

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: MANAGER INFRASTRUCTURE CAPITAL WORKS
COORDINATOR CONSTRUCTION

FROM: DIRECTOR ASSETS

FILE REF: 39006 20/130438

DATE: 14 APRIL 2020 19 May 20

TENDER 19239 - PROVISION OF LINEMARKING SERVICES

Issue

To consider Tender 19239 – Provision of Linemarking Services for a 12-month period with two, twelve month options to extend.

Background

The current Provision of Linemarking Services Contract 17016 with Linemarking WA is due to expire on the 31 May 2020 and no further contract extensions are available.

The delivery of the City's capital works program requires the provision of line marking services where new road, traffic management schemes and car park construction is undertaken. Maintenance activities also require line marking services and term contract arrangements are utilised as the most suitable cost effective procurement arrangement.

Detail

Tender No. 19239 for the Provision of Linemarking Services was advertised on 15th February 2020 and closed on 10th March 2020.

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 | 1 June 2020 |

| | |
|------------------------|---|
| Expiry Date | 30 May 2021 |
| Extension Permitted | Yes, two 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 two 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.

Tenders received

Tender submissions were received from the following companies:

| |
|--|
| Tenderer |
| Road and Traffic Services Pty Ltd (Road & Traffic) |
| Linemarking WA Pty Ltd (Linemarking WA) |

The Tender Evaluation panel comprised:

- Two Project Engineers, Infrastructure Capital Works
- A/ Coordinator Design
- Coordinator Safety Systems

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:

| Item No | Description | Weighting |
|---------|---|--------------|
| 1 | Sustainable Procurement | 20% |
| 2 | *Occupational Health and Safety | 20% |
| 3 | *Experience | 40% |
| 4 | *Resources and Capacity | 20% |
| 5 | Pricing based on Schedule of Rates (assessed based exclusively on Value for Money principles) | Not weighted |

Whilst Pricing is not included in the qualitative criteria it is considered in the overall Value for Money (VFM) assessment. Minimum acceptable baseline criteria are set for each qualitative criterion marked with an * in the Table above.

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

Evaluation Criteria 1 – Sustainable Procurement (Corporate Social Responsibility 20%)

Sub-criterion a) Environmental Considerations (10%)

An assessment was made to determine the ranking based on tenderers' Environmental policy and practices.

Sub-criterion b) Buy Local (10%)

An assessment was made to determine the ranking based on the responses provided, detailing the following information:

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

The consolidated overall weighted Sustainable Procurement tenderer ranking is determined as follows:

| Tenderer | Ranking |
|----------------|---------|
| Road & Traffic | 1 |
| Linemarking WA | 1 |

Note: The sustainable procurement sub criteria of Reconciliation Action Plan and Disability Access & Inclusion were considered as part of the assessment, but were not weighted.

Evaluation Criteria 2 – Occupational Health and Safety (20%)

Evidence of safety management policies and practices was assessed based on the documentation submitted. 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.

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

| Tenderer | Ranking |
|------------------|---------|
| Linemarking WA | 1 |
| Road and Traffic | 2 |

Based on the information supplied for assessment, both tenderers achieved a score above the minimum acceptable score for this evaluation criterion.

Evaluation Criteria 3 – Experience (40%)

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

| Tenderer | Ranking |
|------------------|---------|
| Road and Traffic | 1 |
| Linemarking WA | 1 |

Based on the information supplied for assessment, both tenderers achieved a score above the minimum acceptable score for this evaluation criterion.

Evaluation Criteria 4 – Resources & Capacity (20%)

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 |
|------------------|----------------|
| Road and Traffic | 1 |
| Linemarking WA | 1 |

Based on the information supplied for assessment, both tenderers achieved a score above the minimum acceptable score for this evaluation criterion.

Overall Weighted Qualitative Assessment and Ranking

The tenderers’ submissions were reviewed by the TEP 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, both tenderers achieved a minimum acceptable score for qualitative criteria.
- Tenderers’ bids were evaluated in accordance with the selection criteria and were assessed as having the necessary resources, previous experience, capability, quality and safety management systems to undertake the tender.

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

| Tenderer | Ranking |
|------------------|----------------|
| Linemarking WA | 1 |
| Road and Traffic | 2 |

Non Weighted Evaluation Criteria 5 - Pricing for the Goods and Services Offered

Both tenderers priced all the required line items.

An assessment was made of all tender submissions to determine the ranking based on a schedule of rates pricing assessment scenario developed to approximate estimated annual total expenditure, which was comprised of each tenderer’s tendered rates. Please refer to the Confidential Attachment for details on the pricing comparison analysis. Based on the information provided in each submission, tenderers ranked as shown in the table below:

| Tenderer | Ranking |
|------------------|----------------|
| Road and Traffic | 1 |
| Linemarking WA | 2 |

Note: overall pricing comparisons are included in the confidential attachment.

Overall Value for Money Assessment and Comment

The combined assessment of Price and Qualitative Scores resulted in the following tender ranking:

| Tenderer | Ranking |
|------------------|----------------|
| Road and Traffic | 1 |
| Linemarking WA | 2 |

The tenderers' bids were evaluated in accordance with the selection criteria, and Road and Traffic Services was assessed as having the necessary resources, previous experience, capability, quality and safety management systems to undertake the tender.

The tender submission from Road and Traffic 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

Key Capital Works Construction and Engineering Maintenance officers were consulted to ensure the contract provisions address 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

Tender No 19239 for Provision of Linemarking Services 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

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 Road and Traffic 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

Road and Traffic Services has successfully completed a number of works for a variety of reputable clients with services provided as required and is experienced in servicing local government, including the City of Wanneroo with no reported disputes or claims. Road and Traffic Services also have existing large Metropolitan Local Authority clients including City of Melville and Town of East Fremantle.

Given the stable company history since the last City of Wanneroo line marking contract with the company concluded 3 years ago and the relative low value of the works, 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 costs associated with the Provision of Linemarking Services are included in the 2020-2021 and future Operational Budgets. Capital project funding also routinely incorporates allowance for the provision of line marking and associated road markings.

Recommendation

That the 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 Road and Traffic Services for Tender No 19239 for Provision of Linemarking Services for a Period of 12 months 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

20 April 2020

SIGNATURE

DATE

REVIEWED BY MANAGER CONTRACTS & PROCUREMENT

20 April 2020

SIGNATURE

DATE

ENDORSED BY MANAGER INFRASTRUCTURE CAPITAL WORKS

14 May 2020

SIGNATURE

DATE

RECOMMENDED BY DIRECTOR ASSETS

19.5.2020

SIGNATURE

DATE

APPROVED BY CHIEF EXECUTIVE OFFICER

16.6.2020

SIGNATURE

DATE