CAMPBELLTOWN
CITY COUNCIL

Confidential Item

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For Council meeting to be held on

Tuesday 15 November 2016 at 7.30 pm

Refer Item 11.6

CAMPBELLTOWN
CITY COUNCIL

Tender Evaluation Report

Street Sweeping & Trash Rack Cleaning

Cost centre Various

Date: 3/11/16

Prepared by: Andrew King

1. Background

The Campbelltown City Council invited open tenders from companies for the provision of street sweeping and trash rack cleaning including the removal of tree foliage, silt build up and incidental rubbish from Council roadways, footpaths, car parks and waterway trash racks within the City of Campbelltown and street sweeping within any other location in the metropolitan Adelaide area as defined, i.e. Town of Walkerville.

2. Contract Term

The contract term is for 3 Years. Subject to satisfactory performance and any other conditions which may prevail at the time the Council may consider one (1) optional right of renewal of two (2) years to be exercised at Council's absolute discretion.

3. Procurement Process

3.1. Open Tender Process

Tender were released on the SA Tenders & Contract website (www.tenders.sa.gov.au).

Tenders Opened: 13/9/16
Tenders Closed: 4/10/16

3.2. Document Issued

The document issued is the standard CCC RFT package, (HPE: 16/51661)

3.3. Tender Enquiries

No tender enquiries were received during the procurement process.
Multiple tender enquiry was received during the procurement process and this was replied to all parties that downloaded the documents from Tenders SA website.

3.4. Tender Briefing & Site Visit

No tender briefing or site visits were conducted.

4. Receipt of Tender & Evaluation

4.1. Receipt of Tenders

Tender submission were received from the following companies:

- Envirosweep
- Ecosol
- Mechanical Vegetation Solutions

No late tenders were received.

Tenders were opened shortly after the Closing Time by three Council staff that signed and documented the receipt of each tender. (HPE: 16/66425)

4.2. Evaluation Panel

The evaluation Panel consisted of:

- Andrian Wiguna - General Manager Infrastructure Services
- Geoff Manuel - Manager Technical Services
- Andrew King - Contract & Fleet Coordinator
- Simon Zbierski - Manager Finance

Each Members of the Evaluation Panel has completed the Tender Declaration Form and declared "No Conflict of Interest" and agreed to keep confidential the contents of each tender. (HPE: 16/69034)

4.3. Evaluation Criteria

The evaluation criteria are as follow: (From tender documents)

Assessment Criteria	Weightings
Relevant Experience & Track Record (Previous work of this type, general reputation for work competence, capacity etc)	20%
Technical Skills & Methodology (People, systems, specific abilities includes appreciation of key issues and tasks)	25%
Management & Time Performance (Organisation, quality system, meeting timeframes)	10%
Management (Work health & safety, acceptable insurances)	7.5%
Management (Financial performance)	7.5%
Local (Products, services & contractors)	10%
Price	20%
Total	100%

4.4. Evaluation Selection

The evaluation was individually carried out by the evaluation panel members and then averaged out on 11/10/16 and the full evaluation matrix is in (HPE: 16/66471)

	Envirosweep	Annual Cost
1	Street Sweeping	248,909
2	Street Sweeping (Walkerville)	38,975
3	Car Park Sweeping	51,808
4	Summer Leaf Sweeping	33,390
5	Autumn Leaf Sweeping	15,900
6	Traffic Management Devices Sweeping	16,440
7	Trash Rack Cleaning	56,370
	TOTAL	**461,792**
	Ecosol	**Annual Cost**
1	Street Sweeping	951,000
2	Street Sweeping (Walkerville)	265,000
3	Car Park Sweeping	120,000
4	Summer Leaf Sweeping	349,000
5	Autumn Leaf Sweeping	243,000
6	Traffic Management Devices Sweeping	126,000
7	Trash Rack Cleaning	785,000
	TOTAL	**2,839,000**
	Mechanical Vegetation Solutions	**Annual Cost**
1	Street Sweeping	573,893
2	Street Sweeping (Walkerville)	108,789
3	Car Park Sweeping	56,300
4	Summer Leaf Sweeping	132,437
5	Autumn Leaf Sweeping	55,182
6	Traffic Management Devices Sweeping	72,426
7	Trash Rack Cleaning	56,260
	TOTAL	**1,055,287**

The summary of the evaluation is below:

Contractor	Score
Envirosweep	454.03
Ecosol	237.81
Mechanical Vegetation Solutions	344.82

Note: Highest score is best

The summary of the tender assessment matrix is attached.

4.5. Reference Checks

All tenderers provided three referees and Staff have contacted at least two of the three referees for the top three tenderers.

Copies of the reference check highlighted that most of the tenderers are able to conduct the works, are in (HPE:16/69229)

5. Discussion

All tenders met the specifications that Council required through the tender document, however two tenderers require subcontractors to conduct the street sweeping (which is the main part of this contract) as their specialty is cleaning trash racks. There are two tendereers including the preferred tendered that also have an adequate Drug & Alcohol policy.

The reference check and the tender evaluation also indicated that the other two companies are not conducting the sweeping themselves, but they are subcontracting the actual sweeping works and it is important that the potential contractor needs to understand and be highly experienced in street sweeping because this requires very good planning to ensure a smooth service be provided.

The tender assessment highlighted that most of the tenders achieved a high score on the majority of the assessment criteria. Therefore, as per the assessment and based on the past experience it is recommended that Enviro Sweep be engaged undertake the works.

Enviro Sweep has successfully delivered the street sweeping and trash rack services for Campbelltown Council the last 10 years on time and budget without any significant issues and have proven to be very flexible in meeting Councils needs and the requirements of the programs whilst minimising the inconvenience to their client.

6. Financial Implication

The total tender submission (excluding ToW) is within the existing Council budget which is $521,350.

The tender rates submitted by Enviro Sweep the to undertake the Street Sweeping and Trash Rack Cleaning contract (including disposal cost for an annual period) equate to a cost of $422,817 plus GST (and are subject to an annual CPI increase) for Campbelltown Council which can be accommodated within the budget of $521,350 and will also provide additional buffer for Street Sweeping and Trash Rack Cleaning.

The base cost to undertake the Street Sweeping for the Town of Walkerville is $ 38,975 plus GST. This cost does not include the extra autumn sweeping which will be at hourly rates as per the Town of Walkerville's specification.

Due to the nature of the competitive economic environment, Council was able to receive a significant competitive price. The total cost submission for this contract for Campbelltown Council and Town of Walkerville is less than the 2015/16 cost. Therefore to gain the maximum benefit from this tender price Staff have negotiated with Enviro Sweep for an additional contract extension for a further two year with a CPI increase only. Hence the proposed contract term will be 3 years plus exercise two (2) optional rights of renewal of two (2) year extensions to be exercised at Council's absolute discretion at the same terms and conditions as tendered.

7. Terms of Payment

The contractor has requested payment of contract sum as highlighted below.

Option 1 (Generally for longer term contracts)

[X] 1. Where the Contract Sum is a lump sum the Contractor may at monthly intervals (or as otherwise specified in this agreement) submit a written claim for:

1.1 the portion of the Contract Sum referable to the work then completed; and

1.2 the portion of the total of any Variation sum existing at that time that directly corresponds with the percentage level to which that Variation existing at that time is complete.

2. The Council must pay the assessed amount (including payment for GST) but less any retention sum (if required) within 30 days of the end of the month in which the assessment is issued.

Option 2 (Generally for short term contracts)

☐ The Council must pay to the Contractor, within 30 days of the end of the month in which the Final Certificate is issued, the Contract Sum as stipulated by this agreement.

8. Financial Sustainability

Manager Finance has reviewed the financial sustainability of all tenderers. The preferred supplier had the lowest point score of the three tenderers. Enviro Sweep had the lowest liquidity ratios and the highest amount of debt, meaning it would have to liquidate current assets to repay any short term debt should it be required to. While this indicates that the company would not be able to easily cover its debts compared to the other tenderers, this is still manageable over the longer term.

Enviro Sweep's debt to assets is geared quite highly especially compared to the other respondents, but based on the statements provided, it would be able to cover its debts if wound up. Enviro Sweep has the strongest operating result before tax and is best placed to cover the interest expense on its borrowings.

Almost all of its creditors are outstanding for less than 30 days which indicates that it is able to generate cash flow quite quickly, which a greater percentage of its business is undertaken outside of SA.

9. Recommendation

That report be prepared for Council to authorise Staff to engage Enviro Sweep as the preferred contractor to undertake the Street Sweeping and Trash Rack cleaning throughout the Campbelltown Council at the tendered rates starting 1 December 2016 with the revised contract term. Onnce Council has endorsed the preferred contractor, Council will extend the contract to the Town of Walkerville.

10. Approval

Endorsed by:

Signed: _____ Date: 4/11/2016

General Manager Infrastructure Services Andrian Wiguna

Endorsed by:

Signed: _____ Date: 8/11/16

Chief Executive Officer

Street Sweeping & Trash Rack Cleaning Tender Assessment

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Date of assessment	5/10/2016
Name of Assessors:	Andrian Wiguna, Geoff Manuel, Andrew King, Simon Zbierski

The Tender Selection System is a weighted point score system which allows both price and non-price attributes to be taken into account in the selection of the preferred tender.

1. During the Tender evaluation process, each submission is evaluated on the criteria nominated in the Tender. Point scores are allocated in the range 0 to 5 on the following basis:

Points	Description
5	Excellent
4	Very Good
3	Good or better than average
2	Acceptable
1	Marginally adequate; or success likely but not assured
0	will fail to satisfy required standards

2. After the allocation of point scores to criteria, they are multiplied by the relevant nominated weights and summed to determine an overall score.
3. For the assessment of price, the following point score formula is used:
P = 2.5 + 5 ($M - $T) / $M where: ($T = tender price) ($M = mean price)

	Procurement Selection Criteria				Procurement Selection Criteria			
	Relevant Experience of Contractor (ie previous work of this type etc) - Schedule - 12, 14				Track Record of Contractor (General reputation for work competence, capacity etc) - Schedule - 10, 11			
Criteria Weighting (%)	10				10			
	Point Score	Comments	Weighting	Weighted Score	Point Score	Comments	Weighting	Weighted Score
Contractor								
Envirosweep	4.66666667		10	46.666667	4.66666667		10	46.6667
Ecosol	3.66666667		10	36.666667	3.5		10	35
Mechanical Vegetation Solutions	3.66666667		10	36.666667	3.33333333		10	33.3333

	Procurement Selection Criteria				Procurement Selection Criteria			
	Technical Skills (People, systems, specific abilities etc) Schedule - 4, 15				Methodology (how the project is to be tackled, scope of work etc) Schedule - 17, 18			
Criteria Weighting (%)	12.5				12.5			
	Point Score	Comments	Weighting	Weighted Score	Point Score	Comments	Weighting	Weighted Score
Contractor								
Envirosweep	4.33333333		12.5	54.166667	4.66666667		12.5	58.3333
Ecosol	3.33333333		12.5	41.666667	4		12.5	50
Mechanical Vegetation Solutions	3		12.5	37.5	3		12.5	37.5

	Procurement Selection Criteria				Procurement Selection Criteria			
	Management (Organisation, Environmental, Quality System) Schedule 7, 8, 9, 13				Time Performance (as proposed for project - likelihood of meeting it) Schedule 16			
Criteria Weighting (%)	5				5			
	Point Score	Comments	Weighting	Weighted Score	Point Score	Comments	Weighting	Weighted Score
Contractor								
Envirosweep	4.33333333		5	21.666667	4.16666667		5	20.8333
Ecosol	3.5		5	17.5	3.5		5	17.5
Mechanical Vegetation Solutions	3.5		5	17.5	3		5	15

	Procurement Selection Criteria				Procurement Selection Criteria			
	Management (WHS System & Insurances) - Schedule 5, 6 (Risk Management Coordinator)				Management (Financial & Economic Stability) - Schedule 3 (Manager Finance)			
Criteria Weighting (%)	7.5				7.5			
	Point Score	Comments	Weighting	Weighted Score	Point Score	Comments	Weighting	Weighted Score
Contractor								
Envirosweep	4.66666667	Risk Management Coordinator only to score	7.5	35	3	Manager Finance Score	7.5	22.5
Ecosol	3.33333333	Risk Management Coordinator only to score	7.5	25	4	Manager Finance Score	7.5	30
Mechanical Vegetation Solutions	3	Risk Management Coordinator only to score	7.5	22.5	5	Manager Finance Score	7.5	37.5

	Procurement Selection Criteria			
	Local (Products, Services & Contractors) - Schedule 19 (Contract Coordinator)			
Criteria Weighting (%)	10			
	Point Score	Comments	Weighting	Weighted Score
Contractor				
Envirosweep	3	Not Council Area	10	30
Ecosol	3	Not Council Area	10	30
Mechanical Vegetation Solutions	3	Not Council Area	10	30

	Procurement Selection Criteria				
	Price - Schedule 19				
Criteria Weighting (%)	20				
	Price	Comments	Point Score	Weighting	Weighted Score
Contractor					
Envirosweep	$461,792		5.90984	20	118.2
Ecosol	$2,839,000		-2.27599	20	-45.5
Mechanical Vegetation Solutions	$1,055,287		3.86616	20	77.3

	Total	Comments
Criteria Weighting (%)	100	
	Highest Score is Best	
Contractor		
Envirosweep	454.03	
Ecosol	237.81	
Mechanical Vegetation Solutions	344.82	