

Tender - RFT2020/415 - Supply and Delivery of Stone Products**File No: X038592****Tender No: T-2020-415****Summary**

This report provides details of the tenders received for the Supply and Delivery of Stone Products contract.

The purpose of the tender is to source suppliers that will form the City's panel of vendors to provide the different stone products required to complete upcoming and future projects for the City.

This report recommends that Council accept the following tender offers for the categories of stone product specified in Table 1.

Table 1 - Tender Acceptance Recommendation

Stone category	Primary contractor	Secondary contractor
Austral Black granite	Tenderer B	Tenderer C
Austral Verde granite	Tenderer E	N/A
Bluestone	Tenderer D	N/A
Sandstone	Tenderer A	N/A

Recommendation

It is resolved that:

- (A) Council accept the tender offer of Tenderer B as the primary contractor for the supply and delivery of Austral Black granite products for the schedule of rates outlined in Confidential Attachment B to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (B) Council accept the tender offer of Tenderer C as the secondary contractor for the supply and delivery of Austral Black granite products for the schedule of rates outlined in Confidential Attachment C to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (C) Council accept the tender offer of Tenderer E as the primary contractor for the supply and delivery of Austral Verde granite products for the schedule of rates outlined in Confidential Attachment D to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (D) Council accept the tender offer of Tenderer D as the primary contractor for the supply and delivery of Bluestone products for the schedule of rates outlined in Confidential Attachment E to the subject report, for a period of three years, with the option of an extension of two one-year periods if appropriate;
- (E) Council accept the tender offer of Tenderer A as the primary contractor for the supply and delivery of Sandstone products for the schedule of rates outlined in Confidential Attachment F to the subject report, for a period of three years, with the option of an extension of two one- year periods if appropriate; and
- (F) authority be delegated to the Chief Executive Officer to:
 - (i) negotiate, execute and administer the contracts relating to the tender; and
 - (ii) exercise the option for each contract entered into as a result of the tender process, if appropriate, and negotiate the price to extend the contracts accordingly.

Attachments

- Attachment A.** Tender Evaluation Summary (Confidential)
- Attachment B.** Prices, Schedule of Rates and Delivery Time of Austral Black Primary Supplier (Confidential)
- Attachment C.** Prices, Schedule of Rates and Delivery Time of Austral Black Secondary Supplier (Confidential)
- Attachment D.** Prices, Schedule of Rates and Delivery Time of Austral Verde Primary Supplier (Confidential)
- Attachment E.** Prices, Schedule of Rates and Delivery Time of Bluestone Primary Supplier (Confidential)
- Attachment F.** Prices, Schedule of Rates and Delivery Time of Sandstone Primary Supplier (Confidential)

Background

1. Austral Black granite, Austral Verde granite, Bluestone and Sandstone form part of the standard palette of materials for the City's public domain, as specified in the Sydney Streets Code 2013.
2. Under the Sydney Streets Code 2013:
 - (i) Austral Black is specified as the primary material for paving in City Centre and Gateway areas;
 - (ii) Austral Verde is the primary kerb material specified for streetscape upgrade projects in City Centre and Gateway areas;
 - (iii) Bluestone is the primary kerb material specified for use in Village Centres and Activity Strips such as Glebe Point Road, Glebe and Harris Street, Pyrmont. Bluestone is also specified for the replacement of sandstone kerb where sandstone is unavailable or not suitable; and
 - (iv) Sandstone kerbs and structural assets, such as retaining walls and seawalls, have a legacy of heritage in the City and make an important contribution to streetscape character and sense of place.
3. The purpose of this tender is to establish a panel of contractors to process, supply and deliver Austral Black and Austral Verde granites and Bluestone and Sandstone products to the City's specification and requirements. The products will be used for the delivery of capital works and infrastructure maintenance programs, which involve renewal and upgrade of City public domain assets.
4. All stone products will be sourced from approved Australian quarries.
5. The City does not guarantee any minimum quantity ordered over the contract term.
6. For all contracts for the products, the initial term of each contract will be for a period of three years, with an option of two extensions each of one year (three plus one plus one), subject to satisfactory performance and operational requirements.
7. Tenderers were assessed on their assurance to only supply from approved Australian quarries, long-standing experience, professional capability, organisational policies, safe work practices and their commitment to corporate social responsibility initiatives including supporting Aboriginal and Torres Strait Islander employment.

Invitation to Tender

8. The Request for Tenders was advertised through the City's e-Tender portal on 27 November 2020 and closed 24 December 2020.

Tender Submissions

9. Submissions were received from the following five organisations:
 - Sam The Paving Man Pty Ltd;
 - Stone Mason and Artist Pty Ltd;
 - United Stone Australia Pty Ltd;
 - UrbanStone Pty Ltd; and
 - Victorian Bluestone Quarries.
10. Of the submissions received, three were for Austral Black granite products, and one for each of the three other stone categories. Refer to Confidential Tender Evaluation Summary - Attachment A for details of these submissions.
11. No late submissions were received.

Tender Evaluation

12. All members of the Tender Evaluation Panel signed Pecuniary Interest Declarations. No pecuniary interests were noted.
13. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary - Attachment A.
14. All submissions were assessed in accordance with the approved evaluation criteria being:
 - (a) company profile demonstrating experience and expertise (bricklaying/blocklaying and stonemasonry certificate III) in producing and supplying the products of this tender;
 - (b) evidence of Quality and Test results of the sample products including materials used, dimensional tolerances and adherence to tender specification;
 - (c) maximum delivery rate (volume per week) for each specified order size;
 - (d) warranties and assurances beyond the minimum 12-month defects liability period;
 - (e) compliance and commitment of company and partnering suppliers to corporate social responsibility and relevant federal, state and local environmental protection legislation;
 - (f) sourcing all stone from an approved Australian quarry;
 - (g) Work Health and Safety; and
 - (h) the lump sum price and schedule of prices.

Performance Measurement

15. Formal performance reviews for primary contractors will be conducted in accordance with the City's standard contract management practices, which specifies a formal performance review every 12 months. This requirement was included in the Tender and will be included in the contract.
16. If no orders have been placed then a performance review will not be conducted.
17. The annual review of contractors aims to:
 - (a) establish the level of performance of the Service Providers against the specifications;
 - (b) explore ways to improve the product quality and supply, if and where required;
 - (c) increase the contractor's accountability;
 - (d) reduce costs;
 - (e) reassess areas of risk, review, establish controls and update the Contract Risk Management Plan; and
 - (f) review, improve and update all plans submitted by the contractor relevant to the contract.
18. Contractors will have their performance assessed against the following key performance indicators (KPIs):
 - (a) Delivery - Quantity delivered matches quantity ordered;
 - (b) Delivery - Delivery made within agreed timeframe;
 - (c) Compliance - Product(s) meets the agreed and documented standards, including sourcing of materials from an approved Australian quarry that can produce stone products that meet the City's performance and aesthetic requirements; and
 - (d) WHS - Zero report of incidents or notifiable occasions.

Financial Implications

19. The City's 2020/21 budget and future years' forward estimates for operational and capital expenditure within the long-term financial plan contain sufficient funding for the supply and delivery of products under the contracts.
20. Individual capital and maintenance projects hold the capital and operating budgets that include the works to be performed under this tender.
21. The City does not guarantee any minimum quantity of works in any year.

Relevant Legislation

22. The tender has been conducted in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005 and the City's Procurement and Contract Management Policy.
23. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
24. Attachments A to F contain 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.
25. 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

26. The City has an existing contract for the supply of Austral Black, Austral Verde granite and Bluestone which was awarded through tender 1803 and expires on 27 May 2021.
27. The City currently does not have an existing contract for the supply of Sandstone. Past purchases of Sandstone were sourced as needed, following the City's Procurement and Contract Management Policy. This proposed contract will support delivery of the recently awarded Structures Maintenance Contract.
28. Continued supply of stone products is required for the City's maintenance, and capital works projects.
29. The proposed contract duration for each of the contracts is for an initial period of three years with the option of two annual extensions each of one year (three plus one plus one), subject to satisfactory performance and operational requirements.

Options

30. An alternative option is to not procure stone products through a contract and follow the City's Procurement and Contract Management policy up to order values of \$250,000, which would require seeking quotes to meet separate requirements. This option is not recommended for the following reasons:
 - (a) it does not ensure reliability and consistency of stone supply, which may delay critical capital works and maintenance projects;
 - (b) it does not protect the City against stone price fluctuations, and may negatively impact long-term planning of capital work programs and maintenance regimes; and
 - (c) historical orders for the five-year period from 1 July 2015 to 30 June 2020 indicate that the City does place orders above \$250,000, which requires procurement through a tender process.
31. Another option is to source stone products through the City's existing Civil Works contractors. This does not ensure reliability and consistency of stone supply, nor does it protect against price fluctuations.
32. This supply contract provides the City with certainty of stone supply and protection against significant price fluctuations over its term, enabling long-term planning of capital works programs and maintenance schedules.

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