

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: MANAGER INFRASTRUCTURE CAPITAL WORKS
COORDINATOR CONSTRUCTION

FROM: DIRECTOR ASSETS

FILE REF: 47646 23/198531

DATE: 17 August 2023

TENDER 23122 - PROVISION OF UNDERGROUND SERVICE LOCATION SERVICES

Issue

To consider Tender 23122 for the Provision of Underground Service Location Services for an initial 12 month period with four, twelve month options to extend at the City's discretion.

Background

Due to the continuous need for underground service location services on site in advance of and during construction activity associated with projects, annual term contract arrangements are normally utilised by the City. Underground service location activities are vitally important to maintain worker safety on site and to protect service utility agency services including the associated liability that the City is exposed to when working in the vicinity of such services. There is an onus on the City to ensure that strict adherence to the Utility Providers' Code of Practice for Western Australia (2021) is always maintained. It is also important that procedural protocols are practiced in relation to other specific requirements that each public utility agency responsible for underground services develops and refines from time to time, which is accompanied with an associated need to comply with insurance coverage conditions.

Contract 19001 Provision of Underground Service Location Services concluded on 30 June 2023.

The tender document as advertised was aimed at maintaining industry best practice arrangements with a modified alternative procurement arrangement clause. All Tenderers were responsive to these requirements and provided compliant submissions.

Detail

Tender No. 23122 for the Provision of Underground Service Location Services was advertised on 17 June 2023 and closed on 4 July 2023. No addenda were issued.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Goods and Services
Contract Type	Schedule of Rates
Contract Duration	12 months
Commencement Date	September 2023
Expiry Date	August 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:

Legal Name	Trading Name	Abbreviation
MME Underground Services Pty Ltd	Platinum Locating Services	PLS
TerraVac Pty Ltd	TerraVac Vacuum Excavation	Terravac
Utility Mapping (Aust) Pty Ltd	Utility Mapping	Utility Mapping
WH Location Services Pty Ltd	Abaxa	Abaxa
BCE Surveying Pty Ltd	BCE Surveying Pty Ltd	BCE
McMullen Nolan Group	McMullen Nolan Group	MNG
Jurovich Surveying Pty Ltd	Jurovich Surveying Pty Ltd	Jurovich Surveying

Probity Oversight

Oversight to the tender assessment process was undertaken by the City's A/Strategic Contracts & Procurement Advisor.

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

Item No	Description	Weighting
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)	20%
3	*Demonstrated Experience of Tenderer and Key Personnel	30%
4	*Resources, Capacity and Methodology	25%

All tenderers must meet the City's minimum requirements (as determined by the City) for each of the qualitative criteria detailed above (*) 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. Respondents 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:

Tenderer	Ranking
PLS	1
MNG	2
Jurovich Surveying	2
Abaxa	2
TerraVac	5
Utility Mapping	6
BCE	7

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:

Tenderer	Ranking
Abaxa	1
TerraVac	1
PLS	3
MNG	3

Utility Mapping	5
BCE	5
Jurovich Surveying	5

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:

Tenderer	Ranking
Abaxa	1
PLS	2
MNG	3
Utility Mapping	4
TerraVac	5
BCE	6
Jurovich Surveying	7

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:

Tenderer	Ranking
PLS	1
Abaxa	2
TerraVac	3
Utility Mapping	4
Jurovich Surveying	4

MNG	6
BCE	6

Overall Sustainable Procurement Ranking Summary

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

Tenderer	Ranking
Abaxa	1
TerraVac	2
PLS	3
MNG	4
BCE	5
Jurovich Surveying	6
Utility Mapping	7

Evaluation Criteria 2 – Work, Health, and Safety (20%)

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

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

Tenderer	Ranking
PLS	1
Terravac	2
Utility Mapping	3
Abaxa	3
MNG	5
Jurovich Surveying	5
BCE	7

Evaluation Criteria 3 - Tenderer's Experience (30%)

Tenderers' relevant experience in undertaking similar works as presented in their tender submission was assessed 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:

Tenderer	Ranking
Abaxa	1
Terravac	2
MNG	2
PLS	4
Utility Mapping	5
BCE	5
Jurovich Surveying	7

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 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:

Tenderer	Ranking
MNG	1
Abaxa	2
Utility Mapping	3
Terravac	3
PLS	3
BCE	3
Jurovich Surveying*	7

*Jurovich Surveying did not achieve the minimum requirement for this criterion

Overall Qualitative Weighted Assessment and Ranking

The overall qualitative weighted assessment, as recorded in the tender evaluation spreadsheet resulted in the following tenderer ranking:

Tenderer	Ranking
Abaxa	1
Terravac	2
PLS	3
MNG	4
Utility Mapping	5
BCE	6
Jurovich Surveying	7

Pricing for the Goods and Services

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:

Tenderer	Ranking
PLS	1
Terravac	2
Utility Mapping	3
Abaxa	4
BCE	5
MNG	6
Jurovich Surveying	7

Value for Money (VFM) Assessment

The combined VFM assessment of pricing and qualitative criteria resulted in the following tenderer ranking (highest to lowest):

Tenderer	Ranking
PLS	1
Terravac	2
Abaxa	3
Utility Mapping	4
BCE	5
MNG	6

Overall Assessment and Comment

The tenderers' submissions were reviewed by the Tender Evaluation Panel in accordance with the assessment criteria and weightings as detailed in the Procurement and Evaluation Plan with the following key observations:

- Based on the information supplied for assessment, all tenderers achieved a minimum acceptable score for qualitative criteria.
- Price is not weighted and an overall value for money comparison assessment of six of the seven tenders was undertaken. Jurovich Surveying did not meet minimum mandatory qualitative criteria and did not progress for VFM assessment.
- 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.
- The top ranked company provided a sound submission with the final assessment result determining that Platinum Locating Services was marginally the top ranked tender submission with evidence that the company has the necessary resources, previous experience, ability, and adequate management systems to undertake the contract, subject to an independent financial audit check.

Platinum Locating Services is a reliable company with large clients such as Western Power, Armadale Access Alliance Kwinana Freeway bridge construction project and Greater Connect Alliance Great Eastern Highway project. The company has also provided detailed methodology for service delivery of this contract indicating a good understanding of requirements and defining acceptable resource capacity.

In summary, the tender submission from Platinum Locating Services satisfied the overall value for money assessment in accordance with the assessment criteria and weightings as detailed in the Procurement and Evaluation Plan and is recommended as the successful tenderer. Additional supporting commentary comparing existing contract rates with tendered rates, overall assessment scoring, and file reference details are included within the Confidential Attachment to this report.

Consultation

The primary stakeholders Asset Maintenance and 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 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-008 Contract Management	Moderate
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

Financial and Performance Risk

Financial Risk

An independent financial risk assessment was undertaken as part of the tender evaluation process by Equifax Australasia Credit Ratings Pty Ltd. The outcome of this assessment advised that Platinum Locating Services has a ‘satisfactory’ financial capacity to meet the requirements of the contract. The risk mitigation measures suggested in the report are standard requirements in all City contracts.

Performance Risk

Platinum Locating Services has successfully completed several works for a variety of reputable clients with services provided as required and is experienced in servicing local government and state government. Currently Platinum Locating Services has been engaged in a \$1.8M metropolitan pole replacement works program involving underground service locations demonstrating proficient capability and capacity over an extended period. Given the stable company history no reference checks are deemed necessary.

Policy Implications

Tenders were invited 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. Expenditure will also be incurred for maintenance works, with costs incurred to be charged to Maintenance Operating Budget allocations.

Based on service requirements to recent years the estimated annual cost of providing underground service location services is estimated to be approximately \$360,000 per annum.

Recommendation:

That the 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 Platinum Locating Services for Tender No 23122 for Provision of Underground Service Location Services for a Period of 12 months as per the submitted Schedule of Rates in the tender submission, subject to appropriate funding availability for each of the financial years within the initial 12 month term and any of the 4, 12 month or part thereof options to extend.