting in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
HK Solutions	1
Sage Consulting	2
Focus Consulting	3

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

The overall assessment of the Sustainable Procurement criteria has resulted in the following overall ranking:

<b>Tenderer</b>	<b>Ranking</b>
Focus Consulting	1
HK Solutions	2
Sage Consulting	3

### **Evaluation Criteria 2 – Work, Health and Safety (15%)**

Evidence of WHS management policies and practices was assessed from the tender submissions. The assessment for safety management was based on the tenderers' responses to a specific Questionnaire included within the tender documentation.

Tenderers provided details of their safety management systems resulting in the following assessment ranking:

<b>Tenderer</b>	<b>Ranking</b>
Focus Consulting	1
HK Solutions	2
Sage Consulting*	3

\*Sage Consulting did not meet the City's minimum requirements and therefore did not progress for VFM assessment.

### **Evaluation Criteria 3 - Tenderer's demonstrated experience, personnel and organisation (35%)**

Tenderers' relevant experience in undertaking similar works as presented in their tender submission was assessed in order to evaluate their capability to meet the requirements of the contract. Assessment against this criterion considered the tendering entity's credentials to fulfil the requirements of the contract.

The assessment of tender submissions against this criterion has resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Focus Consulting	1
Sage Consulting	1
HK Solutions	3

**Evaluation Criteria 4 - Tenderer's resources, capacity and methodology to meet the requirements of the Contract (25%)**

The tenderers' relevant resources as presented in their tender submissions was assessed in undertaking similar works in order to evaluate their capability to meet the requirements of the contract. Assessment of this criterion considered the tenderers' staff resources, vehicles, plant/equipment and workshop support to manage the contract.

The assessment of tender submissions against this criterion has resulted in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Focus Consulting	1
Sage Consulting	2
HK Solutions	3

**Overall Qualitative Weighted Assessment and Ranking**

The tenderers' submissions were reviewed by the TEP in accordance with the assessment criteria and weightings as detailed in the PEP with the following key observations:

- Based on the information supplied for assessment, only two tenderers achieved a minimum acceptable score for all qualitative criteria. Sage Consulting did not meet the City's minimum requirements for WHS criterion.
- Price is not weighted and, in this instance, an overall value for money comparison assessment of two of the three tenders was undertaken in response to Sage Consulting not achieving the mandatory minimum acceptable score against the WHS criteria.
- The tender submissions were assessed against sustainable procurement as well as the necessary experience, resources, methodology and safety management systems required to undertake the contract requirements.
- Focus provided a strong submission with strong evidence that the company has the necessary resources, previous experience, capability and adequate management systems to undertake the contract.

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

<b>Tenderer</b>	<b>Ranking</b>
Focus Consulting	1
HK Solutions	2
Sage Consulting	3

### **Pricing for the Goods/Services/Works Offered**

An assessment was made to determine the ranking based on the schedule of rates provided with the tender documentation. The typical historical utilisation of this type of supply for individual completed projects forms the basis of the matrix to formulate the price assessment scenario of the likely annual expenditure forecast. The Confidential Attachment provides a reference to the price assessment outcome.

Based on the information provided, tenderers are ranked as follows:

<b>Tenderer</b>	<b>Ranking</b>
Sage Consulting	1
Focus Consulting	2
HK Solutions	3

### **Value for Money Assessment**

The value for money assessment (price and qualitative criteria) resulted in the following tenderer ranking (highest to lowest):

<b>Tenderer</b>	<b>Ranking</b>
Focus Consulting	1
HK Solutions	2

### **Overall Assessment and Comment**

In summary, Focus Consulting provided a tender submission in accordance with the terms of the tender document, meeting the City's tender criteria and based on the value for money assessment, their tendered rates were assessed to be market competitive and is recommended as the successful tenderer.

The company is a Perth metropolitan company established in 2017 with a strong performance record over the past 5 years delivering electrical design and auditing services to many metropolitan local authorities and there is an adequate degree of confidence in the company's potential to fulfil the needs of this contract in a proficient manner.

Additional supporting commentary comparing existing contract rates with tendered rates, overall assessment scoring, reference checks and file reference details are included within the Confidential Attachment to this report.

### **Consultation**

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

### **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:

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

**Priority 5.3 - Manage and maintain assets**

Wanneroo will be a City known for having high quality new and existing assets that are well managed, maintained to be fit for purpose and valued by local communities. The City's assets will be future proofed by design and also provide maximum return on investment into the future.”

**Risk Appetite Statement**

In pursuit of strategic objective goal 5, we will accept a Medium level of risk, extended to High in the areas of Community / Reputation & Financial / Commercial impacts. Shifting transport modes and usage in the City may require short term pain for longer term gain as the City supports the development, maintenance and connection of alternatives to car use (e.g. cycle ways) and the supporting infrastructure.

**Enterprise Risk Management Considerations**

Risk Title	Risk Rating
CO-O07 Purchasing	Low
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage

Risk Title	Risk Rating
CO-O08 Contract Management	Low
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage

Risk Title	Risk Rating
CO-O17 Financial Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage

Risk Title	Risk Rating
CO-O23 Safety of Community	Moderate
Accountability	Action Planning Option
Director Community & Place	Manage

**Financial and Performance Risk**

Financial Risk

An independent financial risk assessment was undertaken as part of the tender evaluation process. The outcome of this assessment advised that Focus Consulting has a ‘sound’ financial capacity to meet the requirements of the contract.

The preferred Tenderer is also a WALGA Preferred Supplier Panel member, with the cost of each of the services required for this contract being relatively low value and paid for on completion of each assignment.

Performance Risk

Independent references were provided by two other local government authorities that providing positive outcome for Focus Consulting. The City has successfully previously engaged Focus Consulting on smaller projects.

**Policy Implications**

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

**Financial (Budget) Implications**

The extent of expenditure associated with this contract 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.

**Recommendation:**

**That the Acting Chief Executive Officer, in accordance with Delegation 1.1.13 - Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of tenders ACCEPTS the tender submitted by Focus Consulting WA Pty Ltd for Tender 22211, for the Provision of Electrical Design and Audit Services, for a Period of 12 months in accordance with the submitted Schedule of Rates and Conditions of Tendering, subject to appropriate funding availability, for each of the financial years within the contract term and any of the four, 12 month extension periods, or part thereof at the City's discretion.**