

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: MANAGER INFRASTRUCTURE CAPITAL WORKS

FROM: DIRECTOR ASSETS

FILE REF: 23/33654

DATE: 2 FEBRUARY 2023

TENDER 22142 SUPPLY AND DELIVER HDPE STORMWATER PIPES

Issue

To consider Tender No: 22142 for the Supply and Delivery of HDPE (High Density Polyethylene) Stormwater Pipes.

Background

Roadworks capital projects and maintenance activity typically incurs the need for stormwater pipe installation and maintenance. Stormwater drainage pipe installation associated with most major capital roadworks projects is normally carried out by the City's workforce except for drainage works deeper than 2 metres which are carried out under contract arrangements.

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 potentially be significant depending on the type of each capital roadworks project and the associated extent of kerbing and stormwater drainage.

The City has issued public Requests for Tender for the provision of stormwater pipes and associated products in previous years currently facilitated through the administration of three contracts which relate exclusively to concrete products. Whilst there is merit in maintaining these contracts there are comparable benefits, in many circumstances, in procurement of high density polyethylene stormwater pipes as a suitable alternative product.

HDPE pipes are a lighter fit for purpose product that provides laying efficiency and safety benefits with acceptable long service life characteristics. Of particular value is the occupational safety and health handling benefits of utilising high density polyethylene pipes due to their light weight and this pipe type is now preferred as a product for use by the City's workforce with the associated inherent low pipe-laying safety incident risks.

The expiring contract (RFQ 20164) for supply of these products provided for a 12 month extension. However the supplier's proposed an increase in excess of the permitted CPI increase provided for in the contract conditions. This tender was

established to provide for ongoing service beyond the cessation of the RFQ 20164 contract.

Detail

Tender 22142 for the Supply and Delivery of HDPE Stormwater Pipes was advertised on 5 November 2023 and closed on 29 November 2023. No addenda was issued.

Essential details of the proposed contract are as follows:

Item	Detail
Contract Form	Goods and Services
Contract Type	Schedule of Rates
Contract Duration	1 Year
Commencement Date	1 March 2023
Expiry Date	29 February 2024
Extension Permitted	Yes, 2 periods of 12 months or part thereof.

Tender submissions were received from the following companies:

Legal Name	Trading Name	Abbreviation
TC Precast Pty Ltd	Hydra Storm	Hydra Storm
Reece Australia Pty Ltd	Reece Australia Pty Ltd	Reece Australia

The Tender Evaluation Panel comprised:

- Project Manager, Infrastructure Capital Works
- Acting Technical Officer , Engineering Maintenance
- Transport and Drainage Asset Planner – Asset Planning
- Coordinator Safety Systems, People & Culture

Probity Oversight

Oversight to the tender assessment process was undertaken by the City’s Contracts Officer.

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 10% c. Reconciliation Action Plan 2.5% d. Disability Access and Inclusion 2.5%	20%
2	*Work Health & Safety (WHS)	20%
3	*Organisational Experience	40%
4	*Resources and Capacity	20%

All tenderers must meet minimum requirements (as determined by the City) for each of the qualitative criteria detailed above (*) in order to be considered for further evaluation.

Both tenders received were accepted as conforming tender submissions.

Pricing is not included in the qualitative criteria and is considered as part of the overall value for money assessment.

Evaluation Criteria 1 – Sustainable Procurement (20%)

Evidence of Sustainable (Corporate Social Responsibility) Procurement was assessed based on the Tenderer's responses provided to the Questionnaires within Schedules 3A, 3B, 3C and 3D which formed part of the tender documentation.

Sub Criteria a) Environmental Considerations (5%)

The City is committed to procuring goods and services that provide 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 tender.

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

Tenderer	Ranking
Hydra Storm	1
Reece Australia	2

Sub Criteria b) Buy Local (10%)

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

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

Tenderers provided details of their "Buy Local" considerations within Schedule 3B, with the following ranking:

Tenderer	Ranking
Reece Australia	1
Hydra Storm	2

Sub Criteria c) Reconciliation Action Plan (RAP) (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.

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

Tenderer	Ranking
Reece Australia	1
Hydra Storm	2

Sub Criteria d) Access & Inclusion Plan (AIP) (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.

Tenderers provided information specifying considerations for access and inclusion provisions with assessment resulting in the following ranking:

Tenderer	Ranking
Reece Australia	1
Hydra Storm	2

Overall Sustainable Procurement Ranking Summary

The overall assessment of the Sustainable Procurement criteria has resulted in the following overall ranking:

Tenderer	Ranking
Reece Australia	1
Hydra Storm	2

Evaluation Criteria 2 - Work Health & Safety (WHS) (20%)

Evidence of WHS management policies and practices was assessed from the tender submissions. The assessment for safety management was based on the tenderer's responses to a specific Questionnaire included within the tender documentation.

Tenderers provided details of their safety management systems with the following ranking:

Tenderer	Ranking
Hydra Storm	1
Reece Australia	2

A Worksite Assessment to confirm general compliance with WHS obligations was not necessary as the company has current Occupational Health and Safety management system certification for the provision of “Manufacturing, supply and delivering of stormwater, sewer, and custom concrete precast products” which provides evidence of operational safe management practices. However before any contract activity proceeds in accordance with the WHS Contract Management instructions that form part of the City’s Contractor Management System, a Corporate Online WHS Induction will be undertaken with the Contract Start Up meeting utilised to validate compliance with all essential WHS requirements.

Evaluation Criteria 3 - Tenderer’s relevant organisational experience (40%)

The tenderer’s relevant experience in demonstrating the achievement of meeting client expectations as presented in their tender submission were assessed in order to evaluate their capability to meet the requirements of the contract. Assessment of this criterion considered the tendering entity’s credentials to fulfil the requirements of the contract. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
Hydra Storm	1
Reece Australia	2

Evaluation Criteria 4 - Tenderer’s resources and capacity (20%)

The tenderer’s resources as presented in their 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 and workshop support to manage the contract. The assessment of this criterion has resulted in the following ranking:

Tenderer	Ranking
Hydra Storm	1
Reece Australia	2

Overall Qualitative Weighted Qualitative Assessment and Ranking

Tenderer’s submissions were reviewed in accordance with the Procurement and Evaluation Plan. The overall assessment of qualitative weighted criteria resulted in the following ranking:

Tenderer	Ranking
Hydra Storm	1
Reece Australia	2

Pricing for the Goods and Services Offered

An assessment was made to determine the ranking based on the schedule of rates provided with the tender documentation on an annualised basis.

Based on the information provided, tenderers are ranked as follows:

Tenderer	Ranking
Hydra Storm	1
Reece Australia	2

Value for Money Assessment

The combined assessment of Price vs Qualitative criteria resulted in the following tenderer ranking (highest to lowest):

Tenderer	Ranking
Hydra Storm	1
Reece Australia	2

Overall Assessment and Comment

The tender submission from Hydra Storm 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.

Consultation

Internal consultations had occurred prior to tenders being called to ensure that the requirements were addressed by the specification and other contract provisions. 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 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 Responsibly managed and maintained assets

Risk Appetite Statement

“In pursuit of strategic objective goal 5, we will accept a Medium level of risk, extended to High in the areas of Community / Reputation & Financial / Commercial impacts. Shifting transport modes and usage in the City may require short term pain for longer term gain as the City supports the development, maintenance and connection of alternatives to car use (e.g. cycle ways) and the supporting infrastructure”.

Enterprise Risk Management Considerations

Risk Title	Risk Rating
CO-O07 Purchasing	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage
Risk Title	Risk Rating
CO-O08 Contract Management	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage

Risk Title	Risk Rating
CO-O17 Financial Management	Moderate
Accountability	Action Planning Option
Executive Management Team	Manage

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 advised that Hydra Storm has been assessed with a “sound” financial capacity to meet the requirements of the contract.

Performance Risk

The recommended Tenderer has been assessed to be able to meet all contract quality requirements.

Policy Implications

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

Financial (Budget) Implications

The costs associated with the Supply and Delivery of HDPE Stormwater Pipes can be accommodated within the existing capital works budget with maintenance related components funded from the relevant ICW operational budget.

Recommendation:

That the Chief Executive Officer, in accordance with Delegation 1.1.13 - Choice of Most Advantageous Tender of the Delegated Authority Register for the awarding of tenders ACCEPTS the tender submitted by TC PreCast Pty Ltd t/as Hydra Storm for Tender 22142, for the Supply and Delivery of HDPE Stormwater Pipes, as per the schedule of rates in the tender submission subject to appropriate funding availability, for each of the financial years within the initial 12 month contract term and potential two, 12 month (or part thereof) extension periods