

## **TENDER RECOMMENDATION REPORT**

**TO:** CHIEF EXECUTIVE OFFICER

**CC:** MANAGER INFRASTRUCTURE CAPITAL WORKS

**FROM:** DIRECTOR ASSETS

**FILE REF:** 43288 21/397686

**DATE:** 21 SEPTEMBER 2021

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### **TENDER 21166 SUPPLY AND INSTALLATION OF GARRISON FENCING**

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#### **Issue**

To consider Tender 21166 for the Supply and Installation of Garrison Fencing.

#### **Background**

Contract 20140 for the Supply and Installation of Fencing relates to the procurement of all types of permanent fencing. Due to a number of supply and market issues, the garrison fencing component from Contract 20140 was excised from the scope, enabling the continuation of Contract 20140 for all other fencing types.

Forthcoming projects over the next 12 month period strongly warrant re-establishment of a 12 month term contract arrangement for the supply and installation of garrison fencing. The procurement of garrison fencing is increasingly becoming the fencing type of choice for construction and maintenance projects that incorporate the need for secure fenced areas.

Tender 21166 for the Supply and Installation of Garrison Fencing was subsequently prepared and published accordingly.

#### **Detail**

Tender 21166 for the Supply and Installation of Garrison Fencing was advertised on 31 July 2021 and closed on 17 August 2021.

Essential details of the proposed contract are as follows:

<b>Item</b>	<b>Detail</b>
Contract Form	Request for Tender
Contract Type	Schedule of Rates
Contract Duration	12 Months
Commencement Date	1 October 2021
Expiry Date	30 September 2022
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
Reliable Fencing Wa Pty Ltd	Reliable Fencing WA	Reliable Fencing
Barra Civil and Fencing Pty Ltd atf Barra Civil and Fencing Trust	Barra Civil and Fencing	Barra Civil and Fencing
Southern Wire Industrial Pty Ltd	SWI Fencing	SWI Fencing

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	Qualitative & Price	Voting Member
Engineering Maintenance Supervisor	Technical & Qualitative excl. OHS & Price	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 tender submissions were 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 of tenderer and personnel performing the services	30%
4	*Demonstrated capacity to provide sufficient resources	25%

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.

All tenders were accepted on the basis that they were 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.

#### **Sub Criteria a) - 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.

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

<b>Tenderer</b>	<b>Ranking</b>
Reliable Fencing	1
SWI Fencing	2
Barra Civil and Fencing	3

#### **Sub Criteria b) - 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.

All tenderers provided adequate details of their "Buy Local" considerations within Schedule 3A, with the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Reliable Fencing	1
SWI Fencing	2
Barra Civil and Fencing	3

#### **Sub Criteria c) - 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.

All companies provided information specifying differing but adequate levels of actions in relation to indigenous reconciliation action with assessment resulting in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
SWI Fencing	1
Reliable Fencing	2
Barra Civil and Fencing	3

#### **Sub Criteria d) - 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.

All companies provided information specifying differing but adequate levels of consideration for access and inclusion provisions with assessment resulting in the following ranking:

<b>Tenderer</b>	<b>Ranking</b>
Reliable Fencing	1
SWI Fencing	2
Barra Civil and Fencing	3

#### **Overall Sustainable Procurement Ranking Summary**

The following presents the overall Sustainable Procurement criterion ranking:

<b>Tenderer</b>	<b>Ranking</b>
Reliable Fencing	1
SWI Fencing	2
Barra Civil and Fencing	3

#### **Evaluation Criteria 2 – Respondent's Occupational Safety and Health Management (20%)**

Evidence of safety management plans and policies defined in all tenderer's submissions was duly assessed and the assessment of safety management practices was also based on the respondents' responses to an Occupational Health and Safety Management System Questionnaire included within the tender documentation.

All tenderers have been assessed to have adequate safety management measures established and meet minimum requirements.

The tenderers were ranked as shown below under this criterion:

<b>Tenderer</b>	<b>Ranking</b>
Reliable Fencing	1
Barra Civil and Fencing	2
SWI Fencing	3

### **Evaluation Criteria 3 – Demonstrated experience of tenderer and personnel performing the services (30%)**

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:

<b>Tenderer</b>	<b>Ranking</b>
Reliable Fencing	1
SWI Fencing	1
Barra Civil and Fencing	3

### **Evaluation Criteria 4 – Demonstrated capacity to provide sufficient resources (25%)**

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

<b>Tenderer</b>	<b>Ranking</b>
Reliable Fencing	1
Barra Civil and Fencing	2
SWI Fencing	2

### **Overall Qualitative Weighted Assessment**

<b>Tenderer</b>	<b>Ranking</b>
Reliable Fencing	1
SWI Fencing	2
Barra Civil & Fencing	3

Barra Civil and Fencing's submission was reviewed in accordance with the PEP and has been assessed to be sufficiently experienced in providing garrison fencing although mostly confined to City of Wanneroo past projects. The company is adequately resourced and has the capacity to reliably service the City with its garrison fencing needs with only modest other commitments with two other municipalities and state government.

## Price Assessment

An assessment was made against submitted pricing for schedule of rates with the following tenderer ranking:

Tenderer	Ranking
Barra Civil & Fencing	1
Reliable Fencing	2
SWI Fencing	3

## Relative Value for Money Assessment

The tender submission from Barra Civil and Fencing 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. Key factors that determined the selection of Barra Civil and Fencing as the lead tender submission are based on the fact that the tender submission exceeded all minimum mandatory qualitative criteria assessment threshold requirements with an accompanying considerable rates price advantage in comparison to the competing tender submissions.

The combined assessment of Price vs Qualitative Scores on a relative value for money basis resulted in the following tenderer ranking (highest to lowest):

Tenderer	Ranking
Barra Civil & Fencing	1
Reliable Fencing	2
SWI Fencing	3

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

## Overall Assessment and Comment

The tender submission from Barra Civil and Fencing satisfied requirements in accordance with the assessment criteria and weightings as detailed in the Procurement and Evaluation Plan. Although tender rates are the lowest of all submissions, it is noted that there is a considerable price increase in comparison to expired rates due to market conditions particularly related to steel price volatility. Further detail is provided in the Confidential Attachment.

## 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 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-O23 Safety of Community	Moderate
Accountability	Action Planning Option
Director Community and Place	Manage

A Rise and Fall clause has been introduced into the contract to address the current market volatility in steel prices and to ensure service provision is not withdrawn if prices increase as has occurred with previous procurement arrangements. A corresponding risk for unforeseen contractual price increases therefore exists but is acceptable on the basis that continuous service provision is important to meet the security needs of proposed fenced areas.

## Financial and Performance Risk

### Financial Risk

A Financial (Credit) check of Barra Civil and Fencing's financials was sought from Equifax Australasia Credit Ratings Pty. Ltd. resulting in a "Sound" rating. Barra Civil and Fencing has therefore been assessed as having a satisfactory financial capacity to meet the contract requirements.

### Performance Risk

Given the nature of this contract and the established track record supplying garrison fencing to meet the needs of the metropolitan market, which is characterised by a reliable supply and installation record with no known performance shortcomings, low performance risk exists. Barra Civil and Fencing has previously been a consistent term contract supplier to the City of Wanneroo during the 2019-2020 period with evidence provided that the company has also been a fencing provider to the City of Swan and City of Melville who are also nominated referees. Given this degree of local government contract service provision experience and no previous significant issues reported after the conclusion of the company's previous contract service provision to the City of Wanneroo, additional 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 annual cost of garrison fencing supply and installation is estimated to be approximately \$140,000 per annum as a result of the tendered rates having been evaluated to be significantly 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 Barra Civil and Fencing for Tender 21166, for the Supply and Installation of Garrison Fencing, as per the schedule of rates in the tender submission.**