

ITEM 13. TENDER - SUPPLY AND DELIVERY OF WORK WEAR

FILE NO: S123688

TENDER NO: 1507

SUMMARY

This report outlines the outcomes of a tender process to engage suppliers of work wear to the City. The City has approximately 450 staff wearing outdoor garments. These staff are distributed across Cleansing, Trades, Infrastructure, Nursery and Fleet units.

The City issued a Request for Tender (RFT) for the supply and delivery of work wear that attains the required standards, while achieving consistent supply, improved lead times, value for money, efficient storage and issuing methodologies and an online order placement process.

Council intends to enter into a three year contract with two optional 12 month periods, if appropriate. These extensions will be based on suppliers providing a satisfactory performance against agreed Key Performance Indicators (KPI's).

RECOMMENDATION

It is resolved that:

- (A) Council accept the tender offers of Tenderers 'A' and 'B' for the supply and delivery of work wear for a period of three years with two optional 12 month periods if appropriate;
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender; and
- (C) authority be delegated to the Chief Executive Officer to exercise the options referred to in clause (A), if appropriate, and negotiate the price to extend the contract accordingly.

ATTACHMENTS

Attachment A: Tender Evaluation Summary (Confidential)

Attachment B: Schedules of Rates (Confidential)

(As Attachments A and B are confidential, they will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

BACKGROUND

1. The decision to tender by the City was due to the unavailability of a State Government contract and the expiration of the current LGP contract within one year.
2. This tender is to be let for a three year period with two optional 12 month extensions based on performance.
3. To ensure value for money, and integrity of supply with the most suitable providers, it is the intention to appoint a number of suppliers to provide work wear garments.
4. It was considered that by tendering for the provision of work wear, the City would achieve improved delivery lead times, an online ordering facility and garments that meet the appropriate safety and quality standards.
5. To evaluate the tenderers attention to their own and their supply chains environmental and social credentials, suppliers needed to respond to the requirements of the Clean Clothes campaign (<http://www.cleanclothes.org/>). This system identifies key areas that manufacturers of clothing and their supply chain should adhere and commit to. These include fair payment to employees, ensuring no child labour or below official working age (Australia) persons are employed. Employees throughout the supply chain should be working freely, without discrimination, for stated, agreed maximum hours and paid a living wage. A living wage is defined as the worker being able to afford food, rent, healthcare, education, clothing, transportation and savings. Workers should also have access to a Health and Safety scheme within their place of employ.
6. Tender evaluation included reviews of samples and end-user trials.

INVITATION TO TENDER

7. The tender was advertised in the Sydney Morning Herald and the Daily Telegraph and the Council's eTender web site, Tenderlink, on 17 March 2015 and closed on 9 April 2015

TENDER SUBMISSIONS

8. Seven submissions were received from the following organisations:
 - Cole Workwear
 - John Star Pty Ltd
 - Klenall Industrial Suppliers Pty Ltd
 - Lee Brothers International Trade Pty Ltd
 - Staples Australia Pty Ltd
 - Totally Workwear Management Pty Ltd
 - Workwear Group
9. One late submission was received.

TENDER EVALUATION

10. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
11. The relative ranking of tenders as determined from the average weighted score is provided in the Confidential Tender Evaluation Summary (Attachment A).
12. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) schedule of rates;
 - (b) manufacturing, delivery, replacement leadtimes;
 - (c) quality of garments (including provision to the required Australian or International Standards);
 - (d) company profile and experience in fulfilling the requirements of similar contract(s);
 - (e) provision of a City of Sydney specific online ordering system;
 - (f) consideration of the supplier and its sub-contractors to the social and sustainable behaviour within its manufacturing and supply chain processes;
 - (g) warranties;
 - (h) financial and commercial trading integrity including insurances; and
 - (i) demonstrated capacity to fulfil the work health and safety requirements.
13. Tenderers were advised that a single supplier or multiple suppliers may be selected to satisfy the requirements of the tender.
14. Supplier samples were requested and trialled by end-users as part of the evaluation process.

FINANCIAL IMPLICATIONS

15. The City's 2015/16 budget and future years forward estimates within the long term financial plan contain sufficient funding for procuring work wear garments.

RELEVANT LEGISLATION

16. The tender has been conducted in accordance with the *Local Government Act 1993*, the *Local Government (General) Regulation 2005* and the City's Contracts Policy.
17. Attachments A and B contains confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.

18. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

CRITICAL DATES / TIME FRAMES

19. There are no critical dates. Implementation will span an approximate three month period to allow for winning tenderer/s to position appropriate levels of stock locally. During this timeframe work wear garments can continue to be procured from existing supply options.

BILL CARTER

Chief Financial Officer

Ian Rudgley, Procurement Manager