

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: DIRECTOR PLANNING & SUSTAINABILITY
MANAGER STRATEGIC LAND USE PLANNING & ENVIRONMENT
MANAGER FINANCE

FROM: DIRECTOR CORPORATE STRATEGY & PERFORMANCE

FILE REF: 20/104666

DATE: 11 May 2020

TENDER 20000: Audit Services for the East Wanneroo Developer Contribution Arrangements and Development Contribution Plans

Issue

To consider Tender 20000 for provision of Audit Services for the East Wanneroo Developer Contribution Arrangements and Development Contribution Plans.

Background

As per DPS2, there is a requirement for all Cells and DCPs to have annual review of estimated costs every financial year. There is a requirement for an annual audit of all Cells and DCPs covering a 5-year period. The audits will commence from the financial year 2020/2021.

Detail

Tender 20000 for the Provisions of Audit Services for the East Wanneroo Developer Contribution Arrangements and Development Contribution Plans was advertised on 8th February 2020 and closed on 25th February 2020. One addendum was issued in response to clarification requests.

Refer to the Confidential Attachment for details of tender documentation.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Goods and Services
Contract Type	Fixed Lump Sum
Contract Duration	Three Years
Commencement Date	1 July 2020
Expiry Date	30 June 2023

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Item	Detail
Extension Permitted	Yes, 2 periods of 12 months
Rise and Fall	NA

Tender submissions were received from the following:

1. William Buck Audit (WA) Pty Ltd (William Buck)
2. Casilli Holdings Pty Ltd Trading as Avant Edge Consulting (Avant Edge)
3. Moore Stephens (WA) Pty Ltd (Moore Stephens)
4. Assurance Advisory Group Pty Ltd (Assurance Advisory)

The Tender Evaluation panel comprised:

1. Project Manager Finance (Chair – Corporate Strategy & Performance)
2. Manager Finance (Finance)
3. Team Leader Financial Accounting

Probity Oversight

Oversight to the tender assessment process was undertaken by the City's Contracts Officer.

All tender submissions were deemed to be conforming and were included in the evaluation process.

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

Item No	Description	Weighting
1	*Tenderer's relevant experience with achievement of meeting client expectations	35%
2	*Tenderer's availability and capacity to meet the requirements of the Contract within a specified timeframe	20%
3	*Tenderer's qualifications of personnel to meet the requirements of the Contract	20%
4	*Tenderer's Safety Management Systems	5%
5	Sustainable Procurement	20%

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 identified with (*) above.

Evaluation Criteria 1 - Tenderer's relevant experience with achievement of meeting client expectations 35%

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

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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
William Buck	1
Moore Stephens	2
Assurance Advisory	3
Avant Edge	4

Avant Edge did not achieve an acceptable minimum score for this evaluation criterion.

Evaluation Criteria 2 – Tenderer's availability and capacity to meet the requirements of the Contract 20%

The tenderer's resources and capacity as presented in their tender submission were assessed in order to evaluate their capacity to meet the requirements of the contract. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
William Buck	1
Moore Stephens	2
Assurance Advisory	3
Avant Edge	4

All tenderers achieved an acceptable minimum score for this evaluation criterion.

Evaluation Criteria 3 – Tenderer's qualifications of personnel to meet the requirements of the Contract 20%

The qualifications of tenderer's nominated personnel as presented in their tender submission were assessed in order to evaluate their capacity to meet the requirements of the contract. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
William Buck	1
Moore Stephens	1
Assurance Advisory	1
Avant Edge	4

All tenderers achieved an acceptable minimum score for this evaluation criterion.

Evaluation Criteria 4 - Tenderer's Safety Management Systems (5%)

Evidence of safety policies and practices were assessed from the tender submissions. The assessment for safety management was based on the tenderers' responses to an Occupational Health and Safety Management System Questionnaire included within the tender documentation.

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

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Tenderer	Ranking
William Buck	1
Moore Stephens	1
Assurance Advisory	3
Advant Edge	3

All tenderers achieved an acceptable minimum score for this evaluation criterion.

Evaluation Criteria 5– Sustainable Procurement (20%)

- **Environmental considerations (10%)**

An assessment was made to determine the ranking based on tenderer’s Environmental policy and/ or practices.

The assessment of this criterion resulted in the following ranking:

Tenderer	Ranking
William Buck	1
Moore Stephens	1
Assurance Advisory	1
Advant Edge	4

- **Buy local (10%)**

An assessment was made to determine the ranking based on the responses provided detailing such information as:

- Purchasing arrangements through local businesses
- Location of tenderer’s offices and workshops
- Residential addresses of staff and subcontractors
- Requirements for new local employees arising from award of the contract

The assessment of this criterion resulted in the following ranking:

Tenderer	Ranking
William Buck	1
Moore Stephens	1
Assurance Advisory	3
Advant Edge	4

Overall Qualitative Weighted Assessment and Ranking

Tenderer’s submissions were reviewed in accordance with the Procurement and Evaluation Plan with the following key observations:

1. William Buck demonstrated the best availability and capacity to meet the requirements of the Contract; and
2. William Buck demonstrated the most relevant experience with achievement of meeting the City’s expectations.

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

Tenderer	Ranking
William Buck	1
Moore Stephens	2
Assurance Advisory	3
Advant Edge	4

Advant Edge did not achieve an acceptable overall minimum score against the overall weighted criteria and did not progress to the value for money assessment stage.

Pricing for the Services (Non Weighted)

The tendered fixed lump sum pricing resulted in the following tenderer ranking:

Tenderer	Ranking
Moore Stephens	1
William Buck	2
Assurance Advisory	3

Value for Money Assessment

All tenderers achieved the acceptable minimum scores required for each of the qualitative criteria identified with an (*) with the exception of Advant Edge and for this reason Advant Edge did not proceed to the Value for Money assessment.

The tenderers' pricing are as follows:

Tenderer	Pricing
Moore Stephens	\$24,000 pa fixed for three years
William Buck	\$47,600 pa fixed for three years
Assurance Advisory	\$65,800 pa fixed for three years

The City had requested for further clarification from Moore Stephens' tendered price and it is noted that Moore Stephens' total hours for the review are 106 hours, average at 9.65 hours per Cell/DCP. William Buck's total hours for the review per the tender submission are 330 hours, average at 30 hours per Cell/DCP.

Following a clarification request from Moore Stephens, the Evaluation Panel determined that William Buck demonstrated full understanding of the hours/requirements to provide services to the City's satisfaction of the work. The Tender submission from William Buck satisfied the overall value for money assessment. Refer to the Confidential Attachment for detailed information.

Overall Assessment and Comment

The Tender submission from William Buck achieved above average scores for all qualitative criteria, provided a convincing response satisfying 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.

Consultation

Strategic Land Use, Planning and Environment and Finance Service Units have been consulted. These service units are the key stakeholders for the audits.

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 2017 – 2027:

“3 Economy – Progressive, connected communities that enable economic growth and employment.

3.3 Easy to get around – The community is well connected and accessible with an integrated transport approach for all.”

Enterprise Risk Management Considerations

Risk Title	Risk Rating
CO-007 Purchasing	Moderate
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage
Risk Title	Risk Rating
CO-008 Contract Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage
Risk Title	Risk Rating
CO-017 Financial Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage
Risk Title	Risk Rating
CO-C01 Compliance Framework	Moderate
Accountability	Action Planning Option
Executive Manager Governance and Legal	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 William Buck has been assessed with a 'strong' financial capacity to meet the requirements of the contract.

Performance Risk

William Buck has been recently engaged by the City in the audits for the annual costs reviews of all Cells and DCPs. The outputs were on time, on budget and with high standard. It has no history of notices of disputes and/or claims with the City.

Independent financial and performance checks of William Buck have been performed and the results are good.

Policy Implications

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

Financial (Budget) Implications

The costs associated with the Audit Services for the East Wanneroo Developer Contribution Arrangements and Development Contribution Plans are included in the nine Cells and two DCPs Operational Budget.

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 ACCEPTS the tender submitted by William Buck Audit (WA) Pty Ltd for Tender 20000, for the Audit Services for the East Wanneroo Developer Contribution Arrangements and Development Contribution Plans for the Fixed Lump Sum of \$142,800, ex GST, for A Period of Three Financial Years from 1 July 2020 to 30 June 2023.