

TENDER RECOMMENDATION REPORT

TO: ACTING CHIEF EXECUTIVE OFFICER

CC: COORDINATOR CONSTRUCTION
MANAGER INFRASTRUCTURE CAPITAL WORKS

FROM: DIRECTOR ASSETS

FILE REF: 42064 21/277098

DATE: 14 JULY 2021

TENDER 21033 SUPPLY AND DELIVER CONCRETE STORMWATER DRAINAGE PIT LINERS

Issue

To consider the decline of Tender No. 21033 for the Supply and Delivery of Concrete Stormwater Drainage Pit Liners as the tenderers did not meet the minimum contract terms and condition requirements.

Background

The current Supply and Delivery of Concrete Stormwater Drainage Pit Liners Contract 18187 expires on 29 July 2021 it is necessary to re-establish a term contract 3 years with provision for two, 12-month contract extensions.

Stormwater drainage concrete pit liners are associated with most major capital roadworks projects undertaken by the City's workforce and contractors are deployed on drainage works exceeding two metre depths.

As an integral part of the City's in-house mainline drainage installation activities it is necessary to procure product from external suppliers and this cost can be high depending on the scope of the City's annual Capital Works Program and the associated extent of kerbing and stormwater drainage elements on approved projects.

Detail

Tender 21033 for the Supply and Delivery of Concrete Stormwater Drainage Pit Liners was advertised on 3 April 2021 and closed on Wednesday 28 April 2021. No addenda were issued.

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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 August 2021
Expiry Date	31 July 2024
Extension Permitted	Yes, two (2) extension periods of 12 months
CPI Price Adjustment	Yes, applicable for two (2) 12 month extension periods
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions

At the expiry of the initial contract period, the provision exists to extend the contract for two additional periods of one year each or part thereof. Any extension would 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:

Company	
Holcim (Australia) Pty Ltd	(Holcim)
Access Icon Pty Ltd t/as Cascada Group	(Cascada)

These submissions were accepted for assessment on the basis that they were compliant.

The Tender Evaluation Panel (**TEP**) comprised the following roles:

Officer Title	Panel Role
Project Manager	Technical, Qualitative inc OHS & Price
Project Manager	Technical, Qualitative inc OHS & Price
Assets Technical Officer	Technical, Qualitative inc OHS
Coordinator Safety Systems	OHS Only

Probity Oversight

The City's Contracts Officer undertook oversight of the tender assessment process.

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

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Item No	Description	Weighting
1	Sustainable (Corporate Social Responsibility) Procurement a. Environmental Considerations 5% b. Buy Local 10% c. Reconciliation Action Plan 2.5% d. Disability Access & Inclusion 2.5%	20%
2	*OSH	20%
3	Organisational Experience*	40%
4	Resources, Capacity and Methodology*	20%

Pricing is not included in the qualitative criteria and is considered in the overall value for money assessment. Tenderers must achieve a minimum acceptable qualitative score (as determined by the City) and for each of the qualitative criteria detailed above (*) to be considered for further evaluation.

Evaluation Criteria 1 – Sustainable Procurement (20%)

Evidence of Sustainable (Corporate Social Responsibility) Procurement was assessed based on the Tenderers' responses provided within the Questionnaires provided in Schedules 3A, 3B, 3C and 3D that were included in the tender documentation.

Sub Criteria a) - Environmental Considerations (5%)

The City is committed to procuring goods and services that provide the most positive environmental, social and economic impacts over the entire life cycle of a product or service. Tenderers are encouraged to provide credentials of any environmental claims of the goods and/or services submitted in this Tender.

Both tenderers provided details of their environmental considerations within Schedule 3A, with the following ranking:

Tenderer	Ranking
Holcim	1
Cascada	1

Sub Criteria b) - Buy Local (10%)

The City encourages the development of competitive local businesses within the geographical boundaries of the City first and secondly within the broader region. This commitment includes, but is not limited to:

- Purchasing locally made and sourced goods/services;
- Inviting local businesses to participate in quotation, tender and expressions of interest opportunities;
- Providing an advantage to businesses based within the City's boundaries;

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- Providing an advantage to businesses, which can demonstrate economic benefit to the City's community such as employing local residents/sub-contractors and/or purchasing goods/services from local providers.

Both Tenderers provided details of their buy local considerations within Schedule 3B, with the following ranking outcome:

Tenderer	Ranking
Holcim	1
Cascada	2

Sub Criteria c) - Reconciliation Action Plan (RAP) (2.5%)

The City's vision for reconciliation is to create an inclusive community with strong relationships across cultures based on mutual respect and understanding. The Reconciliation Action Plan (RAP) was developed to achieve this vision.

As part of the RAP, the City is committed to procuring goods/services from suitably qualified Aboriginal and Torres Strait Islander businesses where practical.

Tenderers were encouraged to demonstrate how their Tender submission can contribute to the achievement of this/these outcome(s), or what similar initiatives are undertaken within their own company.

Key consideration of how responses provided 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.

Both tenderers provided details relating to the RAP considerations within Schedule 3C, resulting in the following assessment ranking:

Tenderer	Ranking
Cascada	1
Holcim	2

Sub Criteria d) Access & Inclusion Plan (AIP) (2.5%)

The City's commitment to access and inclusion is also demonstrated within the City's core business and *Strategic Community Plan 2017/18 – 2026/27*. Consistent with the Strategic Community Plan and the City's AIP, agents and contractors are required to read and to the extent practicable, implement the relevant strategies of the City of Wanneroo AIP.

The City encourages its agents and contractors to adopt similar initiatives as outlined in the City's AIP within their own organisations. Tenderers are encouraged to demonstrate how their Tender submission can contribute to the achievement of this/these outcome(s), or what similar initiatives are undertaken within their own organisation.

Low assessment rankings were determined against this assessment sub-criteria due to Cascada not submitting any applicable assessable information and Holcim providing minimal relevant assessable information.

The assessment of this criterion determined the following ranking:

Tenderer	Ranking
Holcim	1
Cascada	2

Overall Sustainable Procurement Ranking Summary

Holcim ranked highest against this evaluation criterion and has a general commitment to sustainable procurement objectives most strongly reflected in the company intent to pursue energy efficiency improvement opportunities which has a high potential for environmental benefit. Waste management practices are well documented and a water use measurement protocol is defined.

Cascada's tender submission defines a stated intent to minimise waste to 1% of total expenditure and defines a strong commitment to reconciliation objectives with supporting evidence provided. The company is also working towards achieving and maintaining accreditation to AS 14001:2001 Environmental Management Systems.

The following presents the overall Sustainable Procurement criterion ranking:

Tenderer	Ranking
Holcim	1
Cascada	2

Evaluation Criteria 2 - Tenderer's Safety Management Systems (20%)

Both companies' response to the Safety Management System Questionnaire questions have been assessed to have adequate safety management measures established and meet minimum requirements.

Holcim's safety policy promotes a reporting culture and defines measurable objectives and ranked marginally higher than Cascada against the safety management assessment criteria. The company has a certified quality management system compliant with ISO 9001:2015 and a defined risk management process document outlines a comprehensive and sophisticated approach to managing risk. A contractor safety document outlines a good sub-contractor pre-qualification approach and risk assessment process.

Cascada's safety policy emphasises company priority focus on maintaining AS 45001:2018 accreditation and setting measurable targets. The risk control matrix incorporates 24 well defined controls and the hazardous plant register has several SWMS and PPE controls that address all hazards adequately. The handling, storing and transport document is thorough and covers safe delivery activity very well. No OHS management plan was submitted however the certificate of registration provides evidence of compliance with ISO 45001:2018 OHS Management Systems.

The tenderers were ranked as shown below under this criterion:

Tenderer	Ranking
Holcim	1
Cascada	2

Evaluation Criteria 3 – Tenderer’s demonstrated experience relative to this Tender (40%)

The tenderers’ relevant experience in demonstrating 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. Assessment of the tender submissions against this criterion examined the tendering entity’s credentials to fulfil the requirements of the contract.

Both tenderers ranked equally well against this evaluation criterion.

Cascada has capacity to meet normal supply requirements on an ongoing basis. This concrete product production business is a local Malaga based company that was established in 2016 after purchase of Icon-Septech, which had gone into administration. It has previously supplied this type of product to the City of Wanneroo in a very reliable responsive manner. The company has supplied and continues to supply a broad range of WA local governments including the Cities of Stirling, Gosnells and Mandurah. It also supplies precast concrete product to the Water Corporation and Main Roads WA. It is a key reinforced concrete pipe supplier in Western Australia and has senior staff very experienced and competent in operational and financial management leadership. There are no reservations about any aspect of the company experience profile presented in the tender submission.

Holcim also has capacity to meet normal supply requirements on an ongoing basis. The company has a track record of reliable recent supply to meet the needs of the North Link Stages 1, 2 and 3 project and Nicholson Road Bridge project. No information was provided on the experience profile of Holcim staff.

The tenderers were ranked as shown below under this assessment criterion:

Tenderer	Ranking
Cascada	1
Holcim	1

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

The tenderers’ methodology and resources as presented in their tender submissions were assessed in order to evaluate their capacity to meet the requirements of the contract. Assessment against this criterion considered the tenderers’ staff resources, vehicles, plant/equipment and supply approach to manage the contract.

Cascada is based in Malaga where its production facility directly supplies many local government and other clients throughout the metropolitan area. The company has two dedicated trucks and drivers fully equipped with cranes. The workforce consists of twelve full time and casual staff and there are established well defined communication arrangements with well-maintained stock control. The company is a well-established

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local manufacturer with capacity to supply the Western Australian market with a particular specialty to supply a large portion of the metropolitan local government sector. The City of Wanneroo requirement represents a small fraction of the total production quantities provided by this company for the local government sector. This scale of operation can therefore readily meet City of Wanneroo product requirements.

Holcim, a national company with a good performance record of meeting the City's contract requirements, submitted minimal detail regarding this criterion resulting in a rating of not meeting the City's minimum requirements in this instance. Holcim provided limited detail on methodology, resources and capacity so consequently the evaluation panel has reservations that their capacity is adequate to provide the required service and products.

The tenderers ranked as shown below under this assessment criterion:

Tenderer	Ranking
Cascada	1
Holcim*	2

*Holcim did not meet minimum acceptable score for the demonstrated resources, capacity and methodology requirements of the Contract evaluation criterion and excluded from further evaluation.

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 but 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, resources, methodology and safety management systems required to undertake the contract requirements.
- The companies ranked closely in selection criterion except for, the resources, capacity and methodology assessment criteria resulting in Holcim not meeting the City's minimum requirement. The final assessment result determined that Cascada was the top ranked tender submission with strong evidence that the company has the necessary resources, previous experience, ability and adequate management systems to undertake the contract, subject to an independent financial check audit.

The tenderers ranked overall as shown below under this criterion:

Tenderer	Ranking
Cascada	1
*Holcim (Australia) Pty Ltd	2

Pricing Assessment

The typical historic use of products that approximates likely annual expenditure formed the matrix to formulate the price assessment scenario. The confidential attachment provides a link to the price assessment outcome.

Tenderer	Ranking
Cascada	1
Holcim (Australia) Pty Ltd	2

Value for Money (VFM) Assessment

The combined assessment of Price Vs Qualitative Scores was not necessary because the overall qualitative and financial risk assessment outcome did not satisfy the City's minimum requirement.

Overall Assessment and Comment

In summary, Cascada provided a tender submission in accordance with the terms of the tender document, meeting the City's tender criteria and their tendered rates were assessed to be market competitive.

As Cascada declined to provide financial information to the City's independent financial viability assessors, Equifax could not verify Cascada's financial status. Providing a report on this essential information is a condition of tender and therefore the TEP cannot not recommend the award of tender to Cascada.

Holcim did not meet the minimum rating for a mandatory qualitative criterion, and therefore considered necessary to decline both tenders and return to market utilising the RFQ procurement process.

Both tenderers will receive appropriate feedback.

Consultation

The primary stakeholders Asset Maintenance and Infrastructure Capital Works were engaged in advance of the tender process to ensure procurement arrangements fully meet 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

The proposal aligns with the following objective with the Strategic Community Plan 2021 – 2031:

“Goal 5: A well-planned, safe and resilient City that is easy to travel around and provides a connection between people and places.

Priority 5.3 - Manage and maintain assets

Wanneroo will be a City known for having high quality new and existing asset that are well-managed, maintained to be fit for purpose and valued by local communities. The City's assets will be future proofed by design and also provide maximum return on investment into the future."

Enterprise Risk Management Considerations

Risk Title	Risk Rating
CO-O01 Relationship Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage
Risk Title	Risk Rating
CO-O08 Contract Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage
Risk Title	Risk Rating
CO-O17 Financial Management	Moderate
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage
Risk Title	Risk Rating
CO-O22 Environmental Management	Moderate
Accountability	Action Planning Option
Director Planning and Sustainability	Manage
Risk Title	Risk Rating
CO-O23 Safety of Community	Moderate
Accountability	Action Planning Option
Director Community and Place	Manage

Broader Economic Impact Implications for the City of Wanneroo

The Tender document included consideration of tenderer local employment and local purchasing arrangements as an assessment criterion.

Purchasing Policy Implications

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

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Recommendation:

That the Acting Chief Executive Officer, in accordance with Delegation 1.1.14 (2) - Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of tenders DECLINES the tender submissions for Tender 21033 for the Supply and Delivery of Concrete Stormwater Drainage Pit Liners and that as a result of declining all Tenders, Request for Quotation procurement arrangements be subsequently sought.