



TO: ACTING CHIEF EXECUTIVE OFFICER

CC: MANAGER INFRASTRUCTURE CAPITAL WORKS,
COORDINATOR CONSTRUCTION

FROM: DIRECTOR ASSETS

FILE REF: 40068 20/444971

DATE: 21 OCTOBER 2020

TENDER 20140 SUPPLY AND INSTALLATION OF PERMANENT FENCING

Issue

To consider Tender 20140 for the Supply and Installation of Permanent Fencing within the City of Wanneroo for an initial period of 3 years with options to extend for a further two (2) x twelve (12) month terms at the City's discretion.

Background

The City's asset management of its infrastructure requires the ongoing supply and installation of permanent fencing as part of its service delivery. The objective of this contract is to engage a contractor to supply and install a variety of fencing types required for City's construction and maintenance operations.

Due to the expiry of existing term contracts in January 2021 and no contract extension provisions remaining, it is necessary to re-establish term contract service provision arrangements.

In past years, separate contracts were administered for the many fence styles however most fencing companies, including locally based ones, can now provide the required service. The economies of scale of securing all permanent fencing services through one contract is considered warranted. The contract document provides for subcontracting any fence services that a tenderer does not routinely provide, so the tender did not preclude any fencing company from tendering.

Detail

Tender No. 20140 for the Supply and Installation of Permanent Fencing was advertised on 22 August 2020 and closed on Tuesday 15 September 2020.

One Addendum was issued to clarify that the Chainmesh Fencing Item 2.6 rate should be provided on a cost per metre basis.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Minor Works
Contract Type	Schedule of Rates
Contract Duration	3 Years
Commencement Date	1 January 2021
Expiry Date	31 December 2023
Extension Permitted	Yes, Two periods of 12 months
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions.

At the expiry of the initial 3 year 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.

Tender submissions were received from the following companies:

- Barra Civil
- Natural Area Management
- Nickal Pty Ltd t/a Reliable Fencing WA Pty Ltd (Reliable Fencing)
- DBS Fencing (Non-conforming)

The tender from DBS Fencing was assessed to be non-conforming due to incomplete schedules nor a signed tender form. The remaining tender submissions progressed for assessment.

The Tender Evaluation Panel (TEP) comprised:

- Coordinator Construction (Chair) Infrastructure Capital Works
- Projects Engineer Infrastructure Capital Works
- Projects Officer Infrastructure Capital Works
- Events Officer Place Management
- Coordinator Safety Systems People and Culture

Probity Oversight

Oversight to the tender assessment process was undertaken by the City's Acting 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 (Corporate Social Responsibility) <ul style="list-style-type: none"> • Environmental Considerations 5% • Buy Local 20% • Reconciliation Action Plan 5% • Disability Access & Inclusion 5% 	35%
2	*Occupational Health and Safety	20%
3	*Experience	25%
4	*Resources and Capacity	20%
5	Pricing based on Schedule of Rates (assessed based exclusively on Value for Money principles)	Not weighted

Pricing is not included in the qualitative criteria and is considered as part of the overall Value for Money (VFM) assessment. Acceptable minimum scores are required for each qualitative criterion indicated with an * above.

Evaluation Criteria 1 – Sustainable Procurement (Corporate Social Responsibility) (35%)

Sub Criteria - Environmental Considerations (5%)

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

The assessment of this criterion determined the following ranking:

Tenderer	Ranking
Reliable Fencing	1
Natural Area Management	1
Barra Civil	3

Sub Criteria - Buy Local (20%)

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 and workshops;
- Residential addresses of staff and subcontractors; and
- Requirement for new employees arising from award of the contract.

The assessment of this criterion determined the following ranking:

Tenderer	Ranking
Reliable Fencing	1
Natural Area Management	2
Barra Civil	3

Sub Criteria - Reconciliation Action Plan (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, development and mentoring

The assessment of this criterion determined the following ranking:

Tenderer	Ranking
Reliable Fencing	1
Barra Civil	2
Natural Area Management	3

Sub Criteria - Disability Access & Inclusion (5%)

An assessment was made to determine the ranking based on the responses provided that relate to:

- People with disabilities have the same buildings and facilities access opportunities as other people
- People with disabilities receive information in a format that will enable them to access information as readily as other people are able to access it.
- People with disabilities receive the same level and quality of service from staff as other people receive.
- People with disabilities have the same opportunities as other people to make complaints.
- People with disabilities have the same opportunities as other people to participate in any employment opportunities.

The assessment of this criterion determined the following ranking:

Tenderer	Ranking
Reliable Fencing	1
Natural Area Management	2
Barra Civil	3

Consolidated Overall Sustainable Procurement Ranking Summary

The following presents the overall Sustainable Procurement criterion ranking:

Tenderer	Ranking
Reliable Fencing	1
Natural Area Management	2
Barra Civil	3

Evaluation Criteria 2 – 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 the tenderer’s response to a customised Occupational Health and Safety Management System Questionnaire included within the tender and other documentation.

The assessment of this criterion determined the following ranking:

Tenderer	Ranking
Reliable Fencing	1
Natural Area Management	2
Barra Civil	3

Based on the information supplied for assessment, all tenderers achieved an acceptable minimum score for this evaluation criterion.

Evaluation Criteria 3 – Experience (25%)

The tenderers’ relevant experience in the achievement of meeting client expectations as presented in their tender submissions was assessed in order to evaluate their capability to meet the requirements of the contract.

The assessment of this criterion has determined the following ranking:

Tenderer	Ranking
Reliable Fencing	1
Natural Area Management	1
Barra Civil	3

Based on the information supplied for assessment, all tenderers achieved an acceptable minimum score for this evaluation criterion.

Evaluation Criteria 4 - Tenderer’s resources and capacity to meet the requirements of the Contract (20%)

Reliable Fencing’s resources as presented in its 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, workshop support to manage the contract and method of delivery.

The assessment of this criterion has determined the following result:

Tenderer	Ranking
Natural Area Management	1
Reliable Fencing	2
Barra Civil	3

Based on the information supplied for assessment, all tenderers achieved an acceptable minimum score for this evaluation criterion.

Overall Qualitative Weighted Assessment and Ranking

Tenderer's submissions were reviewed in accordance with 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 tender submissions were evaluated in accordance with the qualitative criteria and weightings as detailed in the Procurement and Evaluation Plan, and were assessed against sustainable procurement as well as the necessary experience, methodology and safety management systems required to undertake the contract requirements.

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

Tenderer	Ranking
Reliable Fencing	1
Natural Area Management	2
Barra Civil	3

Evaluation Criteria 5 - Pricing for the Goods and Services Offered (Not Weighted)

Pricing is not included in the qualitative criteria but is considered as part of the overall Value for Money (VFM) assessment.

All conforming tenderers priced all required line items.

Price evaluation is based on the tendered schedule of rates and is a non-weighted assessment consideration.

Please refer to the Confidential Attachment for detailed pricing analysis.

Tenderer	Ranking
Reliable Fencing	1
Barra Civil	2
Natural Area Management	3

Overall Value for Money Assessment and Comment

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

Tenderer	Ranking
Reliable Fencing	1
Natural Area Management	2
Barra Civil	3

The Confidential Attachment provides further commentary regarding the overall value for money analysis.

Consultation

Internal engagement and collaboration with affected stakeholders occurred prior to tenders being advertised to ensure the specification and other contract provisions met administration requirements.

Broader community engagement is undertaken as required pending the site specific details and extent of work.

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 within the Strategic Community Plan 2017 – 2027:

“3 *Environment (Built)*

3.4 Activated Places

3.4.2 Provide safe spaces, centres and facilities through our infrastructure management and designs for community benefit and recreation.

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
ST-S04 Integrated Infrastructure & Utility Planning	Moderate
Accountability	Action Planning Option
Director Planning & Sustainability and Director Assets	Manage
Risk Title	Risk Rating
CO-O17 Financial Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage
Risk Title	Risk Rating
CO-O20 Productive Communities	Moderate
Accountability	Action Planning Option
Director Community and Place	Manage

The above risks have been identified and considered within the City’s Strategic and Corporate risk register. Action plans have been developed to accept these risks to support existing management systems.

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 by Corporate Scorecard Pty Ltd advised that Reliable Fencing has been assessed as having a 'satisfactory' financial capacity to meet the requirements of the contract. Reliable Fencing is a long standing supplier and invoices are paid following completion of the works.

Performance Risk

Reliable Fencing 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 needs. Reliable Fencing has been a contracted supply and install service provider on several projects for the City of Wanneroo.

An independent reference check on the recommended tenderer was not undertaken as to date, City officers have presented strongly favourable annual contract performance reports throughout the current contract term.

Operational risk and mitigation will be addressed through the risk assessment process of the project management framework. Prior to the commencement of works, the appointed contractor will be required to complete the online safety induction with supplementary safety inductions to project sites when applicable throughout the contract. Ongoing auditing of the contractor's work practices during the course of the works will be undertaken to ensure compliance with the OHS requirements.

Policy Implications

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

Financial (Budget) Implications

Based on the tenderer's schedule of rates, the historic quantity, types of construction works carried out and the capital projects program, a calculation was made to determine the total annual estimated value of the works for the contract period which is predicted to approximate \$900,000 (\$2.7M over the initial 3 year contract period) and shall be accommodated from project budgets within the annual capital works budget.

Recommendation

That the Acting Chief Executive Officer:

- 1. ACCEPTS the tender submitted by Nickal Pty Ltd t/a Reliable Fencing WA Pty Ltd for Tender No. 20140, for the Supply and Installation of Permanent Fencing, as per the schedule of rates in the tender submission for a Period of 3 years with effect from 1 January 2021 in accordance with the 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.**