



TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: MANAGER INFRASTRUCTURE CAPITAL WORKS
COORDINATOR CONSTRUCTION

FROM: DIRECTOR ASSETS

FILE REF: 40466 – 21/313722

DATE: 27 JULY 2021

**TENDER NO 21046
CAST IN SITU CONCRETE FOOTPATHS,
SHARED USE PATHS AND CROSSOVERS**

Issue

To consider Tender 21046 – Cast In-Situ Concrete Footpaths, Shared Use Paths and Crossovers.

Background

Contractor arrangements are currently utilised by the City for construction of Cast In Situ Concrete Footpaths, Shared Use Paths and Crossovers on construction and maintenance projects. The present Contract No 01626 for these services with Dowsing Group Pty Ltd, t/as Dowsing Concrete is expiring following the conclusion of the final 12 month contract extension option on 31 August 2021. A new contract is therefore necessary with effect from 1 September 2021 to service the City's ongoing annual infrastructure capital works requirements.

Details

Tender No. 21046 for the Provision of Cast in Situ Concrete Footpaths, Shared Use Paths and Crossovers was advertised on 1 May 2021 and closed on 25 May 2021. No addenda were issued.

The tender document, as advertised, is aimed at maintaining industry best practice arrangements.

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 September 2021
Expiry Date	31 August 2022
Extension Permitted	Yes, two (2) extension periods of 12 months
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions. No other rise and fall provisions apply.

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 offered is in accordance with the terms and conditions of contract and at the discretion of the City.

Tenders Received

Tender submissions were received from the following two companies:

Tenderer's Legal Name	Trading Name	Abbreviation
Dowsing Group Pty Ltd	Dowsing	Dowsing
Axiis Contracting Pty Ltd	Axiis Contracting	Axiis

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

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

Project Manager - Infrastructure Capital Works
Project Manager - Infrastructure Capital Works
Technical Officer Engineering Maintenance – Asset Maintenance
Coordinator Safety Systems – People & Culture

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:

Item No	Description	Weighting
1	Sustainable (Corporate Social Responsibility) Procurement a. Environmental Considerations 5% b. Buy Local 15% c. Reconciliation Action Plan 2.5% d. Disability Access & Inclusion 2.5%	25%
2	*OSH	20%
3	*Experience	35%
4	*Resources, Capacity and Methodology	20%

Tenderers must achieve a minimum acceptable qualitative score (as determined by the City) and for each of the qualitative criteria (*) detailed above which were incorporated in the evaluation considerations.

Evaluation Criteria 1 – Sustainable Procurement (25%)

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
Axiis	1
Dowsing	2

Sub Criteria b) - Buy Local (15%)

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;
- 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
Dowsing	1
Axiis	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.

Tenderer	Ranking
Dowsing	1
Axiis	2

Both Dowsing and Axiis provided satisfactory details relating to RAP considerations within Schedule 3C.

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 2021 – 2031. 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. 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.

Tenderer	Ranking
Dowsing	1
Axiis	1

Consolidated Overall Sustainable Procurement Ranking Summary

Both tenderers demonstrated a strong general commitment to sustainable procurement objectives most strongly reflected in both company's use of environmentally friendly concrete product, recycling and water re-use practices. Local economic support features in both tender submissions. Both companies are very committed to RAP and AIP compliant practices, and have a track record of purposeful recruitment of indigenous employees.

The following presents the overall Sustainable Procurement criterion ranking:

Tenderer	Ranking
Dowsing	1
Axiis	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.

Tenderers were ranked as shown below under this criterion:

Tenderer	Ranking
Dowsing	1
Axiis	2

Evaluation Criteria 2 - Tenderers' previous experience (35%)

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 closely examined the tendering entity's credentials to fulfil the requirements of the contract.

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

Tenderer	Ranking
Dowsing	1
Axiis	2

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.

The tenderers ranked as shown below under this assessment criterion:

Tenderer	Ranking
Dowsing	1
Axiis	2

Overall Qualitative Weighted Assessment and Ranking

Both 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.
- Both tenderers provided strong submissions and the final assessment result determined that Dowsing 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
Dowsing	1
Axiis	2

Pricing Assessment

Pricing was not included in the qualitative criteria but was considered in the overall value for money assessment.

The typical historical utilisation of this service approximates the likely annual expenditure formed the matrix to formulate the price assessment scenario. The Confidential Attachment provides a reference to the price assessment outcome.

Value for Money (VFM) Assessment

The value for money assessment resulted in the following ranking

Tenderer	Ranking
Dowsing	1
Axiis	2

Overall Assessment and Comment

In summary, Dowsing 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 very market competitive.

The company is a long established concrete supply and lay company with adequate resourcing and assurance that the City of Wanneroo requirements can be reliably met. Dowsing provided a comprehensive methodology that further enhances confidence in the company's potential to fulfil the needs of this contract in a proficient manner.

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-007 Purchasing	Low
Accountability	Action Planning Option
Director Corporate Strategy and Performance	Manage
Risk Title	Risk Rating
CO-O08 Contract Management	Low
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-O23 Safety of Community	Moderate
Accountability	Action Planning Option
Director Community & Place	Manage

Purchasing Policy Implications

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

Financial and Performance Risk

Financial Risk

A Financial (Credit) check of Dowsing's financials was sought from Equifax Australasia Credit Ratings Pty. Ltd. resulting in a "satisfactory" rating, with no risk mitigation actions required.

Performance Risk

Given the nature of this contract and the established track record servicing concrete supply, lay and associated activity needs of the WA market, particularly the metropolitan local government sector, characterised by reliable supply and workmanship delivery with no known performance shortcomings.

Financial (Budget) Implications

The extent of expenditure associated with this contract is dependent on the type of capital works projects approved in the Capital Works Program. The cost of such works will be directly charged to projects typically primarily relating to the Pathways Program (Road Reserves) and Road Resurfacing program reinstatement activities. Expenditure will also be incurred for maintenance works, with costs incurred to be charged to Maintenance Operating Budget allocations. Based on Assets' requirements likely being similar to recent years, the estimated annual cost of providing concrete footpaths, shared use paths and crossovers has been determined to approximate \$1.6M per annum.

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 Dowsing Group Pty Ltd for Tender 21046, for the Provision of Concrete Footpaths, Shared Use Paths and Crossovers, as per the schedule of rates in the tender submission for a period of 12 months with options to extend for a further two, 12 month periods or part thereof.