

Addendum Report

REPORTS FROM THE DIRECTOR ENGINEERING

a20 [E-CM] RFO2016017 Supply of Stormwater Products for Elanora Avenue Southern Catchment Drainage Project

SUBMITTED BY: Infrastructure Delivery

Valid



Supporting Community Life

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

2	Supporting Community Life
2.3	Provide well serviced neighbourhoods
2.3.5	Ensure adequate stormwater drainage, flood management and evacuation systems are in place to protect people and property from flooding

SUMMARY OF REPORT:

Offer RFO2016017 has been called to engage a supplier to supply Council with stormwater products for the Elanora Avenue Southern Catchment Drainage Project.

Offer RFO2016017 was officially invited in accordance with the provisions of the Local Government Act 1993 and the NSW Local Government (General) Regulation 2005. The Offer was advertised on 9 February 2016 in The Sydney Morning Herald. The Offer was also advertised in Brisbane Courier Mail and Gold Coast Bulletin on 6 February 2016.

Recommendations have been formulated based on the Selection Criteria which is contained in the Offer Evaluation Plan Report included in **CONFIDENTIAL ATTACHMENT 1**.

RECOMMENDATION:

That in respect to Offer RFO2016017 Supply of Stormwater Products for Elanora Avenue Southern Catchment Drainage Project:

- 1. Council declines to accept any of the offers as they were considered non-conforming or not value to Council and therefore takes action in accordance with the Local Government (General) Regulation 2005 Clause 178 Acceptance of Tenders.**
- 2. Council enters into negotiations in accordance with Local Government (General) Regulation 2005 Clause 178(3)(e) and (4) and the Independent Commission Against Corruption (ICAC) Guidelines with companies that are known to supply**

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concrete pipes to Australian Standards namely Rocla Australia Pty Ltd and Humes Pty Ltd.

3. **ATTACHMENT 1 is CONFIDENTIAL in accordance with Section 10A(2) of the Local Government Act 1993, because it contains:-**
- (d) **commercial information of a confidential nature that would, if disclosed:**
 - (i) **prejudice the commercial position of the person who supplied it, or**
 - (ii) **confer a commercial advantage on a competitor of the council, or**
 - (iii) **reveal a trade secret.**

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REPORT:

Offer Background

Offer RFO2016017 has been called to engage a supplier to supply Council with stormwater products for the Elanora Avenue Southern Catchment Drainage Project.

Of note is the required supply of Class 2 1350 diameter stormwater pipes (104 lengths) and one ring mounted 1350 diameter floodgate and suiting headwall. Delivery is to be to Tweed Shire Council's Hastings Point Sewage Treatment Plant, Hastings Point, NSW, 2489.

It is desirable for Council that delivery start with the 1350 diameter headwall and an initial delivery of 1350 diameter pipes. Council is looking to start its Elanora Avenue Southern Catchment Drainage Project by mid March 2016.

The work to be performed under the subsequent Contract includes the provision of all labour, plant and materials and the performance of all operations of whatever kind necessary for the complete and proper supply of concrete pipes as specified.

Offer Advertising

Offer RFO2016017 was officially invited in accordance with the provisions of the Local Government Act 1993 and the NSW Local Government (General) Regulation 2005. The Offer was advertised on 9 February 2016 in The Sydney Morning Herald. The Offer was also advertised in Brisbane Courier Mail and Gold Coast Bulletin on 6 February 2016.

Offer Evaluation Panel

Council's Offer Evaluation Panel was a Contracts Engineer and a Works Unit Engineer

Offer Submissions

As per the requirements of the Local Government (General) Regulation 2005, Offer submissions closed at 4:00PM (local time) on 2 March 2016 in the Tender Box located in the foyer of the Tweed Shire Council Civic and Cultural Centre, Murwillumbah NSW 2484. Offer submissions were recorded at the Tender Box opening and their details are as follows:

Bidder	ABN	Offered Amount (incl GST)
Reinforced Concrete Pipes Australia	71 099 076 061	Confidential Information
Tellam Civil Products	23 764 280 802	
Think Water Alstonville	97 003 667 481	

Evaluation Criteria

Offers were evaluated based on the criteria noted in the table below which were also listed in the Conditions of Offering.

Criterion	Reference	Weighting (%)
Value for Money (Normalised Offer Price) (Mandatory but Chairperson sets weighting)	Schedule 2 & 3	55
Price Compared with TSC Estimate	Schedule 2 & 3	Yes/No Item
Financial Details and Capacity	Schedule 4	Yes/No Item
Previous and Current Works (Experience)	Schedule 4	5

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Criterion	Reference	Weighting (%)
Project Management (Key Personnel)	Schedule 5	N/A
Methodology and Work Program (Time)	Schedule 6	10
WHS and Risk Management	Schedule 7	5
Environmental Management	Schedule 7	N/A
Quality Management	Schedule 7	15
Proposed Subcontractors (Experience)	Schedule 8	Yes/No Item
Company Insurances	Schedule 9	Yes/No Item
Sustainable Procurement	Schedule 10	Yes/No Item
Local Content (Development of Local Business/Industry) (Mandatory 10% per Policy)	Schedule 11	10
Innovation	All Schedules	
Maintenance and Running costs	All Schedules	Yes/No Item
Life of Proposed materials and equipment	All Schedules	Yes/No Item
Warranty Periods Offered	All Schedules	Yes/No Item
Council's Contract Administration Costs	Schedule 6	Yes/No Item
	Total	100

Evaluation Summary

Bidder	Score	Offer Conformity Notes
Reinforced Concrete Pipes Australia	-	Non-Conforming. Offer price is the lowest but this is because a number of schedule items (ie manhole pits and any pit related items) have not been included in the price. RCPA have in the past supplied pipe product which has not met our specification and quality requirements. This was documented in a memo from the Construction Engineer to the Manager Infrastructure delivery on 5 December 2013.
Tellam Civil Products	-	Non-Conforming. Offer includes pipe acquired from RCPA. See notes above in regards to quality.
Think Water Alstonville	-	Offer is not value for money. The price quoted was far above the estimate. Additionally, this company is on selling pipe from another company who did not tender due to not being able to guarantee supply.

A copy of the Offer Evaluation Plan Report is included in ATTACHMENT 1 which is CONFIDENTIAL in accordance with Section 10A:

- (d) commercial information of a confidential nature that would, if disclosed:
- (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret

The information identifies the Bidder in relation to the Offer price and the evaluation of the products offered by the Bidder. If disclosed, the information would be likely to prejudice the commercial position of the Bidder in terms of market competitiveness by giving their

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competitors an advantage. Accordingly, disclosure of the information is not in the public interest. Recommendations appear below for the Offer.

Recommendations

As per the Local Government (General) Regulation 2005 Clause 178 Acceptance of Tenders, offers have been considered and it was assessed that no offer provides value to Council. **It is recommended that Council declines to accept any of the offers.**

- "(3) A council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:*
- (a) postpone or cancel the proposal for the contract,*
 - (b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,*
 - (c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,*
 - (d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,*
 - (e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,***
 - (f) carry out the requirements of the proposed contract itself."*

It is recommended that Council takes action (e) to enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender. It is recommended that negotiations commence with companies that are known to supply concrete pipes to Australian Standards namely Rocla Australia Pty Ltd and Humes Pty Ltd.

It is also recommended that Council could utilise the annual supply arrangement to procure access chamber components and therefore the concrete pipe items can be priced competitively in the direct negotiation process.

As it is recommended to resolve to enter into negotiations, the Council resolution must state the following:

- (a) the council's reasons for declining to invite fresh tenders or applications
- (b) the council's reasons for determining to enter into negotiations with the chosen person or persons.

The reason for declining to invite fresh tenders or applications are:

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- Project timeframe, a new tender procedure will take at least 3 weeks for advertising and require the report to be tabled at the Council meeting scheduled for 21 April 2016. The materials are required by early April to allow continuity in the Works Unit construction program.
- Limited conforming providers, the tenderers that did provide submissions are all considered non-conforming or not value for money and therefore not considered to provide value for Council if approached again.

Reasons for determining to enter into negotiations with the chosen person or persons are:

- Known competitive suppliers, both Rocla and Humes are known in the concrete pipe market for their quality and ability to produce high volumes of pipes.
- Known quality and method of manufacture, it would be more beneficial for Council to negotiate direct with suppliers of concrete products that maintain a high quality control process to ensure their products conform to the relevant Australian Standard and Councils Works Unit requirements.

OPTIONS:

- 1 Council accepts the recommendations made in this Council Report.
- 2 Council does not accept the recommendations made in this Council Report.

CONCLUSION:

As per the Local Government (General) Regulation 2005 Clause 178 Acceptance of Tenders, offers have been considered and it was assessed that no offer provides value to Council. It is recommended that Council declines to accept any of the offers.

It is recommended that negotiations commence with companies that are known to supply concrete pipes to Australian Standards namely Rocla Australia Pty Ltd and Humes Pty Ltd.

COUNCIL IMPLICATIONS:

a. Policy:

Procurement Policy v1.6.

In accordance with Local Government (General) Regulation 2005.

b. Budget/Long Term Financial Plan:

Allowance is made within the project budget for these materials.

c. Legal:

Not Applicable.

d. Communication/Engagement:

Inform - We will keep you informed.

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UNDER SEPARATE COVER/FURTHER INFORMATION:

(Confidential) Attachment 1. Offer Evaluation Report (ECM 3985282).

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