

POLICY: CORP-AP-004

TENDER CRITERIA

PURPOSE

The purpose of an evaluation process is to identify which tender offers the most advantageous tenderor proposal to the City of Kalgoorlie Boulder. The objective of this Policy is to enable guidance to be provided to Responsible Officers in setting tender evaluation criteria prior to the inviting of tenders to achieve the best overall outcome for the City of Kalgoorlie Boulder.

DEFINITIONS

EGA – Executive Group consisting of the CEO, GMFC, GMIE and GMCL.

Responsible Officer – The person responsible for the delivery of the project or service that is subject of the Tender.

Tender: means a **Tender** required under Clause 11 of *the Local Government (Function and General) Regulations 1996* or other Tender Procedure as determined by Council.

Tender Criteria - The standards by which are specified in the invitation to tender document which are used to judge the tender submissions and form the basis for the tender selection. They are expressed in percentages.

STATEMENT

This policy is applicable based on all of the following being addressed:

- An identifiable budget is in existence for a product or service at the time.
- The tendering procedure to be followed.

LEGISLATION

Part 4 of the Local Government (Functions and General) Regulations 1996 provides for the process to be followed when inviting tenders. Regulation 14 (2a) indicates the need for the local government to determine the criteria to be applied to the tender for assessment purposes prior to the invitation being publicised.

SCOPE OF WORKS

This must be relevant and in specific detail to give the contracted tenderer a clear understanding of the nature and extent of works required including timeframes and deliverables to complete the tendered work. Pricing by the tenderer will be based on the Scope of Works outlined. Therefore the more detail provided the more accurate will be the pricing and less contingencies.

This detail is required to be confirmed prior to the invitation of tenders.

EVALUATION MODELS

Tenders vary greatly in the nature of the activity, scope of works and pricing, Evaluation criteria should be tailored to each individual purchasing requirement. Three example models that reflect the majority of tenders that are invited by the City of Kalgoorlie-Boulder – Product Purchases, Service Provision and Building Contracts as provided below with acceptable percentile ranges of criteria and individual recommended percentage criteria.

The recommended criteria weighting should generally be used in most cases, the criteria may be adjusted within the acceptable range or omitted where they are deemed unnecessary for the particular tender. Additional Tender specific criteria may also be added if required. The final criteria selected are subject to CEO and General Manager approval for each tender.

When determining the criteria, the sum of the weightings must equal 100%.

The price criteria may be replaced with a schedule of rates for the goods or services required.

Product Purchases

This model applies to any goods or products purchased from suppliers.

Product Purchases			
Ref	Criteria	Acceptable Range	Recommended Criteria
A	Quality	20-30%	20%
B	Capacity to Deliver	10-30%	10%
C	Regional Capacity and Experience	10-20%	20%
D	Sustainability / Life Cycle	0-10%	0%
E	Price / Schedule of Rates	20–80%	50%
	Total		100%

Service Provision

This model applies to any services provided by suppliers whether it is to be consultancy work, service and repairs, provision of labour services, etc.

Service Purchases			
Ref	Criteria	Acceptable Range	Recommended Criteria
A	Relevant Experience	10-25%	15%
B	Capacity to Deliver	10-25%	10%
C	Regional Capacity and Experience	10-20%	10%
D	Methodology / Demonstrated Understanding	0-20%	10%
E	Key Personnel	20-30%	15%
F	Price / Schedule of Rates	20-80%	40%
	Total		100%

Construction Projects

This model applies to construction projects, particularly buildings and civil works.

Construction Projects			
Ref	Criteria	Acceptable Range	Recommended Criteria
A	Relevant Experience	20-30%	20%
B	Key Personnel	10-20%	10%
C	Regional Capacity and Experience	10-20%	20%
D	Tenders Resources.	0-10%	0%
E	Methodology / Demonstrated Understanding	10-20%	10%
F	Price	20-80%	40%
	Total		100%

Example Criteria Details.

Criteria may be broken down to require information specific to the project.

Quality.

Approved quality systems, Location of product manufacture, product guarantees

Capacity to Deliver.

How soon can the product be delivered, is it sourced from overseas manufacturers, can multiple repeat orders be fulfilled.

Regional Capacity and Experience.

Is the supplier a Local Business as defined in the Regional Price Preference Policy CORP-AP-006 or are they using local Businesses as sub-contractors and provided an estimate of the value of the local content. How does the respondent plan to engage with local contractors or handover the methodology once the project is completed. Will partnerships with local contractors be formed for ongoing servicing, maintenance and training. Does the respondent have previous experience in the region and demonstrated knowledge of working with local contractors.

Sustainability / Lifecycle.

What sustainability features if any are involved in the product, what is its whole of life costs, what are its running costs, what is its maintenance frequency, what is its design life?

Relevant Experience.

Details of similar work, Demonstrated experience in projects, Scope of the tenderer's involvement including details of outcomes, Details of issues that arose during the project(s) and how they were managed, Demonstrate competency and proven track record of achieving outcomes.

Methodology / Demonstrated Understanding.

The process for the delivery of the Requirements including a clear outline of the tenders understanding of the requirements including the proposed methodology for its delivery including an Implementation Timetable,

Key Personnel.

The role of key personnel in the performance of the Contract, Curriculum vitae of key personnel (All Consultants and Sub-Consultants, Contractors and Sub-Contractors) inclusive of qualifications and membership of professional and business associations.

Tenders Resources.

Current commitment schedule and any relevant contingency measures or back up of resources including personnel.

Price / Schedule of Rates.

Lump sum prices should be broken down into identifiable line items and priced on that basis. Scoring for lump sum contracts is on a weighted average calculation provided by WALGA. Schedules of rates should clearly identify what works will be carried out under the contract and the times for doing the work. Approximate quantities, no of call outs etc., may be provided is deemed suitable by the responsible officer to allow tenderers estimate the requirement in terms of resources. Scoring for a schedule of rates based tender is on direct comparison,

lowest average rates, and best value for money etc.

ANTI-AVOIDANCE

Tenders should not be broken purposefully into smaller components under \$150k to simply avoid a Council report being generated.

CONSEQUENCES:

This policy represents the formal policy and expected standards of the City of Kalgoorlie Boulder. Elected Members and Employees are reminded of their obligations under the Council's Code of Conduct to give full effect to the lawful policies, decisions and practices of the City.

ROLES AND RESPONSIBILITIES:

The Responsible Officer is to ensure that the appropriate process is followed as determined by the existence of any budget allocation and to apply evaluation criteria appropriate to the tender being sought.

EGA shall ensure that the Policy will be adhered to and that the Evaluation criteria set are appropriate for the specific tender, in accordance with this policy and the results of the tender evaluation process are based on the criteria set.

ASSOCIATED DOCUMENTS

External:

- Local Government Act 1995;
- Local Government (Functions and General) Regulations 1996;

Internal:

- Code of Conduct;
- Tendering Procedure

Policy Number:	CORP-AP-004
Previous Policy Number:	
Relevant Legislation:	<i>Local Government (Functions and General) Regulations 1996 14.(2a)</i>
Review Frequency:	Biennially
Business Unit:	Finance and Corporate
Responsible Officer:	GM Finance and Corporate