

# **Belgrave Health Hub**

## **National Stronger Regions Fund Procurement Management Plan**

Prepared by:  
**Yarra Ranges Council**  
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Submission Number:  
**NSRF000149**

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## 1 INTRODUCTION

The Procurement Management Plan provides direction for competitive quotation/tendering process for Services and Works required for the Belgrave Health Hub. The Procurement Process is the standard Yarra Ranges Council Procurement Process.

This Procurement Process will be implemented and managed by the Procurement team in conjunction with the nominated Project Manager.

## 2 PROJECT SPECIFIC DETAILS

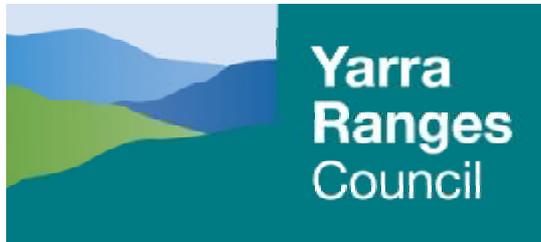
### 2.1 CONTRACTS

The Lead Consultant and Head Contractor will be procured utilising the Construction Supplier Register (CSR) managed by the Department of Treasury and Finance, see Appendix A page 6 for further details.

Consultants will be engaged under AS 4122-2010, as amended by Yarra Ranges Council.

Contractors will be procured utilising AS 4000, as amended by Yarra Ranges Council.

APPENDIX A – YARRA RANGES COUNCIL PROJECT PROCUREMENT MANUAL



## PROCUREMENT MANUAL

Version 16

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## INTRODUCTION

The Procurement Manual provides direction for Council staff on the competitive quotation/tendering process for Goods, Services and Works within Yarra Ranges Council. The Manual is intended to be complementary to Council's Procurement Policy and associated procedures.

There are 3 major stages to Operational Contract Management:

- 1. Procurement Stage** – the process leading up to the execution of a contract between parties;
- 2. Construction/Service Delivery Stage** – from the time construction or service delivery commences under the terms and conditions of a contract;
- 3. Contract Expiry or Termination Stage** – the period leading up to and after contract expiry or termination.

This Manual deals with the activities and issues relating to the **Procurement Stage**.

### Objectives

This Manual has been developed to assist Council to achieve the following objectives during any competitive quotation/tendering process:

- Compliance with the Local Government Act 1989
- Satisfaction of any necessary requirements of Federal, State and Local Government legislation, regulation and local-laws
- Local Government procurement best practice guidelines (August 2008)
- Compliance with Council's Procurement Policy
- Consistency with Council's Vision 2020 objectives
- Conducting ethical and transparent processes
- Treatment of all quotations & tenderers in a timely, fair and equitable manner
- Compliance with the requirements of Best Value Principles
- Achievement of sustainable outcomes
- Mitigation of risk associated with purchasing activities.

## DEFINITIONS

For the purposes of this Manual the following definitions will apply:

**Best value** means that services provided by Council must meet reasonable quality, sustainability and cost standards, services provided must be responsive to community needs and each service provided must be accessible to those members of the community for whom the service is intended;

**Conforming Tender** is a tender that complies with specified requirements nominated in the tender conditions and does not contain any qualification, condition or other indication that the tenderer is not willing to perform the Contract in strict accordance with the specified requirements;

**Contract** is an agreement via an offer and acceptance giving rise to obligations which are enforceable and recognised by law;

**Contract Document** is a compilation of documents that constitutes evidence of a written agreement between two parties that have entered into a contract;

**Contract Supervisor** means the Departmental Manager or delegate, responsible for the development of Specifications/Project Briefs and the subsequent management of Good, Services, or Works under contract to Council;

**Contractor** is the party delivering goods, services or works under contract to Council.

**EOI** means Expressions of Interest;

**EP** means Evaluation Panel;

**Non-Conforming Tender** is a tender that is not 'Conforming' and does not comply with specified Tender requirements, or contains any qualification, condition or other indication that the tenderer is not willing to perform the Contract in strict accordance with the Contract Documents;

**Process Contract** is the quotation or tender process as stipulated by the quote or tender documentation. It may include, but is not limited to confidentiality, evaluation criteria, response format & submission deadlines. The process contract is binding on both parties once a tenderer submits a tender response to Council.

**Quotation** is an expedient process for the market testing of Goods and Services that will have a total value of less than \$150,000 (inclusive of GST) for Goods and Services, and less than \$200,000 (inclusive of GST) for Works;

**RFQ** means Request for Quotation;

**RFT** means Request for Tender;

**Tender** is a process for the market testing for the supply of Goods and Services that conforms with the requirements of Section 186 of the Local Government Act 1989;

**Tenderer** is any company, partnership, trust, trustee or sole trader that responds to an RFT or RFQ with a Tender submission to a competitive tendering process initiated by Council;

**Tendering Process** is the market testing for the supply of Goods, Services, or Works;

**Tender Document** is a written document that defines the Goods, Services or Works required by Council, the terms and information for tendering and the terms and conditions that will apply to any subsequent contract;

**Tender Submission** is a written response to an RFQ, RFT or EOI;

**Variation** is defined as a quantifiable change to the **original scope** of services (including but not limited to quality, price and time of completion) to that specified in the contract; and

**Works** is generally defined as construction works, where an asset is being built or altered to significantly improve value. Low value repairs and/or asset maintenance would generally be classed as services.

## **PURCHASING PROCEDURES**

The acquisition of goods and services may be achieved through different methods. These methods are determined by several factors such as overall estimated cost, procurement strategy, the competitive landscape, the term of the contract or period of construction, the scope of the contract and the amount of risk involved in the delivery of the goods and service.

Council's Purchasing Procedure Flowchart summarises the requirement to obtain competitive quotes depending on the value of the anticipated spend.

Anticipated spend is inclusive of GST, contingency allowances and all amounts payable under any optional extension periods. Spend should not be split to avoid proper process.

For clarify, contract variation expenditure is exempt from the purchasing procedures below if they form part of an existing contract and if the contract variation in itself is not deemed to change the contract to such an extent that it could be reasonably argued that a new contract has been established.

### **Value \$0 to \$999 (inclusive of GST)**

Where the value of a proposed purchase is less than \$1,000, officers are *encouraged* to seek at least one Quick Quote.

### **Value \$1,000 to \$9,999 (inclusive of GST)**

Where the value of a proposed purchase is between \$1,000 and \$ 9,999, officers shall seek at least 2 Quick Quotes to reasonably satisfy themselves that they are receiving best value.

### **Value \$10,000 to \$149,999 (for Goods & Services) or \$10,000 to \$199,999 (for Works) (inclusive of GST)**

Where the value of a proposed purchase for goods and services is between \$10,000 and \$149,999 or Works is between \$10,000 and \$199,999 per item/project, the Full Quotation process must be used. If the brief is of a complex nature or the estimated value is close to the threshold amounts, consideration should be given to conduct a Tender process as an alternative.

At all times, effort must be made to invite parties that are genuinely interested and that are capable of undertaking the requested goods, services or works.

Should less than the required number of quotations be received, the Council officer must assess and determine whether the quotation(s) received still demonstrate best value outcomes. This may be through comparison with established cost estimates or experience from other similar projects.

## **TENDERS**

### **Public Tender**

The acquisition of Goods and Services with a value equal to or greater than \$150,000 (for Goods & Services) or \$200,000 (for Works), inclusive of GST **must be market tested** using a Tender Process.

If expenditure with a supplier or a number of suppliers providing similar goods or services is ongoing in nature and the cumulative spend is likely to exceed the legislated threshold over a two year period, then Council shall also review that category with the intention of pursuing a contract for such goods or services through a competitive process.

### Approved Supplier Schemes

The Municipal Association of Victoria (MAV) and Procurement Australia (PA) are two supplier organisations recognised by the State Government to act as agents for local government entities for the acquisition of Goods and Services. For Council to participate in these schemes, Council must nominate the tendering body as its exclusive Agent prior to the tender advertisement and the authorised body must conduct a tendering process that is compliant with the requirements of the Local Government Act.

Council is also authorised to access a number of State Government contracts.

### Access to the Construction Supplier Register

The Construction Supplier Register (CSR) is a pre qualification scheme for building and construction industry contractors and consultants. The CSR is administered by the Department of Transport (DOT) for and on behalf of State Government.

The CSR covers a wide range of building and construction categories as per the list below.

Consultant categories	Contractor categories
Architects	Commercial builders
Engineers*	Residential builders
Project managers	Demolition contractors
Quantity surveyors	Concrete corrosion contractors
Rail signalling consultants	Lift contractors (vertical transport)
Other categories <sup>#</sup>	Rail Signalling contractors
	Fire Services

\*The Engineer category includes professional disciplines such as civil/structural, mechanical, electrical, fire safety and communications.

<sup>#</sup>Other categories include Geotechnical, Contract Management, Building Surveyors and Landscape architects.

Local Government was granted approval to access the CSR on an ongoing basis under section 186(5)(c) of the Local Government Act 1989 (The Act) on 7 May 2012.

Approval under the Act to access the CSR is conditional on Council adhering to rules set out in a number of Ministerial Directions and Council must be formally registered with DOT to access the CSR.

The table below summarises the minimum requirements necessary to comply with the CSR Ministerial Directions and also ensures compliance with Council's procurement policy.

If the estimated expenditure is (including GST)	Procurement Process
Greater than \$1,000 but less than or equal to \$10,000	<p>At least <u>two written tenders/quotes</u> must be obtained. (Please note that the CSR Ministerial Direction actually states that only one written tender which is consistent with current market prices must be obtained but two written tenders are required to be consistent with Council's procurement policy).</p> <p>Please also note that this process is <u>not</u> exclusive to CSR participants.</p>
Greater than \$10,000 but less than the tender threshold prescribed by The Act a. \$150,000 for goods and services b. \$200,000 for works	<p>Seek a CQ number from Procurement Services and use the principles outlined in the Full Quote Process to pursue at least <u>three written tenders/quotes</u> and complete the Quotation Evaluation Report and return it to Procurement Services.</p> <p>Please note that this process is <u>not</u> exclusive to CSR participants.</p>
Greater than or equal to the tender threshold prescribed by The Act a. \$150,000 for goods and services b. \$200,000 for works	<p>Request Procurement Services assistance to seek tenders from <u>at least three pre-qualified CSR contractors/consultants</u> or <u>conduct a public tender</u></p>

The procedure to be used may be varied if special circumstances outlined in the Ministerial Direction are met. Please contact Procurement Services for advice if this is required.

Access to the CSR is available through the internet via a secure username and password issued to Procurement Services. The CSR login URL is <http://extranet.doi.vic.gov.au/doi/csrextra.nsf/.Welcome?OpenForm&Client>.

Please contact Procurement Services for the CSR password if you require access to this registry.

## Expressions of Interest (EOI)

An EOI may be sought as a precursor to a selective tender<sup>1</sup> process as per the Local Government Act, Section 186 (2). The EOI process should be consistent with a normal tender process in regard to preparation, process and receipt & registration of responses as described in this Manual.

An EOI provides the opportunity to:

- provide in summary form, an outline of the required goods/services;
- allow Council to better understand the marketplace;
- allow Council to identify potential tenderers and their capacity to provide the goods/services; and
- allow Council to short list potential tenderers.

Where a Contract Supervisor deems it necessary to use this form of process, Procurement Services should be contacted for assistance.

The evaluation of an EOI should also be conducted by the same panel that will evaluate the subsequent selective tender submissions. ([click here for link to EOI Process Map](#))

## Existing Council Contracts

Council shall offer suppliers within existing contracts the opportunity to provide goods & services as its first preference so long as the contract is current and the contract scope specifically covers the goods or services required. Procurement Services will also maintain an active list of current contracts on Council's intranet to ensure that Council staff have access to this information.

Council may procure goods & services outside of existing contracts if:

- the contracted supplier(s) cannot fulfil Council's reasonable requirements; or
- the contract is not exclusive.

## Exceptions

Approval for an exception to the approved Purchasing Procedures for spend less than the legislated threshold of \$150,000 for goods & services or less than \$200,000 for works may be sought using the Purchasing Procedure Exception Request Form which has to be signed by the Manager Finance Procurement & Rating Services or Manager Strategic Procurement or Procurement Coordinator and the appropriate area Director or CEO. Approved exceptions will be given an exception number and this should be noted in the comments section on any associated purchase requisition.

A special exception has been approved for training services with an aggregate value less than \$5,000 (inclusive of GST) such that the Purchasing Procedure Exception Request Form is not required<sup>2</sup> if Council's Purchasing Procedures have not been followed.

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<sup>1</sup> Selective tender means that council must invite tenders from some or all of those parties who registered interest in undertaking the contract outlined by the EOI.

<sup>2</sup> As approved at SLT Meeting 17 September 2014.

## Exemptions

Procurement Services will assist if Council wishes to apply for a Ministerial exemption from the public tendering legislation prescribed by Section 186 of the Local Government Act 1989.

## POLICY FRAMEWORK

### Code of Tendering

Council is committed to achieving its objectives and will ensure that any tender process is fair for all parties. In accordance with the Yarra Ranges Procurement Policy, Council will:

- produce tender documents that clearly specify Council's required outcomes to allow tenderers to bid for and price work accurately;
- package services and works in a manner that encourages competition and best value outcomes;
- not tolerate improper tendering practices such as collusion and disclosure of confidential information;
- require any conflict of interest to be disclosed immediately; and
- have regard to the cost of tendering and seek to constrain the associated costs for all parties.

### Corporate Health and Safety Policy and Procedures

Corporate Health and Safety policy and procedures will be incorporated into all Tender processes as required.

### Legislation

All competitive tendering processes shall be in accordance with:

- The Local Government Act 1989;
- Council's Procurement Policy & Purchasing Procedures;
- Competitive Neutrality Policy Victoria 2000;
- Privacy Act 1988;
- National Competition Policy;
- Occupational Health & Safety Act 2004;
- Trade Practices Act; and
- Australian Standards (unless superseded by specific Council requirements).

### Sustainable Procurement Principles

Purchasing decisions should consider and give preference to outcomes that promote and enhance sustainability. This may include but not be limited to decisions that:

- promote markets for sustainably produced products;
- enhance or avoid being detrimental to environmental quality ;
- promote locally resourced materials where appropriate; and
- improve social procurement outcomes for the local community

### Tendering Principles

The following tendering principles shall be applied to all competitive tendering processes:

- goods and services are delivered in accordance with the needs and expectations of Council;
- services and works are performed in accordance with Council's H&S requirements;
- services and works conform with Council's current Business Plan; and
- Competitive tendering outcomes reflect the sustainable procurement principles.

## **ORGANISATIONAL RESPONSIBILITIES**

### **Procurement Services**

Procurement Services has overall responsibility for procurement procedures throughout Council, however individual departments will be responsible for purchasing Goods and Services as required.

The role of Procurement Services is to:

- ensure compliance to legislation and Council policy;
- provide guidance and assistance in competitive tendering processes;
- provide assistance in the development of appropriate tendering documentation;
- develop and process contract documents;
- process newspaper advertisements, including uploading e-tenders;
- collect tenders and register them on Council's Contract Management System;
- Provide assistance on maintaining probity of the process;
- maintain quality control of tender and contract documentation;
- facilitate and/or participate on evaluation panels as required;
- develop tender evaluation reports;
- manage & maintain the Contract Management system;
- provide training and assistance in the use of the Contract Management system;
- review and update Council's Procurement Policy, Procurement Manual and associated Purchasing Procedures; and
- maintain a secure contract filing system.

### **Divisional Responsibilities**

Contract Supervisors will be responsible for:

- development of service/works specifications/drawings;
- the accuracy and quality of the specification;
- participating on Evaluation Panels;
- liaising with Procurement Services regarding the necessary allocation of contract numbers and other evaluation procedures; and
- operational management of contracts.

The general content of documents and their conformance to Council formats and standards will remain the responsibility of the Contract Supervisor and senior staff involved in the development of these documents.

## **TENDER PREPARATION**

## Pre Contract Planning

The pre-contract planning stage should commence after the decision has been made by Council to engage a contractor to deliver goods/service or to undertake works.

## Risk Assessment

As a core strategic objective, a risk assessment should be undertaken with the Risk Department for complex and/or high value tenders prior to the tender publication. The assessment process takes account of factors which may hinder or impact on the planned outcomes of the tender.

## The Sustainability Framework

Within the Sustainability Framework, the service area manager and/or Director (in consultation with Procurement Services and/or Risk if required), should consider how best to deliver the works or service in respect to selection processes, details to be included in the specification and how the contract is to be managed. The sustainability principles should be applied to ensure that sustainable outcomes are achieved wherever possible. Where any new processes are identified, these should be analysed in respect to any cost and timing implications, before being adopted and implemented.

As part of the tender preparation stage, consideration should be given to:

- **Is the purchase necessary?** Does the item already exist within the organisation? Could the item be borrowed, rented, or substituted with something else?
- **What is it made from?** Has it been made from an environmentally preferable resource, is it recycled or can it be recycled at the end of its useable life?
- **How was it made?** Does the production of the product create unacceptable levels of environmental damage? Consider where the raw materials come from, the use of toxic chemicals or waste in the manufacturing process. Does it meet any internationally acknowledged environmental standard or independent accreditation?
- **How long will it last?** Is it likely to go out of date quickly? Is it durable and able to be repaired? Can it be refilled or reused?
- **Is the quantity ordered appropriate?** Will it all be used or will waste be produced? How will that waste be dealt with? Can it be purchased in bulk to save on packaging?
- **Where does it come from and how is it transported?** Does the product or material have to be transported a large distance, in particular overseas? Can it be obtained locally to reduce the transport costs and the associated environmental impacts of increased transport? Can it be ordered in conjunction with other departments to save on multiple transport trips?
- **Who made it, what were the working conditions?** Does the manufacturer have any accreditation for ethical working conditions? For products from overseas, can a fair trade alternative or sweat shop free certified product be found?

- **What type and amount of waste will it create?** Will the product be reused at the end of its life, or how will it ultimately be disposed of? Is it biodegradable, or at least recyclable? It is 'readily recyclable' – i.e. can it be recycled through current local systems or would it require additional effort or cost and therefore be less likely to be followed through?

In order to make the most sustainable purchasing decisions, some effort is required to investigate products and choose the best option. Life cycle assessment is a useful tool to help determine the environmental impact of a product over its lifetime. There is also a range of credible third part endorsements that can help assess a product's environmental impact (refer Appendix 2).

If possible, opportunities to enhance social procurement outcomes should also be considered through:

- discussion with social enterprise organisations regarding engagement opportunities;
- design of tender specifications and tender evaluation criteria that enhances opportunities for social enterprise to participate in service delivery when appropriate.

### **Cost Estimates**

A preliminary scoping of the project should be undertaken and an estimated cost determined by the service area manager. This may involve research of other Councils or private organisations to obtain some indication of the costs involved.

### **Obtain Funding**

Before the selection process is commenced to engage a contractor for any work, the Manager must obtain adequate and approved funding.

### **Tender Outline**

The content and formulation of Tender documents vary depending on whether Goods, Services or Works are required. This is mainly due to the differing terms and conditions that need to be applied. Generally a Tender document will consist of the following components:

- invitation to tender;
- conditions of tendering;
- general conditions of contract;
- specification;
- tender form & schedules; and
- code of tendering.

### **Invitation to Tender**

This section of the tender document contains some background information and some of the important aspects of the contract.

### **Conditions of Tendering**

This section of a tender document forms the Process Contract and sets out all conditions that the tenderer and Council must comply with during the tendering phase. The Conditions of Tendering mostly contain a standard set of clauses including but not limited to:

- Information;
- Tenderer instructions;
- Tender Meeting;
- Lodgement Details;
- Communication;
- Tender Evaluation Criteria; and
- Contact Details.

### **General Conditions of Contract**

Procurement Services will liaise with the Contract Supervisor to establish which is the most appropriate General Conditions to include in each tender document and secondly which (if any) of the clauses may need to be modified to suit the specific needs of the proposed contract.

Typical sections included in the General Conditions of Contract are:

- Definitions
- Notices
- The Supervisor
- The Contractor's Representative
- Contract Term
- Confidentiality
- Intellectual Property
- Payments
- Variations
- Default and Termination
- Sub-contracting
- Occupational Health and Safety
- Insurance and Indemnity
- Security
- Dispute Resolution.

The Contract Supervisor should also consider the use of appropriate penalty and reward clauses to incentivise suppliers to exceed agreed contract performance measures. Penalties and Rewards may include decreased/increased contract payments or contract tenure or other appropriate means. With such clauses, it is very important to use simple and unambiguous measures of contract performance that cannot be manipulated or disputed. Such clauses also need to be fair in so far as only rewarding excellent performance or penalising performance that is below agreed thresholds.

## Specifications

Council has a responsibility to ensure Goods and Services are delivered in an efficient and cost effective manner. Therefore specifications must clearly set out what is required and should focus on outcomes and quality requirements, rather than particular ways of delivering Goods and Services.

For service contracts, a thorough service review should be conducted with appropriate outcomes incorporated into the specification. The service review should assess:

- current service standards and future needs;
- competitiveness of current market conditions;
- community needs;
- packaging of services to optimise competitiveness through potential economies of scale;
- sustainability considerations (including environmental & social procurement opportunities); and
- cost analysis

The drafting and finalisation of specifications for the provision of Goods and Services is the responsibility of the Contract Supervisor.

No potential tenderer will have access to the final specification prior to formal approval and public release by Council.

## Tender Form and Schedules

In general, contract payment is undertaken by either a Lump Sum or a Schedule of Rates.

A Lump Sum contract is where the tenderer submits a single Lump Sum price to perform all of the specified works or services.

A Schedule of Rates contract is where the Tenderer submits a list of rates for various components or units of the works or services. Council only pays the contractor for works or services performed at the rates submitted.

The Tender Form is the document that Tenderers sign to commit themselves to their tender submission and on which they quote the Lump Sum price (if relevant) for performing the works or services.

The Schedules are where Tenderers submit a breakdown of their Lump Sum (if relevant) and/or submit a list of rates as stated above. The Schedules are also where the Tenderers submit details of their organisation, previous experience, health and safety systems etc.

## Code of Tendering

Yarra Ranges Council Code of Tendering is attached to all tenders and summarises Councils best practice approach to the tendering process.

## TENDERING PROCESS

Please refer to this link to view the Tender process map.

### **Advertising**

Section 186 (1) of the *Local Government Act 1989* provides for a tender process to be initiated by the placement of a public notice in a newspaper that is distributed state wide. In situations where there is an advantage to advertise locally, the use of local newspapers is also permitted.

Procurement Services will prepare the advertisement in consultation with the Contract Supervisor.

### **Distribution of Tender Documentation**

Procurement Services are responsible for the final development of the tender and will then distribute through Council's e-tendering portal.

### **Tender Open Period**

Tenders are advertised on a Saturday and close on a Wednesday thereafter no less than 25 days later.

A proposed tender period of less than 20 calendar days must be approved by the relevant department Director and must also give due consideration to any negative consequences of giving the marketplace less time to respond to the tender.

### **Pre Tender Meetings, Tender Questions and Tender Addendum**

A pre-tender meeting of prospective tenderers and the relevant Council staff may be held to emphasise important aspects of the works or services to be performed and to receive feedback and answer questions.

Minutes of the pre-tender meeting should be prepared and distributed to all attendees as well as any other prospective tenderers who did not attend the meeting.

During the tender open period, prospective tenderers may submit written questions to Procurement Services. The Contract Supervisor should prepare a written response to the query, or if the matter is considered relevant to all tenderers it may be made public by issuing a statement on the e-tender forum.

A tender addendum may be issued to all prospective tenderers to clarify information within the tender document or to provide additional information.

## RECEIPT OF TENDERS

### **Tender Lodgement**

Tender responses will be lodged electronically via Council's e-tendering portal unless the tender specifies that an alternative method (eg hard copy) is acceptable.

A tender lodged in electronic form must clearly identify the Contract Number and Works/Service description.

Tenders received late or by any other means than via the e-tendering portal will not be accepted unless expressly permitted as part of the published tender instructions.

### **Registration of Tenders**

All electronic submissions received are downloaded from Council's e-tendering portal and stored on a secure Procurement Services network drive. A summary of submissions received is also signed by Procurement Services and preliminary submission details are entered onto the Contract Management system. If required, all electronic submissions are then printed in preparation for the evaluation process.

The relevant officers from Procurement Services will then retain custody of all original submissions.

## EVALUATION PROCESS

### The responsibilities of the Evaluation Panel

Each member of the evaluation panel has a responsibility to satisfy themselves that the evaluation process is conducted in a manner that is consistent with the Procurement Policy & associated procedures. As a minimum, all of the evaluation panel members must be able to verify that they have reviewed all the relevant information pertaining to a quotation or tender to ensure that they are appropriately informed to endorse the recommendations that they approve in an evaluation report.

For every panel member, this should include but is not limited to:

- a review of all of the supplier responses
- being satisfied that the suppliers participating in the quotation or tender process have been given the same information and that no supplier has been given unfair advantage
- being satisfied that the evaluation is conducted using ALL of the published evaluation criteria and that scores are justified on the basis of the submissions received and that the evaluation has been conducted using the same criteria for ALL participating suppliers.

### Evaluation Panel Members

For quotations and tenders, the proposed Evaluation Panel (EP) must be agreed prior to the closing time and date for tenders.

Evaluation Panels shall as a minimum comprise the following members<sup>3</sup>:

Spend less than \$10,000 (inclusive GST) = *One (1) suitably knowledgeable Council Officer*

Spend between \$10,000 and \$149,999 (for goods/services); or between \$10,000 and \$199,999 (for works) (inclusive of GST) = *Two (2) suitably knowledgeable Council Officer;*

Anticipated spend of greater than or equal to \$150,000 (for goods/services) or \$200,000 (works) = *Three (3) suitably knowledgeable Council Officer will form the EP and should consist of the relevant Contract Supervisor, one other person with a sound knowledge of the services/works and one representative from Procurement Services*

Council reserves the right to appoint to any such EP an independent external person who has expertise relevant to the tendered services/works.

For tenders, all members of the EP must sign a Confidentiality and Conflict of Interest Declaration Form prior to the commencement of the evaluation. Procurement Services is responsible for preparing and collecting these declarations from all evaluation panel members.

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Note: A minimum of two (2) suitably knowledgeable Council officers is acceptable for tenders facilitated by State Government, MAV or Procurement Australia.

## Evaluation Criteria Weighting

The basis of the evaluation process is to equitably assess all tender submissions with a view to identifying the offer that represents best value.

The evaluation of tender submissions will be conducted against a set of pre-determined evaluation criteria in the order of importance described in the tender documents. Weightings for each of the evaluation criteria will be established prior to the distribution of tenders.

The EP will have regard to a broad range of factors impacting on the best value outcome. This may include but is not limited to;

- ü Price
- ü Capability & capacity
- ü Sustainability credentials
- ü Creation of social value
- ü Support for the local economy & Australian made
- ü Appropriate insurances
- ü Timeframes
- ü Quality
- ü Financial viability
- ü Health & Safety Plan/System (usually a pre-requisite)

Example evaluation criteria is attached as Appendix 1.

For evaluation purposes each of these components should be broken down into sub-criteria to reduce subjectivity in the evaluation process.

*Note: The published evaluation criteria may not be adjusted/amended after publication unless all potential tenderers are notified of such adjustments/amendments.*

## Evaluation Process

Tender submissions shall be the primary means for evaluation. The process may involve the following components;

### *Conformance*

The EP should initially determine whether all tender submissions are conforming or non-conforming. Procurement Services will provide advice on any non-conforming tender issues and the EP reserves the right to reject non-conforming tender submissions if required. In the event of a non-conforming tender being received, the EP must consider whether or not the submission remains within the scope of Services or Works as per the Specification. If the submission remains within the specified scope, the non-conforming tender may be evaluated with the conforming tenders. If modifications to the scope are nominated in the non-conforming tender, the EP will be guided by the Negotiation Principles in the following section of the Manual. Where the modifications are significant, the EP may decide to re-tender or exclude the submission from further evaluation.

### *Prerequisites*

Procurement Services will facilitate Health & Safety assessments via Council's Risk Management Department.

For major tenders, checks on the financial capacity of the preferred tenderer should also be carried out. Procurement Services will assist with these checks if required.

### *Evaluation Criteria*

The EP will assess each tender submission against the specified criteria and allocate a score for each criterion. Upon completion of the individual assessments, the scores should be documented on a master evaluation spreadsheet as provided by Procurement Services.

The EP will review and discuss the scores to ensure that the scoring is consistent for all criteria. Where any major inconsistency occurs, the EP should discuss the relevant differences and determine how and why the inconsistency occurred, making appropriate scoring adjustments if required.

Where the EP requires clarification of a tender submission, they may consider conducting an interview with the Tenderer. Typically, a Tenderer interview should include:

- a brief presentation from the Tenderer
- discussion emanating from a prepared list of questions from the EP
- any further discussion/clarification sought from either party.

Based on clarification provided at an interview, the EP may adjust the evaluation scores with a written record of any such adjustments.

Reference checks on short listed or recommended Tenderers should be carried out with at least two (2) referees to ascertain the preferred organisations' capabilities in providing the Goods or Services. Reference checks may also involve site visits.

### **Negotiation Principles**

In the event that tendered prices are outside the designated budgetary allocation, the EP may consider removing/amending a component of the service/works scope or extent and request an adjustment to the tendered prices. If this occurs, **all Tenderers** must be given the opportunity to resubmit an adjustment.

If during the evaluation process, the EP realise that a Tenderer has made an error or omitted to provide information or a cost for a specific item within the pricing schedule, Procurement Services will request the Tenderer to clarify such errors or omissions in writing.

*Note: Any changes to the original scope of Service or Works should not be of a substantial nature (eg. more than 20% of project value). If substantial changes are necessary, the evaluation must cease and the Service or Works re-tendered identifying the amendments to the specification. Prospective tenderers are to be advised accordingly.*

## AWARD OF CONTRACT

### Evaluation Report and Approval

Procurement Services will prepare a tender evaluation report that includes as a minimum:

Major Heading	Content
Summary	Description of contract service/scope Contract period and extension options Advertisement date Panel recommendation Contract value and budget
Declaration of Conflict of Interest	Statement regarding actual, perceived or potential conflict of interest
Background	Introduction (if applicable) Summary of tenders received with prices
Tender Conformance	Statements regarding tender non conformance
Analysis	Evaluation summary Evaluation criteria and evaluation scores Information about short listed tenderers & interviews
Financial Considerations	Council budget Contingencies Total contract value (including all possible extensions) Savings
Panel Signatures	Signature of all panel members. Where panel members are on leave or unavailable for extended periods of time, a majority will be sufficient
Recommendations	Successful tenderer Initial term Contract value Authorisation for Director to extend (if applicable) The contract documents be signed

### Evaluation Report Sign off

The draft report will be forwarded to the EP members for any amendments they deem necessary. Once completed the report must be signed off by the EP members and then forwarded to the respective Council authority for review and endorsement.

## Council Delegations and Reporting Requirements for Advertising, Contract Approvals & Variations

Public Advertising of Contracts			
Task	Delegate	Report Back To	Report Timing
<u>Any Contract Value</u>	Directors & Procurement Services	Chief Executive Officer	Monthly

Approving Contracts			
Task	Delegate	Report Back To	Report Timing
<u>Contract Value*</u> ≥ \$500k up to \$1m	Chief Executive Officer	Council	Last Council Meeting of the month for contracts approved in the previous month
<u>Contract Value*</u> <\$500k and ≥ \$150k (goods & services) or ≥ \$200k (works)	Directors	Chief Executive Officer	Monthly
<u>Contract Value*</u> <\$150k (goods & services) or <\$200k (works)	Staff with sufficient financial delegation	Directors	Monthly

\*Contract value is inclusive of GST, contingency allowances and all amounts payable under any optional extension periods.

*Note: Council's Delegations and Authorisations Policy applies to the **awarding** of contracts (i.e. the decision). The actual writing and signing of subsequent acceptance letters by Procurement Service and the signing of contracts by Council Directors is simply an administrative task.*

Approving Contract Variations			
Task	Delegate	Report Back To	Report Timing
<b>Approving single variations where the Cumulative Variations to Contracts is less than 20% of the Original Contract Value or single variations less than \$10,000</b>			
Any contract value	Staff with sufficient financial delegation	N/A	N/A
<b>Approving single variations <math>\geq</math> \$10,000 where the Cumulative Variations to Contracts <math>\geq</math> 20% of the Original Contract Value</b>			
<u>Original contract value*</u> $\geq$ \$500k	Chief Executive Officer	Council	Last Council Meeting of the month for variation approvals made in the previous month
<u>Original contract value*</u> <\$500k and $\geq$ \$150k (goods & services) or $\geq$ \$200k (works)	Directors	Chief Executive Officer	Monthly
<u>Original contract value*</u> <\$150k (goods & services) or <\$200k (works)	Staff with sufficient financial delegation	Directors	Monthly

**Note: Contract variations greater than \$10,000 that cumulatively exceed \$100,000 for ANY contract value will also be reported to Council.**

Progress Payments			
Task	Delegate	Report Back To	Report Timing
All payments	Staff with sufficient financial delegation	N/A <i>(Payments are recorded in Finance &amp; Contract Management systems)</i>	N/A <i>(Payments are recorded in Finance &amp; Contract Management systems)</i>

### Evaluation Reports for Council Consideration

Tender evaluation reports that are to be considered by Council must be submitted to Corporate Support to be included in the Council meeting agenda and are treated as confidential agenda items.

### **Letter of Acceptance**

After a tender recommendation has been approved by the appropriate delegated authority, Procurement Services will prepare and issue a Letter of Acceptance to the successful tenderer. This letter may contain some or all of the following information:

- Notification to the contractor that Council has accepted their offer;
- The commencement/completion date/practical completion dates;
- A list of information that needs be submitted prior to commencement of the contract;
  - Ø Security;
  - Ø Certificates of currency for all relevant insurance policies required under the Contract;
  - Ø The contractors safety plan;
  - Ø Contract specific safe work method statements; and
  - Ø Payment details
- Details on the status of contract documents and when they will be forwarded to the contractor for signing;
- Contact details of the contract supervisor; and
- Any other matters that require to be established prior to commencement.

For the purposes of a Contract, the date of the letter of acceptance shall constitute the date of the commencement of the contract (except if otherwise stated in the letter).

Please also note that if Council's acceptance letter includes any conditions contrary to the tenderers offer, than the letter is in fact deemed to be a counter offer and the tenderer may accept or reject this offer. In this case, the tenderers original offer is no longer legally binding and they may also reject Council's counter offer leaving Council with no binding offer from that tenderer.

### **Notification to Unsuccessful Tenderers**

Procurement Services is also responsible for the formulation and forwarding of letters to unsuccessful tenderers.

The letter should contain information regarding the recommendation accepted by Council, citing the name of the successful tenderer/s. The tendered amount should also be disclosed unless it is considered commercially or politically sensitive.

### **Contract Documentation**

Procurement Services will be responsible for the compilation of the final contract documentation.

Whenever possible, contract documents will be prepared, signed and stored electronically.

If hard copies are to be used, three (3) copies will be printed:

- the 'Original' that will be filed with Procurement Services;
- the 'Contractors Copy' that will be forwarded to the Contractor; and
- the 'Supervisors Copy' that will be forwarded to the Contract Supervisor.

The 'Original' and the 'Contractors Copy' will be forwarded to the Contractor for signing of both copies via certified mail or by an accepted secure online signing process.

The Contractor will then return the signed Contracts to Procurement Services for final signing by Council. When both parties have completed the signing of the Contracts, the Contractor will receive its copy for filing.

It is acceptable to request one set of signatures on the execution page of the bound contract document rather than have every page signed or initialled. If additional documentation forms part of the contract (eg drawings) then:

- they should be specifically referred to within the bound contract document using precise document references (including titles, dates and version numbers if applicable) to clarify beyond doubt that they form part of the signed contract documentation
- best practice would be to sign or initial each additional document or at least the cover sheet on additional documentation that forms part of the contract that is not bound to the main contract document.

## **FILING**

### **Quotation Files**

Procurement Services will allocate a quotation number for full quotations as required and record the details in Councils contract management system. Once a quotation is awarded, Procurement Services will file the quotation evaluation documentation and update information in Finance 1 and Contracts 6.

### **Tender Files**

If required, a Contract Administration file will be requested from Records by the relevant Contract Supervisor. This file may be used for all post contract correspondence.

For contract values exceeding \$100,000 (GST inclusive), Councils Contract Management System must be used by contract managers to record all contract management information (including meeting notes, contractor communication and variation certificates).

Contract payment certificates must also be generated in Contracts 6 if payment certificates are a requirement of the contract, regardless of the value of the Contract. The Contracts which require payment certificates are AS4000 – 1997, AS4122 – 2010, AS4906 – 2002 and AS4902 – 2000.

All documentation and correspondence associated with the tender process up to and including the signed contract will be held in electronic files by Procurement Services.

Should any relevant officer require a copy of any contractual documents, they can be requested by contacting Procurement Services.

## **CONTRACT SYSTEMS**

### **Contract Register**

Council uses Contracts 6 as the official quotation and tender contract management system. Information relevant to the market testing of goods and services via the Full Quotation or Tender process must be recorded in this system.

Procurement Services has overall responsibility for administering the system and will provide support and training to Council Officers who are required to access the system.

### **Internet Capabilities**

Council's website will provide assistance in the dissemination of tender documentation via an e-tendering portal. This system enables potential tenderers for all Goods, Services or Works to monitor the website for any tenders that may be advertised. The documentation associated with tenders can be downloaded by potential tenderers and other interested parties by registering on the e-tendering website.

The objective behind e-tendering is to:

- reduce paper consumption;
- alleviate cumbersome document handling procedures;
- reduce postage expenses; and
- deliver documentation in a more efficient manner.

### **Intranet Capabilities**

In association with Council's website and to accommodate a more de-centralised tendering process, the intranet platform has been developed to provide guidance to staff in determining:

- the most appropriate procurement process to apply;
- appropriate procurement tools for use; and
- relevant policies & procurement manuals.

## **PROBITY IN TENDERING PROCESSES**

### **Introduction**

This section has been developed to provide assistance and guidance to any Council employee that participates in a tendering process on Council's behalf. The aim is to assist in the establishment and maintenance of a high standard of probity during the conduct of such tendering activities.

### **Definition**

The dictionary definition of probity refers to 'uprightness, honesty, proper and ethical conduct, and propriety in dealings'. Hence a tendering process that conforms with the expected standards of probity is one that:

- is fair, transparent and impartial;
- uses a competitive process;
- applies security and confidentiality of information;
- identifies and resolves any potential conflicts of interest;
- ensures all tenders are treated consistently and equitably; and
- ensures tenders are evaluated on their merit against predetermined criteria.

### **Objectives**

The issue of probity in a tendering process is the responsibility of all employees involved in the process. Probity should:

- ensure conformity to processes;
- provide accountability;
- maintain an audit trail through complete orderly records;
- ensure that the interests of Tenderers are protected by an equitable process;
- ensure that all tenders will be assessed against the same criteria;
- preserve public and Tenderer confidence in the processes; and
- establish defensibility of decisions to potential legal challenge.

### **Fraud and Complaints Process**

Council takes allegations of fraudulent activity and complaints about procurement seriously and is committed to handling such disclosures sensitively and confidentially. Members of the public, suppliers and Council employees are encouraged to report fraud allegations or complaints about procurement process and/or staff taking part in procurement activity to Council's Protected Disclosure Coordinator (Director of Corporate Services) by phone (0392946454), fax (0397354249) or mail (Attention Protection Disclosure Coordinator, PO Box 105 Lilydale Victoria 3140)

## RELATED LEGISLATION

### Privacy

In relation to any quotation or tendering process, there is a responsibility on Council to maintain the confidentiality of tender submissions received, consistent with the requirements of the Privacy Act.

### Document Security

The procedures for handling tender related documents are:

- documents which contain tender related, commercially sensitive information should be stored at all times in secure conditions, with access only for authorised personnel
- only authorised staff with a direct 'need to know' should be privy to tender related commercially sensitive information.

Responsibility for the disposal of evaluation documentation will lay with the responsible person in rightful possession of that documentation.

### Personal confidentiality and conflict of interest obligations

As per Councils Code of Conduct, all employees are under a general obligation of confidentiality to Council. All staff and any external parties involved in a tender process and having access to tender related information will sign the Conflict of Interest Declaration Form prior to gaining access to the tender responses.

Where a potential, perceived or actual conflict of interest arises, the relevant persons must declare the conflict and if required, the evaluation panel may decide to relieve them of any further responsibilities associated with the tender process.

Should any queries regarding conflict of interest arise during the process, those queries should be discussed with the Manager Strategic Procurement.

### Freedom of Information

Council is committed to a policy of openness and transparency in all its dealings, including commercial tendering activities. As such, a strong measure of confidentiality is required during a tendering process in order to protect both the competitive position of individual Tenderers and the commercial interests of Council. However, all information with the exception of specific evaluation details may be subject to enquiries under the Victorian Freedom of Information Act 1982.

### Provision of Information to Tenderers

All Tenderers are to be afforded the same opportunities to access tender related information. There should be no discrimination between Tenderers in the provision of such information.

To ensure that all information is provided in accordance with this principle of non-discrimination, the EP should take steps prior to the commencement of the tender process to establish an internal process for controlling and monitoring the flow of information to and from Tenderers. Examples include:

*Contact point:*

A single officer should be authorised to deal directly with Tenderers. This officer should be given the power to authorise others to communicate with Tenderers when required (eg reference checks).

*Recording discussions:*

Arrangements should be made for documenting key discussions or interviews with Tenderers, including meeting minutes. Notes should also be kept recording any substantive telephone conversations with Tenderers.

*Approved correspondence:*

The nominated officer within the EP should review and authorise all correspondence with Tenderers, recognising the need to provide consistent communication.

*Filing:*

A properly organised system for filing and retrieving correspondence and other evaluation material must be maintained.

## Appendix 1: EXAMPLES OF TYPICAL EVALUATION CRITERIA

The following examples have been provided to assist in determining the most relevant criteria to be applied for evaluation of tender submissions. This list is not exhaustive.

*Pre-requisites* should include Financial Viability and compliance with Council's Health & Safety requirements.

*Price* may include total cost and/or a schedule of rates.

### EXAMPLE CRITERIA FOR SERVICE CONTRACTS

#### *Technical Management:*

The Tenderer is required to demonstrate the organisation's capacity and experience in providing services of a similar nature. The following information is to be provided:

- a statement of the Tenderer's past performance and ability to perform in relation to the Management and Operation of the services, including a general overview of the tendering organisation that includes ownership, philosophy and history of the organisation
- details of the Tenderer's ability, experience and capacity to manage the full range of services and additional client initiated works
- details of at least last five (5) years of all work of a similar nature to this Contract and include information from both current and past works including;
  - 1) Clients/companies/contact personnel
  - 2) Contract amount
  - 3) When awarded, duration of contract and completion date
  - 4) Brief description of works.
- details of existing staff performance auditing processes indicating who carries out the auditing, any systems incorporated in the performance of audits and the frequency they are carried out. Provide evidence of existing Audit Sheets that have been developed specific to site areas similar to those covered under this Contract.

### *Technical Capacity*

Provide details of the tenderer's capability to carry out the services as specified in the service specifications. This may include but not be limited to;

- describing how the services will be managed, identifying work scheduling and processes to be incorporated in meeting the required management requirements of the specification, and the specific service levels and standards
- detailing any sub-contractors intended to be employed under this Contract, including company name and address, type of work to be undertaken and staff numbers to be employed. Also include details of current and previous work, client for whom work was carried out and contact name
- for each sub-contractor nominated, document previous joint service delivery and include details of current and previous work, client for whom work was carried out and contact name
- providing a copy of any Memorandum of Agreement (or other) that exists between your organisation and sub-contractors
- providing details of all major materials suppliers the Tenderer intends to use under this Contract.

### *Management Hierarchy*

- On-Site Management - Identify personnel by name and provide a position description listing duties and responsibilities that will apply to the following employees, and a Resume of each person intended to fulfil the duties.
- On-Site Structure - Provide details of the proposed structure for on-site personnel, including sub-contractors and their levels of delegated authority (decision making). Details should include;
- Proposed structure for on-site personnel for each individual service area (eg. Management and Operations). Details should include:
  - 1) Qualifications and experience in services to be employed;
  - 2) Any additional qualification held by staff;
  - 3) The level of delegated authority (decision making) for all personnel; and
  - 4) the proposed manning levels the Tenderer will provide to conduct these services.

### *Management Interfaces*

Provide details of the proposed interface between the Tenderer's head office management, on-site management and Council. Details should include:

- reporting responsibilities from on-site management to head office support
- details of reporting responsibilities from on-site management to Council
- the process of interfacing with Council's existing structure, including meetings, reporting
- examples of periodic reports based on performance and workloads.

### *Human Resources*

- Detail the resources the Tenderer will call upon to ensure that there will be a continuous availability of sufficiently skilled staff to carry out the services.
- Detail how the Tenderer intends to replace personnel in their absence, either managerial, supervisory or other staff, without causing a decrease in level of service standards.
- Detail staff training and development policies to ensure that staff have necessary ongoing qualifications and experience.
- Give details on normal staff induction programs and how these will be incorporated for this Contract.
- Tenderers intention toward offering employment to existing staff and to what extent.

#### *Risk Management*

- Identify any perceived major risks associated with the delivery of the service, and list strategies the Service Provider's management team will implement to ensure service continuity and mitigate the impacts of such events.
- As a component of their tender submission, the tenderer must provide a draft copy of a Risk Management Plan specific to this Contract. The Plan must be compliant with the requirements of AS/NZS ISO 31000:2009.

#### *Industrial Relations*

- Provide details of the Tenderer's policies and procedures pertaining to Industrial Relations issues.
- Provide details of any disputes the organisation may have experienced during the past 10 years.
- Provide evidence of established policies and procedures that will ensure an acceptable Industrial Relations environment that allows for the facilitation of continuous employee consultation.

#### *Insurance*

- Tenderers must provide evidence of the following current insurances:
  - Public Liability Insurance Policies;
  - Relevant Professional Indemnity Insurance Policies;
  - Workers Compensation Insurance Policies; and
  - Motor Vehicle Comprehensive Insurance Policies.

#### *Legal Compliance*

- Provide details of proposed systems to maintain compliance with all relevant statutory and regulatory requirements.

## EXAMPLE CRITERIA FOR THE PROVISION OF CUSTOMER SERVICE

- Detail how the Tenderer intends to provide a quality customer service to both internal and externally located clients.
- Provide evidence of existing customer service policies and procedures to be implemented in providing these services.
- Provide details of the Tenderer complaint management system.
- Detail what mechanisms the Tenderer will apply to implement continuous improvement in customer service.
- Detail the Tenderer's capabilities in relating and complying with Council's Customer Service Charter.

### *Transition Management*

The Transition Period shall be defined as that period between the acceptance of a Tender and the commencement date of the services.

An integral part of the evaluation process will be the assessment carried out on the organisation's ability to not only recognise the various tasks associated with the transition, but their ability to effect a smooth transition from the current provider to the control of the incoming Service Provider by the Commencement Date.

- Provide details of all transition tasks recognised as necessary. The following details should be able to be converted by the Tenderer into an implementation plan that will then become an entity of the Contract Documentation. Details should include but not be limited to:
  - 1) identifying all major tasks associated with the transition and describe the proposed method for effecting the transition from the current provider to the control of the incoming Service Provider
  - 2) providing details of the division of duties and responsibilities between the current provider, the incoming Service Provider and Council
  - 3) identifying any industrial relations issues seen to be relevant to the transition and any consultations which have or will occur with unions/contractor/employees
  - 4) detailing transitional requirements for change-over at the end of this Contract.
- Tenderers shall provide a Gantt chart milestone schedule which indicates start/finish dates for all transition tasks. Details should include:
  - 1) an acceptable and realistic start/finish date for each transition task
  - 2) personnel responsible for each transition task.

## EXAMPLE CRITERIA FOR THE PROVISION OF SERVICES

Tenderers must demonstrate that they have a complete understanding of the services required and be able to manage, audit and carry out the services to the specified standards and satisfaction of Council.

- [List Services to be provided]

The Tenderer is required to provide information pertaining to the provision of each of the nominated separate services:

- describe how the service is to be provided, identifying the work scheduling and processes to be incorporated in meeting the required service levels and standards
- provide details of the technical skills and experience of on-site operational staff for the required services
- specify what actions will be undertaken if service request numbers cannot be effectively delivered within specified times
- specify what processes will be used to monitor and track workloads against resource availability.

### *Health & Safety (HS)*

The Tenderer must demonstrate how it will monitor and audit the services to ensure that the health and safety of all staff will be maintained throughout the Contract Period. Details should include:

- a draft copy of the HS Plan specific to the delivery of the services under this Contract
- details of adequate resources that can be assigned to implement and manage the HS Plan
- evidence of any formal certification held by the Tenderer
- completed copy of the HS Management System Questionnaire.

### *Quality Management*

The Tenderer must demonstrate how it will monitor and audit the services to ensure that the standard of performance will be maintained throughout the Contract Period. Details should include:

- a draft copy of the Quality Plan specific to the delivery of these services
- details of adequate resources that can be assigned to implement and manage the Quality Plan
- evidence of any formal accreditation held by the Tenderer
- strategies to adopt industry best practice
- details of how the Tenderer intends to monitor the quantity and standard of works carried out by its staff
- evidence of the organisation's capacity to manage the standard of performance of sub-contractors
- details of procedures for engaging, managing and monitoring sub-contractors
- capacity to initiate innovative methods and procedures to promote more effective and efficient works practices.

### *Sustainability*

- Evidence of any formal accreditation held by the Tenderer (such as an accredited Environmental Management System) to informal training (such as the Council Sustainable Business Program);
- Details of any initiatives taken by the Tenderer to improve sustainable performance and outcomes, including but not limited to:
  - environmental Improvement Plans for all or part of the Tenderer's business
  - specific measures undertaken to address biodiversity conservation, energy consumption, greenhouse gas emission, resource use, waste generation and/or water consumption issues
  - use of recycled materials in the business and service
  - use of non-toxic materials/substances in the conduct of the services
  - products associated with the service are consistent with the principals associated with environmental awareness, with preference given to products with a credible third part endorsement
  - details of commitments by the Tenderer to improve environmental performance and outcomes during the Contract Period
  - support local economies, eg through staff recruitment, purchasing of goods and materials
  - consider life cycle costs – eg in the choice of materials
  - increasing productivity and reduced time lost from illness because of the improved working conditions
  - saving money through re-using materials and products
  - expanding the market for green and recycled products, as well as for products with reduced packaging
  - decreasing pressure to build new landfills.
- Evidence of commitment by the tenderer to contribute to the improvement of the social quality of local communities such as support for social enterprise, details of initiatives that pursue excellence in protecting/enhancing local amenity, public health and safety, cultural and heritage values and/or other community services.

## EXAMPLE CRITERIA FOR PURCHASING GOODS

### *Environment Sustainability*

Yarra Ranges Shire Council is committed to purchasing sustainable and environmentally preferred products wherever possible and will give preference to organisations and individuals that can demonstrate their commitment to sustainability and quality. Details should include:

- evidence of any formal accreditation held by the Tenderer (such as an accredited Environmental management System)
- details of any initiatives taken by the Tenderer to improve environmental performance and outcomes, including but not limited to:
  - environmental Improvement Plans for all or part of the Tenderer's business
  - specific measures undertaken to address biodiversity conservation, energy consumption, greenhouse gas emission, resource use, waste generation and/or water consumption issues
  - use of recycled materials
  - use of non-toxic materials/substances in the conduct of the services
  - specific measures to ensure that cardboard and paper products or packaging are compliant with the principals associated with environmental awareness
  - details of commitments by the Tenderer to improve environmental performance and outcomes during the Contract Period.

Do/can the proposed Goods;

Contain a high percentage of recycled fibre: a minimum of 50% for printing and writing papers, envelopes, memo pads, invoice and statement books, printing products and brochures etc. and 100% for tissues (toilet and facial), hand towels and packaging products:

- have all virgin fibre content obtained from sustainably managed sources
- be manufactured without the use of bleaches containing chlorine (totally Chlorine Free and Process Chlorine Free are preferable to Elemental Chlorine Free – ECF still uses chlorine compounds; it reduces but does not eliminate toxic by-products)
- be manufactured using zero effluent systems wherever possible
- not have plastic or wax coatings
- use low environmental impact packaging with 100% recycled content
- be recyclable locally.

## EXAMPLE CRITERIA FOR WORKS CONTRACTS

### *Health & Safety (HS)*

The Tenderer must demonstrate how it will monitor and audit the Works to ensure that the health and safety of all staff will be maintained throughout the period of the Works. Details should include:

- a draft copy of the HS Plan specific to the delivery of the Works
- evidence of any formal certification held by the Tenderer
- completed copy of the HS Management System Questionnaire.

### *Tender Price*

May include Pricing Schedule and/or Total Lump Sum.

### *Capability of the Tender to undertake the Works*

- Provide details of experience (past and present) in the provision of works of a similar nature including:
  - names of clients
  - clients contact details
  - value of contracts
  - project scopes.
- Provide an overview of the management and supervision that will be applied to the works including:
  - position titles
  - qualifications and experience
  - time allocated to the works
  - proposed interaction between management and Council.
- Provide details of how the tenderer intends to carry out the works in accordance with the requirements of its Environmental Management Plan.(eg Noise, Contamination of Waterways, Dust Suppression, Recycling options, etc)

### *Capacity of the Tenderer to complete the Works*

- Provide details of resources intended to be engaged to carry out the works including individual duties and responsibilities (eg. Labourer, driver, asphalter, etc);
- Provide an extensive list of all plant and equipment to be used for the works;
- Provide details of sub-contractors intended to be engaged in the delivery of the works:
  - type of work to be carried out by each
  - previous joint ventures
  - period of association with each sub-contractor.

- Provide details of all material suppliers nominating the type of materials to be purchased from each.

#### *Timeframe*

- Ability of the Tenderer to complete the works in the nominated time frame, including:
  - period for completion
  - availability to commence works.

#### *Quality management system*

Detailed Quality Management System provided with the tender submission.

#### *Sustainability*

Council is committed to purchasing environmentally preferred products and will give preference to organisations and individuals that can demonstrate their commitment to sustainability and quality. Criteria could include:

- evidence of any formal accreditation held by the Tenderer (such as an accredited Environmental Management System) and/or Environmental Improvement Plans for all or part of the Tenderer's business
- details of areas whereby the Tenderer will improve the sustainability of the outcomes, including but not limited to:
  - specific measures undertaken to address biodiversity conservation, energy consumption, greenhouse gas emissions, resource use, waste generation and/or water consumption issues
  - use of reuse or recycled materials in proposed works, such as recycled plastic decking
  - use of non-toxic materials/substances in the conduct of the services, such as paint
  - products associated with the service are consistent with the principals associated with environmental awareness, with preference given to products with a credible third part endorsement
  - details of commitments by the Tenderer to improve environmental performance and outcomes during the Contract Period
  - support local economies, eg through staff recruitment, purchasing of local goods and materials
  - consider life cycle costs – eg in the choice of materials
  - increasing productivity and reduced time lost from illness because of the improved working conditions
  - saving money through re-using materials and products
  - expanding the market for green and recycled products, as well as for products with reduced packaging
  - decreasing pressure to build new landfills through the reuse or recycling of products
  - decreasing the use of oil resources, such as fuel
  - offsetting greenhouse gas emissions created as a result of the tender.

- Evidence of commitment by the tenderer to contribute to the improvement of the social quality of local communities such as support for social enterprise, details of initiatives that pursue excellence in protecting/enhancing local amenity, public health and safety, cultural and heritage values and/or other community services.

## EXAMPLE CRITERIA FOR CONSULTANCY SERVICES

### *Value for Money*

#### *Structure for delivery of proposed Service*

- Describe the methodology for delivery of the proposed plan and how you will ensure Industry Best Practice standards will be achieved in outcomes.

#### *Relevant Experience, Capability & Past Performance*

- Details of experience in delivering services of a similar nature, including previous Local Government.

#### *Qualifications*

- Details of staff to be utilised in the facilitation of the project and relevant qualifications.

#### *Timetable*

- Provide details of proposed timetable for process and completion of project

#### *References*

- Contact details of past clients delivered similar services.

### *Sustainability*

Council is committed to supporting sustainable businesses and will give preference to organisations and individuals that can demonstrate their commitment to sustainability and quality. Criteria could include:

- evidence of any formal accreditation held by the Tenderer (such as an accredited Environmental Management System) to informal training such as the Shire's Sustainable Business Program)
- details of any initiatives taken by the Tenderer to improve sustainable performance and outcomes in their business, including but not limited to:
  - environmental Improvement Plans for all or part of the Tenderer's business
  - specific measures undertaken by the business to address biodiversity conservation, energy consumption, greenhouse gas emission, resource use, waste generation and/or water consumption issues
  - use of recycled materials in the business
  - details of commitments by the Tenderer to improve environmental performance and outcomes during the Contract Period
  - support local economies, eg through staff recruitment, purchasing of goods and materials
  - increasing productivity and reduced time lost from illness because of the improved working conditions
  - expanding the market for green and recycled products, as well as for products with reduced packaging.

- Evidence of commitment by the tenderer to contribute to the improvement of the social quality of local communities such as support for social enterprise, details of initiatives that pursue excellence in protecting/enhancing local amenity, public health and safety, cultural and heritage values and/or other community services.

## EXAMPLE CRITERIA FOR SOCIAL & ECONOMIC SUSTAINABILITY

### *Social Sustainability*

Provide evidence of commitment by the tenderer to contribute to the improvement of the social quality of local communities such as support for social enterprise, details of initiatives that pursue excellence in protecting/enhancing local amenity, public health and safety, cultural and heritage values and/or other community services.

Tenderers should detail:

- what processes will be put in place to ensure that the working conditions of staff and safety of assets users will be addressed through
- how to achieve less exposure to toxic materials and emissions, through use of more benign products for cleaning, pest control, building and fleet maintenance
- suggestions for more comfortable energy efficient working environments.

### *Economic Sustainability*

Tenderers should evidence and details of how it will:

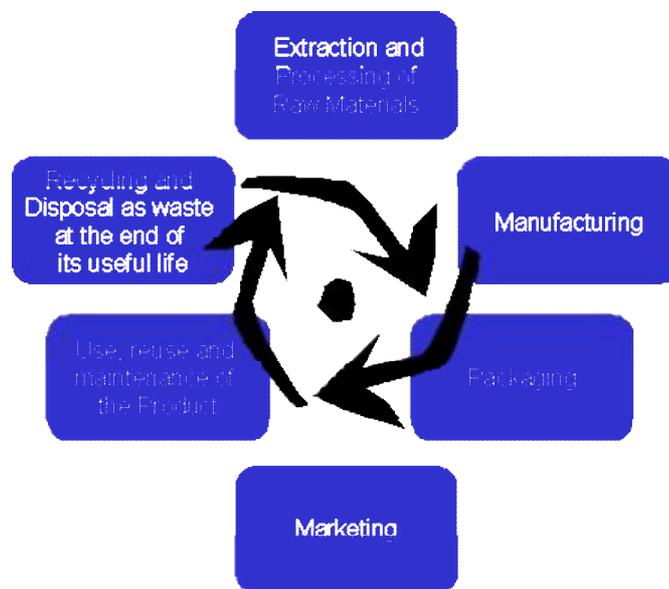
- support local economies (eg through staff recruitment, purchasing of goods and materials)
- consider life cycle costs ( eg in the choice of materials)
- lower costs for some products
- increase productivity and reduced time lost from illness because of the improved working conditions
- save money through re-using materials and products
- make recycling available
- expand the market for green and recycled products, as well as for products with reduced packaging
- decrease pressure to build new landfills.

## Appendix 2: Guidance for choosing environmentally preferable products

In order to make the most sustainable purchasing decisions, some effort is required to investigate products and choose the best option. Life cycle assessment is a useful tool to help determine the environmental impact of a product over its lifetime. There are also a range of credible third part endorsements that can help assess a product's environmental impact.

### 1. Life Cycle Assessment

Life Cycle Assessment (LCA) is the rigorous method of environmental assessment of a product, using scientific methods to measure the full range of factors that determine the environmental impact of a product through the lifecycle of its existence.



### 2. Third Party Endorsement of Products

There are a range of third part endorsements or certifications that products can achieve to help them convey their environmental credentials. Beware of companies who make their own claims about environmental credentials of their products without an independent third party assessment.

#### Good Environmental Choice Australia

(Good Environmental Choice Tick) [www.geca.org.au](http://www.geca.org.au)



#### Green Building Council of Australia

Green Star Building Rating Program

<http://www.gbca.org.au/green-star/>



### Australian Green Infrastructure Council, <http://www.agic.net.au/default.htm>

Covers the methodology required to secure a rating for a range of infrastructure projects including:



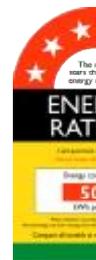
- roads, rail, bridges and tunnels
- ports, wharves or boating
- airport airside facilities
- distribution grids (pipes, poles, wires)
- water or resource management
- water infrastructure
- waterway or foreshore management
- preparatory civil works for other types.

### Australian Government Energy Rating

<http://www.energyrating.gov.au/>

### Australian Government Water Efficiency and Standards Scheme

<http://www.waterrating.gov.au/index.html>



### Forest Stewardship Council (FSC)

The FSC is an independent body that monitor forest management and accredit timber products The FSC Principles and Criteria describe how the forests have to be managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations. They include managerial aspects as well as environmental and social requirements. In fact, FSC rules are the strictest and FSC's social and environmental requirements the highest.

These 10 principles and 56 [criteria](#) form the basis for all FSC forest management standards. Based on these 10 principles, the FSC has developed further rules (called policies or standards) that further define and explain certain requirements stipulated in the 10 principles.

Here is a summary of some of the points the [FSC Principles and Criteria](#) require. Many of the points listed below will appear almost basic – but in many places even these basic requirements are not fulfilled. This is where FSC can have the biggest positive impact.

- Prohibit conversion of forests or any other natural habitat
- Respect of international workers rights
- Respect of Human Rights with particular attention to indigenous peoples
- Prohibit the use of hazardous chemicals
- No corruption – follow all applicable laws
- Identification and appropriate management of areas that need special protection (e.g. cultural or sacred sites, habitat of endangered animals or plants)

## Online Product Directories

**Eco-Buy:** building materials, road construction & management, park management, energy resources, water & waste management. ‘Eco-Buy Notes’ are available on a wide range of products. This is a good first stop when investigating products.

<http://www.ecobuy.org.au/director/ecoguide.cfm> (SYR password: **ecobuy08**). Series of “How to Buy Green” Information sheets available online.

**Resource Smart (Sustainability Victoria)**, [www.resourcesmart.vic.gov.au](http://www.resourcesmart.vic.gov.au)

**EcoSpecifier** : building materials, electrical equipment, [www.ecospecifier.org](http://www.ecospecifier.org)

**Australian Green Procurement Database:** office furniture, road accessories, building materials, <http://www.greenprocurement.org/php/listCategories.php>

**Green Building Council of Australia** : building design and construction (includes training programs), <http://www.gbca.org.au/>

**The Green Pages** , <http://www.thegreenpages.com.au/>

**Green Directory**, <http://www.thegreendirectory.com.au/>

**Local Government Web Portal**, Sustainability Victoria

**Green Guard:** accreditation of products for indoor air quality, Children & schools, building construction. [www.greenguard.org](http://www.greenguard.org) (International – but useful information of similar product evaluation)

## Investigating products on your own

If a product you are looking for is not included on any of the above sites or in an Eco-Buy “How to Buy Green” note sheet, here are a few things to consider.

- You can ask other organisations within the Eco-Buy network about their investigations and experiences with products.
- Use the Product Assessment Tool provided by Eco-Buy.
- Ask questions of suppliers and manufacturers. But check this information against other sources because not all sales people are well informed about the green aspects of their products.
- Share the information you obtain with other departments and ECO-Buy members. This will make it easier for you to obtain more information from others in the future. It will also provide an opportunity for another member to comment on what you have found out; they may have experience and knowledge that will help you.