

LATE ITEM C10/5149 – SUPPLY OF TRADE SERVICES FOR A THREE YEAR PERIOD (CO12/10) (REC) (CONFIDENTIAL ATTACHMENT)

Ward : All
 Category : Operational
 Subject Index : Tenders
 Customer Index : City of Melville
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Not Applicable
 Works Programme : Not Applicable
 Funding : 2010/2011 Budget
 Responsible Officer : Lew Bell
 Facilities & Asset Coordinator

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when Council review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

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KEY ISSUES / SUMMARY

- To recommend acceptance of a tender for the supply of trade services for a period of three years.

BACKGROUND

Tenders for the Supply of Trade Services for a Three Year Period were invited by advertisement in the West Australian on Wednesday 8 September 2010 and closed on Thursday 23 September 2010 at 4.00pm.

Tenders were called for Trade Services (formerly called Building Maintenance Services) as the previous tender had expired and was operating under an agreed extension with panel suppliers.

Price Schedule

The Price Schedule was distributed to Elected Members on Tuesday, 2 November 2010 under confidential cover.

Tender Evaluation Process

Tenderers were scored on weighted qualitative criteria excluding price. Each tender is assigned a score out of 100. Tenderers were required to achieve above 60% scoring to be considered for appointment to the panel supply arrangement.

The following tender evaluation process is undertaken after qualitative scoring:

“Once the Tenders have been ranked based on qualitative criteria, the evaluation panel will make a value judgement as to the cost affordability, qualitative ranking, and risk of each Tender, in order to determine the Tender which is the most advantageous to the City (Under the City’s best value for money approach it should be noted that , although price is important, the tender with the lowest price may not necessarily be the most advantageous).

The proposed price will be considered along with related factors affecting the total cost to the City e.g., the lifetime operating costs of goods or the City’s contract management costs may also be considered in assessing the best value for money outcome.

Unless otherwise indicated prices proposed shall include materials, equipment, plant, consumables, uniforms, delivery, unloading and all applicable licenses, levies, duties, taxes and charges. Any charge not stated in the Tender, as being additional will not be allowed as a charge for any transaction under any resultant Contract.”

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The Evaluation Sheet was distributed to Elected Members on Tuesday, 2 November 2010 under confidential cover.

The Evaluation Committee consisted of the Purchasing Coordinator, the Facilities and Asset Coordinator and the Manager Asset Management.

The criteria for this tender were based on the following specific attributes.

1. Relevant Experience
2. Capacity to deliver the services
3. Methodology
4. References

DETAIL

45 sets of tender documents were issued and 16 submissions were received as follows:

CPD Group
Spectrum Fire Security
E Fire & Safety
Pearmans Electrical Services
Perrott Painting
By Gobo
Fire Technologies Australia Pty Ltd
Pianda Maintenance
Calibre Coatings
Seme
Robinson Buildtech
Rhysco Electrical Services
Crabclaw Holdings
Bullant Security
Northlake Electrical
Cary's Electrical Services

No late tenders were received.

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All 16 submissions were assessed initially against the selection and qualitative criteria.

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A bench mark of 60% was agreed to by the Evaluation Panel members as the minimum percentage required to be considered for shortlisting. Those tenders that scored under the required percentage were not shortlisted for further comparison.

With the exception of Bullant Security, Pearmans Electrical, Perrot Painting, Seme, Fire Technologies and Rhysco Electrical Services, all other tenderers are well known to the City and have provided building maintenance services previously. The quality and timeliness of those services has generally been to a high standard. Reference checks were conducted on contractors not known to the City and returned positive feedback on performance.

As the City has a need for building maintenance services and minor project works on a daily basis and the diversity and volume of those services varies from day to day it is beneficial to appointment a number of contractors to the panel with the exception of Fire Prevention and Inspection Services which will benefit from one contractor being appointed to control the entire inspection program.

In summary each trade service is listed below, scores are with price removed:

Plumbing & Gas Fitting Services (Received submissions: 2)

CPD Group Pty Ltd Score - 59.75%

Robinson Buildtech Score - 82.23%

CPD Group Pty Ltd submission did not score above the required 60% benchmark set for qualitative criteria and was therefore not considered for recommendation. Robinson Buildtech is recommended for appointment. Contractor is competent, has demonstrated experience, sound management systems and has conducted a number of projects for the City.

Roof Plumbing Services (Received submissions: 2)

CPD Group Pty Ltd Score - 59.75%

Robinson Buildtech Score - 82.23%

CPD Group Pty Ltd submission did not score above the required 60% benchmark set for qualitative criteria and was therefore not considered for recommendation. Robinson Buildtech is recommended for appointment. Contractor is competent, has demonstrated experience, sound management systems and has conducted a number of projects for the City.

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Electrical Services (Received submissions: 7)

Northlake Electrical Score - 83.38%
Cary's Electrical Score -78.81%
Pearmans Electrical Score – 76.23%
Spectrum Fire & Security Score - 65.33%
Rhysco Electrical Score - 63%
SEME Score - 60.93%
CPD Group Score - 58.17%

CPD Group Pty Ltd submission did not score above the required 60% benchmark set for qualitative criteria and was therefore not considered for recommendation. Of the seven submissions the following four contractors are recommended for a panel supply arrangement due to high levels of demand for these services:

Northlake Electrical
Cary's Electrical
Rhysco Electrical
Pearmans Electrical

Northlake and Cary's have had considerable experience in dealing with the City and the submissions clearly outlined sound management systems and methodology. Clarification was sought from Pearmans over some specific projects and this was provided to the satisfaction of the panel. Rhysco Electrical was selected over Spectrum even though Spectrum scored slightly higher.

The owner and key electrical contractor of Rhysco is a former employee of Cary's Electrical and has considerable experience and knowledge of the City's systems and locations of electrical equipment. Due to the business being relatively new the submission scored lower in relevant experience however this was not seen by the panel to affect the ability of this contractor to perform the services. Spectrum's submission was well received by the panel however its core business is related to Fire & Security Services and not general electrical services which was seen as a key component to selection.

Due to the business being relatively new the submission scored lower in relevant experience however this was not seen by the panel to affect the ability of this contractor to perform the services. Spectrum's submission was well received by the panel however its core business is related to Fire & Security Services and not general electrical services which was seen as a key component to selection.

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Carpentry Services (Received submissions: 4)

Robinson Buildtech Score - 82.23%

Crabclaw Holdings Score - 71.96%

Pianda Maintenance Score - 63.77%

CPD Group Pty Ltd Score - 59.75%

CPD whilst specialising in this type of work could not provide sufficient information even after clarification requests regarding methodology, relevant projects etc to satisfy the panel and subsequently did not score above the required 60% benchmark set for qualitative criteria and was therefore not considered for recommendation. Opportunities to quote on larger projects outside of this tender may be offered to this contractor in the future, however they would be required to satisfy the qualitative criteria in more detail than that submitted for this tender.

Of the four submissions received therefore, the following three contractors are recommended:

Robinson Buildtech

Crabclaw Holdings

Pianda Maintenance

These contractors have all performed works for the City previously and have achieved good project outcomes. Demand for small to medium size projects is common and these contractors can provide the diversity in business size to meet these needs.

Locksmith Services (Received submissions: 2)

BullAnt Security Score – 73.40%

CPD Group Pty Ltd Score – 56.19%

CPD Group Pty Ltd submission did not score above the required 60% benchmark set for qualitative criteria and was therefore not considered for recommendation. Of the two submissions received only one contractor is recommended:

BullAnt Security

BullAnt Security has the required demonstrated experience in providing the services, sound management systems and resources and provided good detail regarding methodology.

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Painting Services (Received submissions: 4)

Calibre Coatings Score - 76.13%
Perrott Painting Score – 76.12%
Crabclaw Holdings Score – 67.83%
CPD Group Score – 59.75%

CPD Group Pty Ltd submission did not score above the required 60% benchmark set for qualitative criteria and was therefore not considered for recommendation. Of the four submissions received the following three contractors are recommended:

Calibre Coatings
Perrott Painting
Crabclaw Holdings

These contractors demonstrate relevant experience in the provision of the services, and sound methodology with ability to perform small to medium sized works. Two are known to the City and the third (Perrott) had reference checks conducted.

Glazing Services (Received submissions: 2)

By Gobo Score – 67.79%
CPD Group 56.19%

CPD Group Pty Ltd submission did not score above the required 60% benchmark set for qualitative criteria and was therefore not considered for recommendation. Of the two submissions received only one contractor is recommended:

By Gobo

This contractor specialises in glazing services and has satisfied all the required qualitative criteria in a concise manner.

Carpet Laying Services (Received submissions: 1)

CPD Group 56.19%

CPD Group Pty Ltd submission did not score above the required 60% benchmark set for qualitative criteria and was therefore not considered for recommendation. In addition Carpet Laying is not a core business function of CPD Group and the submission did not identify any personnel that could carry out the works. These works will be quoted on an as needs basis in accordance with the Councils Purchasing Policy .

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Fire Prevention & Inspection Services (Received submissions: 5)

Seme Score – 66.93%

Spectrum Fire & Security Score – 63.13%

E-Fire & Safety Score – 56.69%

CPD Group Score – 56.19%

Fire Technologies Aust Pty Ltd Score – 41.97%

CPD Group Pty Ltd, E-Fire & Safety and Fire Technologies Aust Pty Ltd submissions did not score above the required 60% benchmark set for qualitative criteria and were not considered for recommendation.

The remaining two submissions received were shortlisted for further consideration with the aim of appointing only one contractor to be responsible for the provision of Fire services.

Seme

Spectrum Fire & Security

Clarification was requested from Spectrum surrounding relevant experience and this was provided to the satisfaction of the panel. The submission was scored again, and Spectrums score increased to 80%, making this contractor the preferred supplier of Fire Services.

Reference checks were very positive with projects being of equal size and larger to that proposed by the City. Key personnel are experienced and methodology sound.

Summary

All recommended contractors for the supply of trade services who did not have the required level of Public Liability Insurance (\$20M) were requested to agree to provide additional cover and all provided written agreement to do so.

Pricing was then considered across recommended contractors where a panel supply arrangement would operate and all were considered to be within acceptable market rates. Prices do vary and in some circumstances careful selection based on whether the works are considered emergency or programmed should be considered. The terms of engagement of individual contractors where a panel supply exists would be based on type of service required, availability within the time frame required and best value for money. Appointing a single contractor for trades services (with the exception of Fire Services) based on the lowest price tendered is not recommended. (See Alternate Options and their Implications).

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In conclusion the panel is satisfied that the recommended contractors will be able to provide the services required based on relevant experience and required expertise. Contract performance reviews will be conducted every 12 months along with contract performance being conducted after works completion, which will ensure that all contractors are performing to the required standard.

Where more than one contractor is appointed for a service the selection will be based on type of service required, availability within the time frame required and best value for money. The City reserves the right to engage other contractors outside of the panel if the required timeframe cannot be met and this would be undertaken in accordance with the Councils Purchasing Policy.

PUBLIC CONSULTATION/COMMUNICATION

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable

STATUTORY AND LEGAL IMPLICATIONS

Section 3.57 of the Local Government Act 1995 states “A Local Government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services”.

FINANCIAL IMPLICATIONS

A total budget of \$4,779,052 is allocated for planned and reactive maintenance services (Operational \$2,294,561, Planned \$2,484,491).

It should be noted that these figures also include miscellaneous services including utilities, depreciation and FESA which is not included in the table below.

The cost breakdown for identified maintenance works is as follows:

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Service	2009			2010		
	Operational (Maintenance & Reactive)	Planned (Capital Renewal)	Total	Operational (Maintenance & Reactive)	Planned (Capital Renewal)	Total
Plumbing	\$124,627	\$61,013	\$185,640	\$136,660	\$168,816	\$305,476
Roof Plumbing	\$88,620	\$201,086	\$289,706	\$116,040	\$163,950	\$279,990
Electrical	\$189,403	\$99,964	\$289,367	\$166,530	\$181,628	\$348,158
Carpentry	\$189,569	\$498,049	\$687,618	\$160,550	\$539,699	\$700,249
Locksmith	\$32,161	0	\$32,161	\$20,000	\$16,238	\$36,238
Painting	0	\$393,873	\$393,873	0	\$604,622	\$604,622
Glazing	\$67,433		\$67,433	\$50,000	0	\$50,000
Fire Protection	\$166,832	\$395	\$167,227	\$188,102	0	\$188,102
			\$2,113,025			\$2,512,835

Each facility has its own maintenance budget for minor maintenance items with the planned building maintenance budget being the responsibility of the Manager Asset Management.

Year Three rates from the previous tender from contractors who are also being recommended for award for this tender, have been compared to obtain percentage increase/decrease information.

- Electrical Services Increase 6%
- Roof Plumbing Services Increase 28%
- Painting Services Increase 9%
- Carpentry Increase 6% and 28%
- Locksmith Decrease -42%

STRATEGIC AND RISK MANAGEMENT IMPLICATIONS

No strategic implications are applicable to this item.

Risk management factors were considered during the evaluation process of this tender and none were considered to be of extreme risk.

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POLICY IMPLICATIONS

Procurement of Goods and Services Policy CP-023.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

By asking tenderers to submit prices through a tender process the City has a fixed a schedule of rates from each provider for the next 3 years. If fewer services providers are appointed to the approved service provider panel the City may find itself in a situation where it has limited or no access to services providers at periods of peak demand, leaving the City vulnerable to open market pricing and long delays for repair works

CONCLUSION

The Council is required to consider this tender and the recommendation from the Contract and Tender Advisory Unit because the value of the contract exceeds the \$500,000 limit delegated to the Unit. It is the opinion of the Contract and Tender Advisory Unit that the tenderers recommended below for the Supply of Trade Services for a Three Year Period selected on relevant experience, sound methodology in the delivery of the services, qualified staff for the delivery of services and an acceptable range of rates should be accepted as the most advantageous.

EVALUATION PANEL RECOMMENDATION (5149) (CO12/10)

APPROVAL

- 1. That the tenders submitted by the following Contractors for the Supply of Trade Services for a Three Year Period be accepted as the most advantageous:**

Plumbing and Gas Fitting Services:

- RWE Robinson & Sons Pty Ltd Acting For The Robinson Unit Trust Trading as Robinson Buildtech**

Roof Plumbing

- RWE Robinson & Sons Pty Ltd Acting For The Robinson Unit Trust Trading as Robinson Buildtech**

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Electrical Services

- Leedenn and Lorsen Pty Ltd acting for the Graesslin Family Trust trading as Cary's Electrical Services;
- Northlake Electrical Pty Ltd;
- Pearmans Electrical and Mechanical Services Pty Ltd; and
- Rhysco Holdings Pty Ltd as Trustee for the Lawton Family Trust trading as Rhysco Electrical Services.

Painting

- Perrott Painting Maintenance Contracts Pty Ltd
- The Trustee for the KIS Trust trading as Calibre Coatings
- Crabclaw Holdings Pty Ltd acting for the EMSO Investment Trust trading as EMSO Maintenance

Glazing

- By Gobo (Australia) Pty Ltd trading as By Gobo

Carpentry

- RWE Robinson & Sons Pty Ltd acting for the Robinson Unit Trust trading as Robinson Buildtech
- Crabclaw Holdings Pty Ltd acting for the EMSO Investment Trust trading as Emso Maintenance
- Wilroy Pty Ltd trading as Pianda Maintenance

Locksmith Services

- Bullant Security Pty Ltd

Carpet Laying Services

- No Tender be awarded

Fire Prevention and Inspection Services

- Hastie Services Pty Ltd trading as Spectrum Fire & Security

2. That the terms of engagement of individual contractors from the panel be:
 - a) type of service required;
 - b) availability within the time frame required; and
 - c) best value for money .

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CONTRACT AND TENDER ADVISORY UNIT RECOMMENDATION (5149) (CO12/10) APPROVAL

1. That the tenders submitted by the following Contractors for the Supply of Trade Services for a Three Year Period be accepted by the Council as the most advantageous:

Plumbing and Gas Fitting Services:

- RWE Robinson & Sons Pty Ltd Acting For The Robinson Unit Trust Trading as Robinson Buildtech

Roof Plumbing

- RWE Robinson & Sons Pty Ltd Acting For The Robinson Unit Trust Trading as Robinson Buildtech

Electrical Services

- Leedenn and Lorsen Pty Ltd acting for the Graesslin Family Trust trading as Cary's Electrical Services;
- Northlake Electrical Pty Ltd;
- Pearmans Electrical and Mechanical Services Pty Ltd; and
- Rhysco Holdings Pty Ltd as Trustee for the Lawton Family Trust trading as Rhysco Electrical Services.

Painting

- Perrott Painting Maintenance Contracts Pty Ltd
- The Trustee for the KIS Trust trading as Calibre Coatings
- Crabclaw Holdings Pty Ltd acting for the Emso Investment Trust trading as Emso Maintenance

Glazing

- By Gobo (Australia) Pty Ltd trading as By Gobo

Carpentry

- RWE Robinson & Sons Pty Ltd acting for the Robinson Unit Trust trading as Robinson Buildtech
- Crabclaw Holdings Pty Ltd acting for the Emso Investment Trust trading as Emso Maintenance
- Wilroy Pty Ltd trading as Pianda Maintenance

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Locksmith Services

- **Bullant Security Pty Ltd**

Carpet Laying Services

- **No Tender be awarded**

Fire Prevention and Inspection Services

- **Hastie Services Pty Ltd trading as Spectrum Fire & Security**

- 2. That the terms of engagement of individual contractors from the panel be:
 - a) type of service required;**
 - b) availability within the time frame required; and**
 - c) best value for money.****