

6.2.12 T101314HUN Single Source Supply Of Category 1: Ductile Iron Cement Lined Pipe, Category 2: Water & Sewer Fitting And Category 3: Valves

REPORT BY THE PROCUREMENT MANAGER TO 5 MARCH 2014 COUNCIL MEETING
140305 Council
GOV400038, GOR500017

RECOMMENDATION

That:

1. **the report by the Procurement Manager on the tender T101314HUN Single Source Supply Of Category 1: Ductile Iron Cement Lined Pipe, Category 2: Water & Sewer Fitting And Category 3: Valves be received;**
2. **Category 1 – Ductile Iron Cement Lined (DACL) Pipes
That Iplex Pipelines Australia Pty Ltd be awarded this Category as the Single Source supplier to participating Hunter member councils for the period 6/03/2014 to 31/12/2015, and that a provision be allowed for a 12 month extension based on satisfactory supplier performance which may take this contract through to 31/12/2016;**
3. **Category 2 – Water and Sewer Fittings
Cadia Group be awarded this Category as the Single Source supplier to participating Hunter member councils for the period 06/03/2014 to 31/12/2015, and that a provision be allowed for a 12 month extension based on satisfactory supplier performance which may take this contract through to 31/12/2016;**
4. **Category 3 – Valves
Cadia Group be awarded this Category as the Single Source supplier to participating Hunter member councils for the period 06/03/2014 to 31/12/2015, and that a provision be allowed for a 12 month extension based on satisfactory supplier performance which may take this contract through to 31/12/2016.**

Executive summary

Regional Procurement®, in accordance with Clause 166(a) of the Local Government (General) Regulation 2005, has called an open Single Source by Category tender for the Supply and Delivery of Ductile Iron Cement Lined Pipe, Water and Sewer fittings and Valves to participating Hunter member councils,.

This contract will run from 6 March 2014 for approx 24 months with a one year option to extend which is based on satisfactory performance by the successful tenderer.

The recommended tenderers are; Category 1 – Ductile Iron Cement Lined (DACL) Pipes Iplex Pipelines Australia, Category 2 – Water and Sewer Fittings, Cadia Group, Category 3 – Valves, Cadia Group.

Detailed report

This tender was advertised in the following media:

- Newcastle Herald and TenderLink on 10 August 2013,
- Sydney Morning Herald on 13 August 2013
- Mudgee Guardian 27 September 2013

Four (4) tenders in total were received from:

- Cadia Group
- Challenger Valves and Actuators Pty Ltd
- Iplex Pipelines Australia Pty Ltd
- Pentair Water Solutions

Seven (7) tender documents were sold.

No late tenders were received. All tenderers had been noted as active on the ASIC website and no tenders were deemed non compliant.

The tender evaluation was conducted on Thursday 5 December 2013 at Hunter Councils' administration building by:

- Leanne Roberts – Account Executive Regional Procurement
- Peter Salafia - Manager Regional Procurement

Note: All participating member councils were invited to attend the tender evaluation however due to other commitments none were able to attend.

The evaluation was conducted in accordance with the Local Government Tendering Guidelines, Regional Procurement® Tendering Code of Conduct and Tendering Evaluation Principles and Process. Confidentiality and probity were maintained throughout the process.

Conflict of Interest Declarations were signed by all participating evaluation panel members including the Regional Procurement® facilitator. The declarations are available to be viewed if required.

METHODOLOGY:

The % weightings and criteria were agreed upon prior to the tender closing.
The evaluation result is determined by:

- Adding the total value of all items together on a 'per Category' basis to determine the lowest overall price for that Category.
- The lowest overall amount is awarded the full Criteria % for each Category as per the Table below.
- Each subsequent total \$ value is then divided into the lowest total amount to obtain a score.
- The tenderer's ability to meet specific requirements of the remaining evaluation criteria as determined by the panel.

*EVALUATION RESULTS:**CATEGORY 1- DICL PIPES*

		Iplex Pipelines Aust	Pentair Water Solutions
CRITERIA	%		
Tender Price	60	60.00	40.98
Referees	5	4.37	4.23
Quality Assurance	10	10.00	10.00
Customer Service	15	15.00	15.00
Freight	10	4.09	10.00
Total	100	93.45	80.22

CATEGORY 2 - WATER & SEWER FITTINGS

		Iplex Pipelines Aust	Pentair Water Solutions	Cadia Group
CRITERIA	%			
Tender Price	60	0.00	59.00	60.00
Referees	5	4.37	4.23	4.57
Quality Assurance	10	10.00	10.00	8.00
Customer Service	15	15.00	15.00	15.00
Freight	10	0.00	0.00	10.00
Total	100	29.37	88.23	97.57

Note: Iplex submission Tender Price was scored zero for this Category due to their inability to supply all items required.

CATEGORY 3 - VALVES

		Iplex Pipelines Aust	Pentair Water Solutions	Cadia Group	Challenger Valves
Overall matrix					
CRITERIA	%				
Tender Price	60	0.00	60.00	55.25	0.00
Referees	5	4.37	4.23	4.57	4.30
Quality Assurance	10	10.00	10.00	8.00	10.00
Customer Service	15	15.00	15.00	15.00	10.00
Freight	10	0.00	0.00	10.00	0.00
Total	100	29.37	89.23	92.82	24.30

Note: Iplex and Challenger Valves submissions Tender Price were scored zero for this Category due to their inability to supply all items required.

Financial and Operational Plan implications

Due to legislative requirements Council has an obligation to ensure that the procurement process is undertaken within the guidelines and threshold nominated in Section 55 of the Local Government Act 1993.

As per the objections outlined in Council's Procurement Policy the procurement of goods & services must be legal ethical and to Council's best advantage.

Community Plan implications

- Good Government

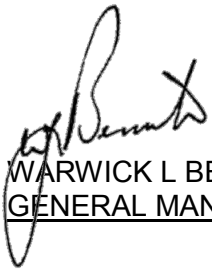
- Effective and efficient organisation.
- Strong Civic Leadership

KRISTIE WARD
PROCUREMENT MANAGER

14 February 2014

Attachments: 1. Regional Procurement Tender Evaluation Matrix (included in the confidential section of this business paper.)

APPROVED FOR SUBMISSION:



WARWICK L BENNETT
GENERAL MANAGER