

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: MANAGER INFRASTRUCTURE CAPITAL WORKS

FROM: DIRECTOR ASSETS

FILE REF: 42508 21/384672

DATE: 3 SEPTEMBER 2021

TENDER 21088 SUPPLY AND DELIVERY OF CRUSHED LIMESTONE ROAD SUB-BASE MATERIAL

Issue

To consider Tender No. 21088 for the Supply and Delivery of Crushed Limestone Road Sub-base Material.

Background

Contract 18195 for the Supply and Delivery of Crushed Limestone Road Sub-base Material expires on 30 November 2021. Forthcoming projects over the next three year period strongly warrant re-establishment of 12 month term contract arrangements. The procurement of crushed limestone road sub-base is an intrinsic requirement in most road pavement construction and maintenance activities within the City of Wanneroo.

Detail

Tender 21088 for the Supply and Delivery of Crushed Limestone Road Sub-base Material was advertised on 31 July 2021 and closed on 17 August 2021.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Request for Tender
Contract Type	Schedule of Rates
Contract Duration	3 Years
Commencement Date	1 December 2021
Expiry Date	30 November 2024
Extension Permitted	Yes, two periods of 12 months.
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions.

Tender submissions were received from the following companies:

Legal Name	Trading Name	Abbreviation
WA Limestone Unit Trust	WA Limestone Co	WA Limestone

Tender Number 21088 Supply and Delivery of Crushed Limestone Road Sub-base Material
 The Tender Evaluation panel comprised:

Position Title	Evaluation Criteria to be assessed	Evaluation Role
Project Manager ICW	Technical, Qualitative incl. OHS & Price	Chairperson, Voting Member
Project Manager ICW	Technical, Qualitative incl. OHS & Price	Voting Member
Maintenance Engineer Asset Maintenance	Technical & Qualitative excl. OHS	Voting Member
Coordinator Safety Systems	OSH only	Voting Member

Probity Oversight

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

The sole tender submission received was evaluated in accordance with the Procurement and Evaluation Plan (PEP) which 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	*Demonstrated 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 (*) to be considered for further evaluation.

The sole tender received was from WA Limestone and was accepted on the basis that it was compliant and worthy of inclusion in the tender evaluation process.

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.

Environmental Considerations (sub weighting 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. Respondents are encouraged to provide credentials of any environmental claims of the goods and/or services submitted in this quote.

WA Limestone provided adequate detail of their environmental considerations within Schedule 3A.

Buy Local (sub weighting 15%)

An assessment was made based on the response provided, detailing the following information:

- Purchasing arrangements through local businesses;
- Location of respondents' offices and workshops;
- Residential addresses of staff and company addresses of subcontractors;
- Requirement for new employees arising from award of the contract.

WA Limestone can provide material supply from their quarrying operations located within the City of Wanneroo and have a number of employees who live locally and they have listed an extensive number of local suppliers that they purchase goods and services from in order to maintain their operations.

Reconciliation Action Plan (RAP) (sub weighting 2.5%)

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, and development and mentoring.

WA Limestone provided a strong statement of intent supported by a copy of their Indigenous Relations Policy.

Access & Inclusion Plan (AIP) (sub weighting 2.5%)

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

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

WA Limestone provided a copy of their Diversity and Inclusion Policy.

Evaluation Criteria 2 – Respondent’s Occupational Safety and Health Management (20%)

Evidence of safety management policies and practices was assessed from the WA Limestone submission. The assessment for safety management was based on the respondents’ responses to an Occupational Health and Safety Management System Questionnaire included within the tender documentation.

WA Limestone achieved a good rating for their OSH policies and procedures in relation to the scope of services.

Evaluation Criteria 3 – Demonstrated experience of tenderer and personnel performing the services (35%)

WA Limestone relevant experience in demonstrating the achievement of meeting client expectations as presented in their submission was assessed in order to evaluate their capability to meet the requirements of the contract. Assessment of this criterion considered WA Limestone’s credentials to fulfil the requirements of the contract.

Evaluation Criteria 4 – Methodology, resources and capacity for maintenance services (20%)

The respondent’s resources as presented in their submission were assessed in order to evaluate their capacity to meet the requirements of the contract. Assessment of this criterion considered WA Limestone’s staff resources, vehicles, plant/equipment and workshop support to manage the contract which concluded that WA Limestone has the resources and capacity to fulfil the needs of this contract.

Overall Qualitative Weighted Assessment

WA Limestone’s submission was reviewed in accordance with the PEP and were assessed to be very well resourced with a strong performance record. The company has the capacity to reliably supply the City with necessary product quantities available from their local Nowergup quarry and other quarry backup supply availability within the Perth metropolitan area.

Value for Money Assessment

The tender submission from WA Limestone Pty Ltd satisfied the overall value for money assessment in accordance with the Price vs Qualitative criteria assessment criteria and weightings as detailed in the Procurement and Evaluation Plan and is therefore recommended as the successful tenderer.

The Confidential Attachment provides commentary comparing existing contract rates with tendered rates.

Overall Assessment and Comment

The tender submission from WA Limestone satisfied requirements 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

The primary stakeholders Asset Maintenance and Infrastructure Capital Works were engaged in advance of the 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 assets 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

Financial and Performance Risk

Financial Risk

The last financial assessment for WA Limestone resulted in a “Strong” rating. This assessment was undertaken in November 2020, however the final accounts for 2021 are not yet available for assessment. WA Limestone has therefore been assessed as having an acceptable financial capacity to meet the contract requirements.

Performance Risk

Given the nature of this contract and the established track record supplying crushed limestone road sub-base material to meet the needs of the metropolitan market, which is characterised by reliable supply with no known performance shortcomings, low performance risk exists. Furthermore WA Limestone has been a reliable term contract supplier to the City of Wanneroo throughout the expiring contract period (and for other completed contracts). Consequently reference checks have been deemed to be unnecessary.

Policy Implications

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

Financial (Budget) Implications

The extent of expenditure associated with this tender 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. Expenditure will also be incurred for maintenance works, with costs incurred to be charged to Maintenance Operating Budget allocations. Based on service requirements similar to recent years the estimated annual cost of procuring crushed limestone sub-base material is estimated to be approximately \$120,000 per annum and the quoted rates have been evaluated to be 3.92% higher than the expiring contract rates.

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 WA Limestone for Tender 21088, for the Supply and Delivery of Crushed Limestone Road Sub-base, as per the schedule of rates in the tender submission.