

## City Procedure: Evaluation of Tenders and Quotations

### 1. Objectives

This procedure describes the process for the evaluation of Major Quotations and Tenders.

### 2. Scope

This procedure applies to staff involved in the evaluation of Major Quotations (quotations with a value of \$30,000-99,999) and Tenders (major purchases with a value of \$100,000 and over).

### 3. Definitions

Listed below are some key terms and acronyms used in the procedure, and their definitions:

|                            |  |
|----------------------------|--|
| <b>Cost Score</b>          | A mathematical formula applied to the submitted prices, under these Guidelines, to determine relative price score/rating.  |
| <b>Evaluation Team</b>     | A team of at least three people formed for the purposes of evaluating a Tender. <u>Please note if a Tender is over one million dollars, an Executive Director must be part of the evaluation team.</u> |
| <b>Evaluation Officer</b>  | The officer responsible for evaluating a Major Quotation.  |
| <b>Major Quotation</b>     | The process for procurement of purchases between \$30,000 and \$99,999 or a quotation of a lesser value which carries a higher level of risk.  |
| <b>Quotation</b>           | The procurement of goods and/or services between the value of \$2,000 and \$99,999.  |
| <b>Responsible Officer</b> | The officer initiating the Tender/Quotation request.   |
| <b>Tender</b>              | The process for procurement of goods and/or services valued at \$100,000 (excluding GST) * or more.<br>*This amount relates to the total value of the contract over the proposed term of the contract. |
| <b>WALGA eQuotes</b>       | Quotes utilising the WALGA online process to access WALGA Preferred Supplier Panels.   |

## **4. Procedures/Actions**

### **4.1 Evaluation Objectives and Principles**

The evaluation must be conducted in a fair, unbiased, and competent manner, whilst maintaining confidentiality and probity.

The objective of an evaluation is to select the best (value for money) offer in terms of compliance with the weighted qualitative/evaluation criteria.

### **4.2 Evaluation Process**

The evaluation should assess both the suppliers and the goods and/or services that are being offered.

Evaluation should be based on the criteria notified in the request documentation, and should assess the submission to:

- determine the capability to meet the specified requirements;
- identify potential risks;
- acquire satisfactory evidence of overall performance and reliability;
- evaluate the relative strengths and weaknesses;
- identify areas requiring special attention in managing the project; and
- identify if anything further needs to be addressed to clarify individual submissions.

### **4.3 Information that can be used in Evaluations**

In addition to information provided, the following information may also be used in the evaluation:

- clarifications of submissions for the evaluation;
- information in the possession of the City relating to the Contractor;
- information sourced in the course of site visits; and
- publicly available information.

Any communication between companies being evaluated and the City needs to be recorded in writing.

### **4.4 Evaluation Officer/Team**

The purpose of the evaluation team (for tenders) is to:

- assess each submission in accordance with established processes;
- undertake any communication that may be necessary to clarify submissions; and
- document the team member's decision in an evaluation report.

Evaluation team members/officers completing evaluations should read each submission and individually score it against the relevant evaluation criteria.

For Tenders, an individual evaluation worksheet is provided for this purpose. It is recommended that each team member complete the worksheet for each submission, including the scores between 0-10, prior to the meeting of the team. The team will meet to agree on an acceptable score for each submission. This may be achieved by consensus or by averaging each team member's score. Any relevant discrepancies will be recorded in the evaluation report.

For Quotations (including eQuotes through WALGA), a Quotation Evaluation Report Sheet should be completed by the Responsible Officer. Individual worksheets are not required, but may be used if deemed necessary.

## 4.5 Non-Conforming Submissions

An Offer shall be deemed non-conforming, without consideration of its merits, in the event that:

- it is not submitted before the Deadline; or
- it is not submitted at the place specified in the Request; or
- it fails to comply with any other significant requirements of the Request.

Non-conforming tenders and quotations are to be eliminated from any further evaluation. Reasons for non-conformance are to be documented and placed on record.

*\*If any doubt exists regarding the conformity of a tender or quote, it should be referred to the Deputy Chief Executive Officer for review.*

## 4.6 Reporting and Authorisation

Once the submissions have been evaluated, the Responsible Officer is required to write a report detailing the evaluation team's recommendation, and supporting reasons for their decision, to obtain relevant authorisation.

**Reporting requirements for Major Quotations:** The Responsible Officer is to report the recommendation using the Quotation Evaluation Report Sheet. The report will need to be signed off by an officer with the appropriate authorisation limit i.e. Manager or Executive Director.

**Reporting requirements for Tenders:** For Tenders greater than \$500,000, the Responsible Officer is required to write an Agenda Item to be put to Council, detailing the evaluation team's recommendation, based on the team's deliberations. The Council's support is the required authorisation. For those Tenders less than \$500,000, CEO Delegation applies. The CEO Authorisation Form needs to be completed and signed off by the CEO to gain authorisation.

Note: The Responsible Officer will need to have the relevant Purchase Order signed by a Manager, Executive Director or CEO with the required delegated purchasing level. Delegated levels can be found on Synergy under General Ledger, Responsible Officer Maintenance.

## 4.7 Scoring System

Each team member/officer will individually assess each submission and allocate a score of 0-10 to each criterion. Half marks, for example 3.5 or 4.5, are acceptable.

| Score | Description  |
|-------|--|
| 0     | Inadequate or non appropriate offer, many deficiencies, does not meet criterion (did not submit any documentation to support claims) |
| 1     | Between 0 and 2  |
| 2     | Marginal offer, some deficiencies, partly meets criterion  |
| 3     | Between 2 and 4  |
| 4     | Fair offer, few deficiencies, almost meets criterion   |
| 5     | Between 4 and 6  |
| 6     | Good offer, no deficiencies, meets criterion   |
| 7     | Between 6 and 8  |
| 8     | Very good offer, exceeds criterion   |
| 9     | Between 8 and 10   |
| 10    | Outstanding offer, greatly exceeds criterion   |

In determining the score that will be given to each submission, team members/officers should consider the following factors:

- does the respondent answer each element of the criterion?
- are any examples provided to substantiate the claims made in the response?
- are the examples relevant to the requirements of the City?

The cost element is electronically scored by the Procurement Officer, using a cost score formula, which is contained in the Tender Evaluation Report Sheet (Tenders) or Quotation Evaluation Report Sheet (Quotes).

#### 4.8 Common Evaluation Criteria

Commonly used Evaluation Criteria include:

##### MANDATORY CONSIDERATIONS

|  |  |
|--|--|
| <b>Cost *</b>  | <b>Corporate Social Responsibility</b>   |
| <ul style="list-style-type: none"> <li>• Dependant on the goods/and or services being procured, the cost weighting can vary from a low weighting (where skills and experience are essential) to a high weighting (i.e. goods only)</li> <li>• Cost is a mandatory criteria which enables the buy local preference to be applied</li> </ul> | <ul style="list-style-type: none"> <li>• Support people with disabilities or special needs, or contribute to the community by way of sponsorships or donations</li> <li>• Employment strategies in place for Indigenous people</li> <li>• Sustainable business practices</li> <li>• Supply Australian made products</li> </ul> |

##### MAIN CONSIDERATIONS

|  |   |
|--|---|
| <b>Relevant Experience</b>   | <b>Key Personnel Skills and Experience</b>  |
| <ul style="list-style-type: none"> <li>• Provide details of similar work</li> <li>• Provide scope of the tenderer's involvement including details of outcomes</li> <li>• Provide details of issues that arose during the project and how these were managed</li> <li>• Demonstrate sound judgement and discretion</li> <li>• Demonstrate competency and proven track record of achieving outcomes</li> </ul> | <ul style="list-style-type: none"> <li>• Their role in the performance of the Contract</li> <li>• Curriculum vitae</li> <li>• Membership to any professional or business association</li> <li>• Qualifications, with particular emphasis on experience of personnel in projects of a similar requirement</li> </ul> |
| <b>Tenderer's Resources</b>  | <b>Demonstrated Understanding</b>   |
| <ul style="list-style-type: none"> <li>• Plant, equipment and materials</li> <li>• Any contingency measures or back up of resources including personnel (where applicable)</li> </ul>  | <ul style="list-style-type: none"> <li>• A project schedule/timeline (where applicable)</li> <li>• The process for the delivery of the goods/services</li> <li>• Training processes (if required)</li> <li>• A demonstrated understanding of the scope of work</li> </ul>   |

*\* In some cases it may not be appropriate to weight cost such as where overall ability to deliver is more important than price e.g. highly technical or difficult. In these instances, approval would need to be sought from the CEO or Deputy CEO to use a non-weighted price method prior to issuing the request documents.*

## OTHER CONSIDERATIONS

|   |   |
|---|---|
| <p style="text-align: center;"><b>Environmental Management Plan</b></p> <ul style="list-style-type: none"> <li>• Has an Environment Management Plan been provided and checked?</li> <li>• Have Environmental Management issues been addressed in another fashion?</li> <li>• If specific issues were listed, have they been addressed?</li> </ul> | <p style="text-align: center;"><b>Safety Management</b></p> <ul style="list-style-type: none"> <li>• Safety Management Plan supplied and checked</li> <li>• OHS issues addressed</li> <li>• Site specific safety detailed</li> <li>• Australian Standards or regulations addressed</li> </ul> |
| <p style="text-align: center;"><b>Quality Accreditation</b></p> <ul style="list-style-type: none"> <li>• To what level is the company accredited?</li> <li>• Is this sufficient accreditation?</li> <li>• Has the evidence of other quality systems been provided?</li> </ul>   | <p style="text-align: center;"><b>Risk Management</b></p> <ul style="list-style-type: none"> <li>• Are all required insurances evident?</li> <li>• Are insurances current?</li> </ul>   |
| <p style="text-align: center;"><b>Reliability</b></p> <ul style="list-style-type: none"> <li>• Goods/Services completed/delivered on time</li> <li>• Goods/Services delivered under budget</li> <li>• Resources to support Goods/Services</li> <li>• References supplied and checked</li> </ul>   | <p style="text-align: center;"><b>Disability Access</b></p> <ul style="list-style-type: none"> <li>• Has a disability access plan been submitted and checked?</li> <li>• Have specific disability issues been addressed?</li> </ul>   |

### 5. Enabling Policy or Strategy

Purchasing Policy (Tenders & Quotes).

### 6. Review

Deputy Chief Executive Officer to review annually.

### 7. Associated Documents

- *Local Government Act 1995*
- *Local Government (Functions and General) Regulations 1996*
- Council Policy: Purchasing Policy (Tenders and Quotes)
- Council Policy: Buy Local Policy (Regional Price Preference)
- City Procedure: Tender/Contract Procedure
- City Procedure: Quotation Procedure
- Delegations Register

### 8. Process Maps

For tenders, please refer to the process map/s included in the Tender/Contract Procedure.

For quotations, please refer to the process map/s included in the Quotation Procedure.

| <b>Document Approval</b>             |   |  |                       |
|--------------------------------------|---|--|-----------------------|
| <b>Document Development Officer:</b> |   | <b>Document Owner:</b> <i>(Member of EMT)</i>                                  |                       |
| Procurement Officer                  |   | Deputy Chief Executive Officer   |                       |
| <b>Document Control</b>              |   |  |                       |
| <b>File Number - Document Type:</b>  | CM.STD. 8 – City Procedure  |  |                       |
| <b>Synergy Reference Number:</b>     | NPD072939_5   |  |                       |
| <b>Meta Data: Key Search Terms</b>   | Evaluation procedure, Tender, Quote, Process  |  |                       |
| <b>Status of Document:</b>           | Revised for revision by Deputy Chief Executive Officer  |  |                       |
| <b>Document file details:</b>        | Location of Document: Intranet, Extranet<br><a href="#">N:\General\Governance\Corporate_Documents</a> |  |                       |
| <b>Quality Assurance:</b>            | Procurement Team, Executive Management Team   |  |                       |
| <b>Distribution:</b>                 | Internal Document   |  |                       |
| <b>Document Revision History</b>     |   |  |                       |
| <b>Version</b>                       | <b>Author</b>   | <b>Version Description</b>   | <b>Date Completed</b> |
| 1.0                                  | Procurement Team  | Version 1. Approved by EMT.  | 18/06/2007            |
| 2.0                                  | Procurement Team  | Version 2. Reviewed. ED's & Managers to make comment on any changes to be made | 07/06/2010            |
| 2.1                                  | Procurement Team  | Version 2. Approved by EMT.  | 24/06/2010            |
| 3.0                                  | Procurement Team  | Version 3. Review by Procurement Team, ED to review before going to EMT.       | 24/01/2013            |
| 3.1                                  | Procurement Team  | Version 3. Reviewed. ED's & Managers to make comment on any changes to be made | 06/02/2013            |
| 3.2                                  | Procurement Team  | Version 3. Approved by EMT.  | 20/02/2013            |
| 4.0                                  | Manager Governance & Risk Management.   | Version 4. Reformatted for review by Procurement Team and Document Owner.      | 29/04/2014            |
| 4.1                                  | Deputy Chief Executive Officer  | Version 4. Reviewed by Procurement Team and approved by Deputy CEO.            | 27/10/2014            |
| 5.0                                  | Deputy Chief Executive Officer  | Version 5. Reviewed by Procurement Team and approved by Deputy CEO.            | 29/01/2015            |