



TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: MANAGER INFRASTRUCTURE CAPITAL WORKS

FROM: DIRECTOR ASSETS

FILE REF: 19/280738

DATE: 23 AUGUST 2019

TENDER 19121: PROVISION OF MATERIAL DISPOSAL SITES

Issue

To consider Tender No: 19121 for the Provision of Material Disposal Sites.

Background

The current Provision of Material Disposal Sites Contract 18120 expires on 21 October 2019. Although this contract with Community Greenwaste Recycling provides for two more 12 month extensions, a new contract needs to be established primarily because greens waste has been removed from the contract scope. This is a consequence of new agreed arrangements with Waste Operations for all future clean green waste to be accommodated by the new Waste Operations greens waste disposal Contract 19143 thereby eliminating the need for a duplicated greens waste disposal contract service.

Infrastructure Capital Works is therefore seeking to re-establish suitable mixed waste disposal (excluding clean green waste) receipt site(s) within the City or close proximity to the City. Roadworks typically incur the need to dispose of waste material of many types such as concrete kerb sections, loose base material, excess soil and bitumen asphalt. Consideration of most suitable disposal options involves assessing cartage distance to disposal facility and gate cost per tonne charged by the operator of the disposal facility licenced to accept waste material. Waste disposal requirements exist not only just for capital works but also to meet the operational needs of maintenance activities. The City has issued a public Request for Tender 19121 for the provision of these services.

Detail

Tender 19121 for the Provision of Material Disposal Sites was advertised on 15 June 2019 and closed on Tuesday 9 July 2019. It was not necessary to issue any addenda. However a clarification was sought from all tenders after tenders closed to gain insight into company existing or proposed integrated management systems (if any).

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Goods and Services
Contract Type	Schedule of Rates
Contract Duration	3 Years
Commencement Date	1 September 2019
Expiry Date	31 August 2020
Extension Permitted	Yes, two 12 month extensions with CPI or part thereof
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions.

Tender submissions were received from the following:

Tenderer	Tender Status
Brajkovich Demolition and Salvage	Conforming
Carramar Resource Industries	Conforming
Community Greenwaste Recycling	Conforming
West Tip Waste Control	Conforming

The Tender Evaluation Panel (TEP) comprised:

Position Title	Service Unit	Evaluation Role Chair, Voting, Non-Voting, Advisor
Contracts Officer	Contracts and Procurement	Panel Facilitator & Probity Compliance Oversight
Projects Engineer	Assets (Infrastructure Capital Works)	Chairperson
Projects Engineer	Assets (Infrastructure Capital Works)	Voting member
Supervisor Waste Operations	Assets (Waste Operations)	Voting member
Occupational Safety & Health Officer	Corporate Strategy & Performance (OSH)	Voting member

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) which included the following selection criteria:

Item No	Description	Weighting
1	Price (assessed under Value for Money)	VFM (Not Weighted)
2	Experience	60%
3	Resources and Capacity	20%
4	Occupational Health and Safety	20%

Evaluation Criteria 1 - Pricing for the Goods/Services/Works Offered

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

Evaluation Criteria 2 - Tenderer's relevant experience with achievement of meeting client expectations (60%)

The tenderers' relevant experience in demonstrating the achievement of meeting client expectations as presented in their tender submission was 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
Carramar Resource Industries	1
Community Greenwaste Recycling	2
West Tip Waste Control	3
Brajkovich Demolition and Salvage	4

Evaluation Criteria 3 - Tenderer's resources and capacity to meet the requirements of the Contract (20%)

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:

Tenderer	Ranking
Carramar Resource Industries	1
Community Greenwaste Recycling	2
Brajkovich Demolition and Salvage	3
West Tip Waste Control	4

Evaluation Criteria 4 - Tenderer's Safety and Quality Management Systems (20%)

Evidence of satisfactory safety and quality management policies and practices defined in each tender submission was assessed. The evaluation for safety management was based on the tenderers' responses to an Occupational Health and Safety Management System Questionnaire included within the tender documentation. A focus on company management systems is important as documented policies, procedures and work instructions documentation are not identical to a management system which is a tool to help achieve stated

organisational objectives.

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

Tenderer	Ranking
Carramar Resource Industries	1
West Tip Waste Control	2
Brajkovich Demolition and Salvage	3
Community Greenwaste Recycling	4

Overall Qualitative Weighted Assessment and Ranking

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

Carramar Resource Industries has a strong local government service focus with a sound operation record (including successive contracts for the City of Wanneroo) since its inception in 1996 from its Flynn Drive, Carramar, location. The company exercises a strong emphasis on high quality resource recycling recovery and licence conditions compliance is supported by a variety of risk management strategies. Material disposal operations are also underpinned by a strategic resolve to establishing a certified independently accredited integrated management system in the near future with recent demonstrated progress towards this objective evident.

The overall qualitative weighted assessment, excluding price, resulted in the following tenderer ranking and the overall assessment scoring is included as a confidential attachment with pricing comparison.

Tenderer	Ranking
Carramar Resource Industries	1
West Tip Waste Control	2
Community Greenwaste Recycling	3
Brajkovich Demolition and Salvage	4

Value for Money Assessment

The combined assessment of Price vs Qualitative Scores resulted in the following tender ranking (highest to lowest):

Tenderer	Ranking
Carramar Resource Industries	1
Community Greenwaste Recycling	2
Brajkovich Demolition and Salvage	3
West Tip Waste Control	4

Overall Assessment and Comment

The tender submission from Carramar Resource Industries achieved the highest ranking in the overall value for money assessment in accordance with the assessment criteria and weightings as detailed in the Procurement and Evaluation Plan and is therefore recommended as the successful tenderer. The company has its

site located in Carramar with an operational licenced 50,000 tonne processing capacity that can readily accommodate the volumes associated with this contract and is making progress towards acquiring independent integrated management accreditation. The company also has a consistent satisfactory performance record over successive City of Wanneroo provision of materials disposal sites contracts prior to establishment of the current expiring contract.

Consultation

Asset Maintenance and Waste Operations were specifically consulted throughout the contract preparation process to ensure that contract services will meet all Units' 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*.

Carramar Resource Industries operates in accordance with its Department of Water and Environmental Regulation (DWER) operating Licence Number L8928 – 2018/2019 that expires on 21 December 2019. The tender submission also included evidence of its completed application to DWER for an operating licence beyond 2019.

Strategic Implications

The proposal aligns with the following objective with the Strategic Community Plan 2017 – 2027:

“3.3 Reduce, Reuse, Recycle Waste

- 3.3.1 Develop strategies for managing waste to recover it as a resource.
- 3.3.2 Foster a partnership with community and industry to reduce waste.
- 3.3.3 Create and promote waste management solutions”.

Enterprise Risk Management Considerations

Risk Title	Risk Rating
CO-O22 Environmental Management	High
Accountability	Action Planning Option
Director Planning and Sustainability	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 Carramar Resource Industries has been assessed with a sound financial capacity to meet the requirements of the contract within normal capital project and operational budget provisions.

Performance Risk

Carramar Resource Industries' response states previous satisfactory performance with the City and history of no notices of disputes and/or claims over the past three year period. Independent reference checks have not been sought given the company's verified acceptable performance record with the City.

Social and Environmental Considerations

Sustainable procurement from service providers that demonstrate high levels of corporate social responsibility, though not a weighted scored consideration, was nonetheless appraised. Carramar Resource Industries states it does not discriminate and has a small workforce of long-term employees with no need to fill a position for some time. The company also affirms it does not discriminate based on gender, race, religion, sexuality or disability and assess employees based only on their credentials.

The company also demonstrates a purposeful commitment to high quality resource recycling and recovery supported by a comprehensive Environmental Management Plan with demonstrated progress towards integrated management system accreditation.

Broader Economic Impact Implications for the City of Wanneroo

The Tender document included this consideration as a non-weighted criterion. Carramar Resource Industries states 12 of their employees live locally, 100% of materials are purchased locally and 100% of product is processed locally.

Policy Implications

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

Financial (Budget) Implications

The annual costs associated with the Provision of Material Disposal are included in the 2019/2020 Operational Budget and various capital project numbers as required.

Historically annual contract expenditure approximates \$93,000 per annum. The new annual contract value is calculated to reflect a 14% increase in annual expenditure. Compliance costs associated with operating regulations, safety regulations and required management systems have seemingly risen in response to application of more stringent tender requirements which is reflected in tender rates.

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 resulting from the expiry of a recurring contract, ACCEPTS the tender submitted by Carramar Resource Industries for Tender 19121, for the Provision of Material Disposal Sites, as per the schedule of rates in the tender submission, for a period of one year with two 12 month (or part thereof) options to extend.

SUBMITTED BY PROJECTS ENGINEER



20 August 2019

SIGNATURE

DATE

ENDORSED BY MANAGER CONTRACTS AND PROCUREMENT



23/8/19

SIGNATURE

DATE

ENDORSED BY MANAGER INFRASTRUCTURE CAPITAL WORKS



23/8/19

SIGNATURE

DATE

RECOMMENDED BY DIRECTOR ASSETS



23.8.19

SIGNATURE

DATE

APPROVED BY CHIEF EXECUTIVE OFFICER

SIGNATURE

after further

DATE

6.9.19

advice.

② Refer 19/332 897 for further advice.



5/9/19