

# TENDER EVALUATION CRITERIA

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## 1. OBJECTIVE

For the purposes of expediency in existing tender management systems, the objective of this Policy is to enable guidance to be provided to the CEO in accordance with any available delegations to approve the use of suitable tender evaluation criteria prior to the inviting of tenders for discrete and identifiable budget items.

## 2. PRINCIPLES

~~The principles whereby~~ This policy is applicable ~~is~~ based on all of the following being addressed:

1. A delegation is in place to enable the CEO to approve tender evaluation criteria prior to any invite of tenders; ~~and~~
2. A discrete and identifiable budget is in existence for a product or service at the time when tenders are invited; ~~and~~
3. The value of the tender is estimated to be equal to or less than \$1M ex-GST; ~~and~~
4. Internal controls relevant to the tender management process are not to be compromised; and
5. Acceptance of the tender will be approved by the Council unless a delegation exists to the CEO in accordance with section 5.43(b) of the *Local Government Act 1995* (~~Act~~). A provision exists under "Delegation # ~~13-26~~ Accepting of Awarding Tenders" to the value of \$300,000 ex-GST.

### 2.1. Legislation

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

Through a delegation to the CEO, the tender evaluation criteria can be determined by the CEO with the use of guidelines or policy. (Sections 2.7(2)(b) and 5.42 and 5.43 of the *Act*)

### 2.2. Scope of Works

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

This detail is required to be confirmed prior to the invitation of tenders by the relevant Director and CEO.

### 2.3. Evaluation Models

Tenders vary greatly in the nature of the activity, scope of works and pricing, therefore it will be difficult to find a single evaluation solution to fit all circumstances. What is provided in this policy are two models that are to be used as a guide that will be acceptable to Council. The two models in essence capture the majority of tenders that have been invited by the Shire of Roebourne – Product Purchases and Service Provision.

## Product Purchases

Table 1 relates to the procurement of a product. This model applies to any goods or products purchased from suppliers.

Three criteria have been identified: price, ~~relevant experience-quality~~ and capacity to deliver. There is autonomy for each individual tender where additional criteria may be included. The acceptable weighting range identifies that for each of the three nominated criteria, the minimum weighting be equal to, or greater than the specified percentage. The weighting ranges suggest as a minimum that the price have a weighting of no less than 60%, relevant experience and capacity to deliver each have 10%. This infers that the CEO has the ability under delegation to manipulate provides for the price weightings for price to be fixed between 60-980% whilst still maintaining a minimum 10% weighting for the total of quality relevant experience and capacity to deliver. Alternatively the CEO also has the ability to have a weighting for price of 60% and vary the other criteria or add new criteria., however the CEO may authorise weightings outside this guide where circumstances warrant.

TABLE 1 PRODUCT PURCHASES	
Criteria	Acceptable Weighting Range
Price	≥60%
<del>Relevant Experience</del> Quality	≥ <del>5</del> 10%
Capacity to Deliver	≥ <del>5</del> 10%
Others as deemed appropriate	Up to <del>3</del> 20%

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

## Service Provision

Table 2 relates to the procurement of a service. This model applies to any services provided by suppliers whether it is to be consultancy work, service and repairs, provision of labour services, etc.

~~Four~~five criteria have been identified: price, relevant experience, methodology, ~~demonstrated understanding~~ and capacity to deliver. There is autonomy for each individual tender where additional criteria may be included. The acceptable weighting range identifies that for each of the four nominated criteria, that the minimum weighting be equal to, or greater than the specified percentage. The weighting ranges suggest as a minimum that the price have a weighting of no less than 40%, relevant experience, methodology, demonstrated understanding and capacity to deliver each have 10%. This infers that the CEO has the ability under delegation to manipulate weightings provides for the price weighting to be between 40-6085% whilst still maintaining a minimum 1015% weighting for the total of the remaining criteria. Alternatively the CEO also has the ability to have a weighting for price of 40% and vary the other criteria or add new criteria., however the CEO may authorise weightings outside this guide where circumstances warrant.

TABLE 2 SERVICE PROVISION	
Criteria	Acceptable Weighting Range
Price	≥40%
Relevant Experience	≥ <del>5</del> 10%
Methodology/ <del>demonstrated</del> Understanding/ Capacity to Deliver	≥ <del>5</del> 20%
Capacity to Deliver	≥ <del>5</del> 10%
Others as deemed appropriate	Up to <del>4</del> 530%

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

## 2.4. Outside of Policy

There will be two instances whereby a tender could be outside of this policy:

- Tender exceeds \$1M; or
- Tender is for disposal (sale) or property.
- ~~Tender criteria is outside of permitted ranges.~~

Where the tendered amount is expected to be in excess of \$1M ex-GST, then the invite for tender, scope of works and the evaluation criteria need to be put to Council for determination.

~~Where the tender evaluation criteria is to differ from the ranges and criteria supplied above, then again the invite for tender, scope of works and the evaluation criteria will need to be put to Council for determination.~~

## 2.5. Anti-Avoidance

Tenders should not be broken purposefully into smaller components under \$1M to simply avoid a Council report being generated.

## 2.6. Reporting

The CEO is to ensure that on each occasion where the delegation has been used, a report is furnished at the next ordinary Council meeting after the tender is awarded detailing the tender or expression of interest number and name, closing date, scope and criteria advertised, submissions received by name, awarded party and contract value.

Tender No:	Tender Title:		
State-wide Advertising Commenced:	Tender Closing Date/Time		
Scope of Works:			
Evaluation Criteria:			
Submissions Received:			
Awarded to:			
Contract Value:		Date of Award:	

## 3. CONSEQUENCES

This policy represents the formal policy and expected standards of the Shire. Appropriate approvals need to be obtained prior to any deviation from the policy. It is imperative that Officers retain appropriate documentation to substantiate their decision. Employees are reminded of their obligations under the Shire's Code of Conduct-2014 to give full effect to the lawful policies, decisions and practices of the Shire.

## 4. ROLES AND RESPONSIBILITIES

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

The CEO shall ensure that the Policy will be adhered to in accordance with the appropriate delegations provided and where there is a deviation to the guidelines that a report is provided to Council for its deliberation.

The CEO shall also ensure a report is provided to Council as to when the delegation is provided, evaluation criteria used and the results of the tender evaluation process.

## 5. REFERENCES TO RELATED DOCUMENTS

- [Shire of Roebourne Delegations and Authorisations Register—Manual, Delegations 26—Awarding of Tenders](#)
- [Local Government Act 1995](#)
- [Local Government \(Functions and General\) Regulations 1996](#)

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*This Policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.*