



City of
Wanneroo

MEMORANDUM

TO: ACTING CHIEF EXECUTIVE OFFICER

CC: MANAGER INFRASTRUCTURE CAPITAL WORKS
A/COORDINATOR CONSTRUCTION

FROM: DIRECTOR ASSETS

FILE REF: 38716 19/491399

DATE: 13 JANUARY 2020

TENDER 19199 - PROVISION OF ON SITE HIRED ITEMS

Issue

To consider Tender 19199 – Provision of On Site Hired Items for a 3 year period with two, twelve month options to extend.

Background

The current contract arrangement for these services with Coates Hire (Contract 01445) expires on 3 March 2020.

Due to the continuous need for on-site auxiliary equipment hire services on construction projects, term contract arrangements are currently utilised by the City. The tender document as advertised was aimed at maintaining industry best practice. Tenderers were responsive to tender requirements and provided compliant submissions although not all line items were priced by both tenderers.

Detail

Tender No. 19199 for Provision of On-Site Hired Items within the City of Wanneroo was advertised on 19 October 2019 and closed on 12 November 2019.

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	4 March 2020
Expiry Date	3 March 2023
Extension Permitted	Yes, two 12 month extensions with CPI or part thereof

Tenders Received

Tender submissions were received from the following companies:

Tenderer
Coates Hire Operations Pty Ltd (Coates Hire)
Kennards Hire Pty Ltd (Kennards Hire)

Both submissions were accepted on the basis that they were compliant and worthy of inclusion in the tender evaluation process.

The Tender Evaluation Team (TET), consisting of Projects Engineer, Acting Construction Engineer, Maintenance Engineer and the Coordinator Safety Systems, evaluated the tender submissions in accordance with the following selection criteria:

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	Experience	40%
2	Resources and Availability	40%
3	Occupational Health and Safety	20%
4	Pricing (based on Schedule of Rates)	Not weighted

Pricing is not included in the qualitative criteria and is considered as part of the overall value for money assessment. The minimum acceptable baseline for Qualitative Criteria is set at 50% with acceptable minimum scores required for each qualitative criterion.

The Procurement & Evaluation Plan for this Tender was approved prior to the revised Purchasing Policy being implemented and hence no weighting for sustainable procurement. It should be noted however that the types of goods required under this contract are not typically supplied by small, local plant hire businesses.

Evaluation Criteria 1 – Experience (40%)

The tenderers' relevant experience as presented in their tender submissions was assessed in undertaking similar works by the company 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.

Tenderer	Ranking
Coates Hire	1
Kennards Hire	2

Based on the information supplied for assessment, only Coates Hire achieved a minimum acceptable score for this criterion.

Evaluation Criteria 2 – Resources & Availability (40%)

The tenderers' relevant resources as presented in their tender submissions were assessed in undertaking similar works by the company 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.

Tenderer	Ranking
Coates Hire	1
Kennards Hire	2

Based on the information supplied for assessment, only Coates Hire achieved a minimum acceptable score for this criterion.

Evaluation Criteria 3 – Occupational Health and Safety (20%)

Evidence of safety management policies and practices was assessed based on the submission documentation received. The assessment for safety management included an evaluation of each tenderer's response to a customised Occupational Health and Safety Management System Questionnaire included within the tender and other documentation.

Tenderer	Ranking
Coates Hire	1
Kennards Hire	2

Based on the information supplied for assessment, only Coates Hire achieved a minimum acceptable score for this criterion.

Overall Weighted Qualitative Assessment and Ranking

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

- Price is not weighted and is included in the overall value for money assessment.

The tenderers' bids were evaluated in accordance with the selection criteria and Coates Hire was assessed as having the necessary resources, previous experience, capability, quality and safety management systems to undertake the tender. The overall weighted qualitative assessment resulted in the following tender ranking:

Tenderer	Ranking
Coates Hire	1
Kennards Hire	2

Based on the information supplied for assessment, only Coates achieved a minimum overall acceptable score.

Price (Not Weighted)

Price is based on the tendered schedule of rates. Pricing scenarios have been developed to calculated anticipated contract spend. The Kennard submission only priced a small number of the line items required by the City. Coates Hire priced all required line items. Details of pricing assessment are contained in the confidential attachment.

Overall Value for Money Assessment and Comment

The tender submission from Coates Hire 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 therefore recommended as the successful tenderer. The Confidential Attachment provides commentary comparing existing contract rates with Tendered rates.

Consultation

Engineering maintenance was consulted prior to Tenders being called to ensure that their needs would be met by the contract provisions.

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

Tender No 19199 for Provision of On Site Hired Items accords with the following Outcome Objective of the City of Wanneroo's Strategic Plan 2017/18 – 2026/27:

“3.5 Connected and Accessible City

3.5.1 Deliver local transport infrastructure including roads, footpaths and cycleways to improve accessibility.”

Enterprise Risk Management Considerations

Risk Title	Risk Rating
CO-O07 Purchasing	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage

Risk Title	Risk Rating
CO-O08 Contract Management	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage
Risk Title	Risk Rating
CO-O17 Financial Management	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage

Financial and Performance Risk

Financial Risk

A financial risk assessment was undertaken as part of the evaluation process of this tender and the outcome of this independent assessment by Corporate Scorecard Pty Ltd informed that Coates Hire has been assessed with a 'satisfactory' financial capacity to meet the requirements of the contract. There is no need for any additional risk mitigation measures.

Performance Risk

Coates Hire has successfully completed a number of works for a variety of listed reputable clients with services provided as required and is experienced in servicing local government and other government instrumentality needs. Listed referees also include Synergy and City of Swan, both large government entities. Coates Hire is also the City's current contracted provider of onsite hire items with a contract compliant track record.

In the event of Coates Hire being unable to supply a required plant item quotations can be sought. The likelihood for such need is assessed as low based on past compliant performance throughout the expiring contract and the several Coates Hire Perth based branches hire items can be procured from.

Social and Environmental (Sustainable Procurement) Considerations

The Tender document included social and environmental considerations as a non-weighted criterion. There were no exceptional responses submitted for assessment against this criterion. The recommended Tenderer has a documented environmental management system that satisfies ISO 14001.

Broader Economic Impact Implications for the City of Wanneroo

The Tender document included broader economic impact implications as a non-weighted criterion through the use of a "Buy Local" questionnaire.

Coates Hire has 29 branches in Western Australia with a stated endeavour to purchase locally with all maintenance being undertaken locally. Thirty Coates Hire staff also resides locally.

Purchasing Policy Implications

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

Financial (Budget) Implications

The costs associated with the Provision of On Site Hired Items are included in the 2019-2020 and future Operational Budgets. Costs are expected to be in the order of \$70k per annum for this requirement.

Recommendation

That the Acting Chief Executive Officer, in accordance with Delegation 1.1.14 – Choice of Most Advantageous Tender resulting from the expiry of a recurring contract, ACCEPTS the tender submitted by Coates Hire Operations Pty Ltd for Tender No 19199 for Provision of On Site Hired Services for a Period of 3 years in accordance with the submitted Schedule of Rates and Conditions of Tendering (with an option to extend the contract for up to a further two, 12 month periods, or part thereof at the City's discretion).

SUBMITTED BY PROJECT ENGINEER

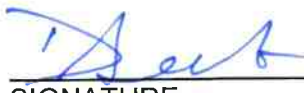


13 January 2020

SIGNATURE

DATE

REVIEWED BY MANAGER CONTRACTS & PROCUREMENT



13/1/2020

SIGNATURE

DATE

ENDORSED BY MANAGER INFRASTRUCTURE CAPITAL WORKS



16/1/2020

SIGNATURE

DATE

RECOMMENDED BY DIRECTOR ASSETS



14.01.2020

SIGNATURE

DATE

APPROVED BY ACTING CHIEF EXECUTIVE OFFICER



16/1/20

SIGNATURE

DATE