

TENDER RECOMMENDATION REPORT

TO: CHIEF EXECUTIVE OFFICER

CC: MANAGER INFRASTRUCTURE CAPITAL WORKS

FROM: DIRECTOR ASSETS

FILE REF: 24/403087

DATE: 12 NOVEMBER 2024

TENDER 24047 PROVISION OF ON-SITE HIRE ITEMS

Issue

To consider Tender No: 24047 for the Provision of On-Site Hire Items for a three (3) year period with two (2), twelve month options to extend.

Background

The current contract arrangement for these services (Contract 19199) is due to expire on 3 March 2025.

Due to the continuous need for on-site auxiliary equipment hire services on construction projects, term contract arrangements are currently utilised by the City. The tender document as advertised was aimed at maintaining industry best practice.

Detail

Tender 24047 for the Provision of On-Site Hire Items was advertised on 21 September 2024 and closed on 22 October 2024. No addenda were issued.

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	4 March 2025
Expiry Date	3 March 2028
Extension Permitted	Yes, two (2) extension periods of 12 months or part thereof
Rise and Fall	Maximum Perth All Groups CPI increases upon extensions

Tenders Received

One tender submission was received as defined below:

Tenderer's Legal Name	Trading Name	Abbreviation
Romana Investments Pty Ltd	Perth Hire Shop	Perth Hire

Probity Oversight

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

The Tender Evaluation Panel (**TEP**), consisting of two Project Managers and a Maintenance Engineer, evaluated the tender submissions in accordance with the following selection criteria defined in 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 10% c) Reconciliation Action Plan 5% d) Access and Inclusion 5%	25%
2	*Work Health & Safety (WHS)	20%
3	* Demonstrated relevant similar experience of tenderer and personnel performing the services and achievement of client expectations	35%
4	*Resources, Capacity and Methodology	20%

All Tenderers must meet the City's minimum requirements (as determined by the City) for each of the qualitative criteria detailed above (*) to be considered for further evaluation. The sole tenderer provided a compliant submission.

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 (25%)

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.

Perth Hire Shop exceeded the minimum pass score relating to environmental considerations within Schedule 3A and were scored favourably.

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.

Perth Hire Shop provided satisfactory details relating to buy local considerations within Schedule 3B.

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

Perth Hire Shop provided satisfactory details relating to RAP considerations within Schedule 3C.

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

Perth Hire Shop provided satisfactory details relating to AIP considerations within Schedule 3C.

Overall Sustainable Procurement Ranking Summary

Perth Hire Shop has a general dedication to sustainable procurement objectives most strongly reflected in the company recycling philosophy, environmental best practice staff training and supporting policy commitment. Local economic support opportunities are limited local fuel and tool purchases. Perth Hire Shop express a recognition of RAP and AIP compliant practices, supported by defined policy documentation, staff training and

expressed working group intent.

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

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

Perth Hire Shop rated highly in their response to safety management considerations within Schedule 2 and were scored favourably.

Evaluation Criteria 3 - Demonstrated relevant similar experience of tenderer and personnel performing the services and achievement of client expectations (35%)

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.

Evaluation relating to this criterion considered the tendering entity's credentials to fulfil the requirements of the contract. Perth Hire Shop provided satisfactory details relating to this evaluation criterion.

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

The tenderer's resources as presented in their tender submission were assessed 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.

Perth Hire Shop provided satisfactory details relating to this evaluation criterion.

Overall Qualitative Weighted Assessment and Ranking

Perth Hire Shop's submission was reviewed in accordance with the Procurement and Evaluation Plan with the following key observations:

- The tender submission was evaluated in accordance with the qualitative criteria and weightings as detailed in the Procurement and Evaluation Plan, and was assessed against sustainable procurement as well as the necessary experience, resources and safety management systems required to undertake the contract requirements.
- The final assessment result determined that Perth Hire Shop's tender submission included sufficient information to determine that the company has the necessary resources, previous experience, ability and adequate management systems to undertake the contract.

Price

A 25% increase in rates has been identified in the tender submission in comparison to expiring rates. However, as the contract rates are fixed for a 3-year period, this equates to approximately an 8% annual increase in rates which can be within the realm of competing market rates. The hiring of on-site items expenditure is a small

proportion of most project costs funded from the capital work budget, there is no significant unacceptable adverse impact from the increased rates.

Overall Assessment and Comment

The tender submission from Perth Hire Shop achieved an acceptable assessment in accordance with the evaluation criteria and weightings as detailed in the Procurement and Evaluation Plan.

The sole submission did not incorporate pricing for every scheduled item but provided pricing for the items most commonly used. The unpriced items can readily be procured by quotation on an as needed basis given the infrequent need.

Therefore in summary, Perth Hire Shop provided a tender submission in accordance with the terms of the tender document which was evaluated to meet the majority of the City's on-site hire needs with tendered rates assessed to be acceptable. Acceptance of Perth Hire Shop's tender submission as the recommended tenderer has been determined as an acceptable option from the tender assessment process.

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: 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-007 Purchasing	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

Financial and Performance Risk

Financial Risk

The financial risk for this Tender is considered low as the annual expenditure is estimated to be less than \$5,000 per month and payment will be made at the completion of the service.

Performance Risk

Perth Hire Shop have an established track record servicing the Perth market with no known performance issues.

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 contract is dependent on the type of capital works projects approved in the Capital Works Program and operational maintenance requirements. The cost of such works will be directly charged to capital projects. Expenditure will also be incurred for maintenance works, with costs incurred to be charged to Maintenance Operating Budget allocations.

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 submission from Romana Investments Pty Ltd T/A Perth Hire Shop for Tender No. 24047, for the Provision of On Site Hire Items as per the schedule of rates in the tender submission for a Period of 3 years in accordance with the Conditions of Tendering, with an option to extend the contract for up to a further two, 12 month periods, or part thereof at the City's discretion and subject to available funding in each of the financial years of the contract.