Confidential Item

CAMPBELLTOWN CITY COUNCIL

Confidential Item

For Council meeting to be held on

Tuesday 18 June 2019 at 7.00 pm

Refer Item 11.9

Confidential Item

11.9 Tender Report – River Torrens Linear Park Maintenance 2019

General Manager Infrastructure Services, Andrian Wiguna
& Contract and Fleet Coordinator, Andrew King's Report

Purpose of Report

To advise Council of the outcome of a Tender Evaluation for the River Torrens Linear Park Maintenance.

Strategic Plan Link

Strategy 2.1.2 Review and manage the decision making framework to ensure effective, efficient and equitable decisions

Background

Tenders were called for the provision of parkland maintenance services to be carried on the section of the RTLP (River Torrens Linear Park) within the Campbelltown City Council area with a provision to extend the contract to include sections of the RTLP within the Town of Walkerville. This will result in the engagement of a suitably qualified and experienced company for the provision of parkland maintenance to a high standard (in line with industry best practice and Community expectations), including the protection and promotion of the local biodiversity within the Campbelltown City Council and the Town of Walkerville.

The contract term is for one year. 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.

Tenders were opened on 7 May 2019 in the presence of Council's Contract and Fleet Coordinator, Customer Service Officer and Records Officer.

Discussion

The three organisations submitted a Tender for this project are:

- Tenderer 1
- Tenderer 2
- Tenderer 3.

The tenders were assessed by a Tender Evaluation Panel (Acting Manager City Operations, Tree Management Officer and Development Engineer) with respect to their reliability, business capability, quality of service, environment management system, work health and safety, any previous works undertaken by the companies and the tendered rates. All tenders met the specifications that Council required through the tender document.

As part of the tender requirements, the potential tenderers were required to attend a site briefing. Unfortunately one of the tenderers (Tenderer 1) failed to attend this site briefing due to the person attending on behalf of Tenderer 1 being called away for an urgent family emergency. The tenderer advised Staff that he was unable to attend nor organise anyone else to attend on his behalf.

As this potential tenderer (Tenderer 1) did not meet one of the tender requirements, Staff contacted Norman Waterhouse Lawyers to determine whether Council was still able to consider a tender submission from Tenderer 1, despite missing the compulsory site briefing.

Council's Solicitors advised that any tender submitted by the Tenderer 1 will be treated as a Non-Conforming Tender, however as per clause 3.5.2 of the Tender Conditions, the Council 'is not required to, but may at its sole discretion, consider a 'Non-Conforming Tender''.

Furthermore, if Council chooses to consider a Non-Conforming Tender, then the evaluation matrix for that tender must include a penalty score as part of the evaluation criteria due to non-compliance with the Tender Conditions.

Therefore, before the submissions were evaluated, the General Manager Infrastructure Services, Manager Finance and the Contract & Fleet Coordinator agreed that a penalty of 10% would be applied to the final score of those tenderers that did not attend the compulsory site briefing. The penalty is included in the scores shown in Section 4.4 of the confidential attachment (attached separately).

Furthermore, Staff also sought additional guidance from the Norman Waterhouse Lawyer in regard to the penalty rate and was advised that 'It is a commercial decision for the Council regarding the various weightings for the evaluation criteria and composition of the evaluation matrix.' Hence Staff believe a penalty of 10% is considered appropriate.

The Tender Evaluation Panel also conducted their assessment without knowing the costs of each supplier nor the penalty that would be imposed to the Non-Conforming Tenderer (or that there was one). Once the Tender Assessment Panel had completed their score (without price), it was found that Tenderer 1 was the preferred supplier.

Following that, Staff then applied the costing into the overall tender assessment score and the penalty being applied. Tenderer 1 was identified as the preferred tenderer, as summarised below.

While all three submissions for the Tender were detailed and part of a competitive process, Tenderer 1 was found to have stood out from the rest on a number of fronts due to their:

- Understanding of the project
- Well experienced staff
- Quality systems in place
- Project Management Skills
- Competitive rates
- Relevant experience (they are the current provider).

The preferred Tenderer has been undertaking these services for Council for over 15 years, on time and without any significant issues and have proven to be very flexible in meeting the needs and requirements of Council and the Community.

Social Implications

Tenderer 1 has been known to provide employment opportunities for people with a disability as part of their workforce. This contract will continue to help provide their staff with a quality lifestyle and promote social inclusion.

Environmental Implications

There are no environmental implications in relation to this report.

Asset Management Implications

There are no asset management implications in relation to this report.

Governance / Risk Management

The issue of a 'non'conforming' tender was dealt with through the assessment process based on the legal advice received.

Community Engagement

There are no Community engagement implications in relation to this report.

Regional Implications

This contract allows Council to provide services to the Town of Walkerville.

Economic Development Implications

There are no economic development implications in relation to this report.

Financial Implications

The costs to supply and deliver the services for Campbelltown is $199,768, which can be accommodated within the draft 2019/2020 Annual Business Plan and Budget. However as the term of the contract could potentially be for three years, the total cost to supply the services will be in the order of $600,000 which is above the Chief Executive Officer's financial delegation.

Recommendation

That Council:

1. **authorise Staff to engage Adelaide Property & Gardens and the services be offered to the Town of Walkerville under Council's Shared Services Agreement**

2. delegate the authority to the Chief Executive Officer to exercise the two year optional right of renewal subject to satisfactory performance and any other conditions which may prevail at that time.

CAMPBELLTOWN
CITY COUNCIL

Tender Evaluation Report

River Torrens Linear Park Maintenance 2019

Cost centre 196.741

Date: 7/6/19

Prepared by: Andrew King

Document Set ID: 6244285
Version: 2, Version Date: 12/06/2019

1. Background

The Campbelltown City Council invited tenders from companies for the provision of parkland maintenance services to be carried on the section of the River Torrens Linear Park within the Campbelltown Council. This will result in the engagement of a suitably qualified and experienced Company for the provision of parkland maintenance to a high standard (in line with industry best practice and community expectations), including the protection and promotion of the local biodiversity within the Campbelltown City Council and the Town of Walkerville

2. Contract Term

The contract term is for 1 Year. 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

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

Tenders Opened: 2/4/19
Tenders Closed: 7/5/19

3.2. Document Issued

The document issued is the standard CCC RFT package, (ECM: 6180421)

3.3. Tender Enquiries

Several tender enquiries were received during the procurement process and these were replied to parties as appropriate.

3.4. Tender Briefing & Site Visit

A site briefing occurred at the Paradise Skate Park (Darley Rd, Paradise) on 11/04/19 at 9:30am. It was a requirement of this tender that potential tenderers must attend the site briefing. Legal advice was obtained as one tenderer did not attend the compulsory site briefing and therefore was considered a "non-conforming" tender.

4. Receipt of Tender & Evaluation

4.1. Receipt of Tenders

Tender submissions were received from the following companies:

- Adelaide Property & Gardens
- EBS Restoration
- UrbanVirons Group

No late tenders were received.

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Tenders were opened shortly after the Closing Time by three Council staff that signed and documented the receipt of each tender. (ECM: 6234683)

4.2. Evaluation Panel

The evaluation Panel consisted of:

- Tree Management Officer
- Acting Manager Operations
- Environmental Projects Officer
- Risk Management Coordinator - Management (WHS System & Insurances only)
- Manager Finance - Management (Financial & Economic Stability only)

All Members of the Evaluation Panel completed the Tender Declaration Form and declared "No Conflict of Interest" and agreed to keep confidential the contents of each tender. (ECM: 6239038)

4.3. Evaluation Criteria

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

#	Assessment Criteria	Weighting
1	**Relevant Experience** (Previous work of this type etc.)	10.00%
2	**Track Record** (General reputation for work competence, capacity etc.)	10.00%
3	**Technical Skills** (People, systems, specific abilities etc.)	10.00%
4	**Methodology** (How the project is to be tackled, scope of work, Value Add, etc.)	10.00%
5	**Management** (Organisation, Environmental, Quality System, Social Enterprises)	7.50%
6	**Time Performance** (Meeting timeframes)	5.00%
7	**Management** (Insurances & WHS System)	7.50%
8	**Management** (Financial & Economic Stability)	7.50%
9	**Local** (Products, Services & Contractors)	7.50%
10	**Price**	25.00%
	TOTAL	**100.00%**

4.4. Evaluation Selection

The evaluation was individually carried out by the evaluation panel members and then averaged out on (22/5/19) and the full evaluation matrix is in (ECM: 6234723)

The summary of the evaluation is below:

Contractor	Price	Total Score	Rank	Attend Site Briefing	Conforming	Non Conforming Tender Penalty	10% penalty for non conforming for not attending site briefing	
		100.0%		Y/N	Y/N	10%	New Total Score	
Adelaide Property & Gardens	$199,768	412.69	1	N	N	-41.27	371.42	1
EBS Restoration	$453,013	325.09	2	Y	Y	0.00	325.09	2
UrbanVirons Group	$591,040	288.89	3	Y	Y	0.00	288.89	3

Note: Highest score is best

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The summary of cost estimation is provided in the appendix.

The General Manager Infrastructure Services and the Manager Finance also attended the tender evaluation review meeting.

4.5. Reference Checks

As the preferred supplier is the incumbent contractor at this stage Staff have not undertaken any referee checks.

5. Discussion

At the end of the site briefing staff received a call from Mr Chris Collingwood from Adelaide Property & Gardens advising he was unable to attend as "he received a phone call from his child's kindergarten stating he was vomiting. In the craziness of dealing with a very upset child, he was unable to reallocate someone to attend the briefing in his absence."

Staff contacted Norman Waterhouse Lawyers to determine whether Council was still able to consider a tender submission from the incumbent service provider Adelaide Property & Gardens, despite missing the compulsory site briefing.

Norman Waterhouse Lawyers advised that any tender submitted by Adelaide Property & Gardens will be a Non-Conforming Tender, however as per clause 3.5.2 of the Tender Conditions, the Council "is not required to, but may at its sole discretion, consider a "Non-Conforming Tender".

Furthermore if Council chooses to consider a Non-Conforming Tender then the evaluation matrix for that tender must include a penalty score as part of the evaluation criteria due to non-compliance with the Tender Conditions.

Therefore, before the submissions were evaluated, the General Manager Infrastructure Services, Manager Finance and The Contract & Fleet Coordinator agreed that a penalty of 10% would be applied to the final score of those tenderers that did not attend the compulsory site briefing. The penalty is included in the scores shown in Section 4.4 above.

The Tender Assessors also conducted their assessment without knowing the costs of each supplier. Furthermore Staff carried out modelling and with the price removed, Adelaide Property & Gardens were still the preferred supplier.

Despite this penalty being applied, Adelaide Property & Gardens was identified as the preferred candidate, as summarised below. It is important to know that the other respondents quoted more than twice the cost of the incumbent service provider, Adelaide Property & Gardens and more than twice the amount Council has budgeted for this service in 2019/2020.

While all 3 submissions for the Tender were detailed and part of a competitive process, Adelaide Property & Gardens still stood out from the rest on a number of fronts due to their:

- Understanding of the project
- Well experienced staff
- Quality systems in place
- Project Management Skills
- Competitive rates

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- Relevant experience.

The preferred tenderer has been undertaking these services for Council for over 15 years on time and without any significant issues and have proven to be very flexible in meeting the needs and the requirements of the contract.

6. Financial Implication

The costs to supply and deliver the services is $199,768 (Campbelltown $188,568, Walkerville $11,200). Campbelltown has budgeted $215,150 for its component of these works for 2019/2020. However as the term of the contract is potentially for 3 years, therefore the total cost to supply the services will be approximately $600,000 a report to Council will be prepared.

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.

8. Financial Sustainability

The Finance department tender evaluation is part for the final combined assessment.

9. Recommendation

That a recommendation to Council be made that Adelaide Property & Gardens be awarded the contract.

10. Approval

Endorsed by:

Signed: _____ Date: 11/6/19

General Manager Infrastructure Services

Endorsed by:

Signed: _____ Date: 11.6.19

Chief Executive Officer

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