

# ATTACHMENT

**Item 6.2.2  
Tender Assessment –  
Council Plant and Equipment**





# Evaluation Plan

Procurement Title	Council Plant and Equipment
Tender Number	2011/12
Project Manager	Andrew Drummond
Records Folder No.	A0411112
Whole of Life Cost	\$1,562,000
Risk Classification	Low
Procurement Method	Request for Tender

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## **1 Introduction**

### **1.1 About this Evaluation**

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- 1.1.1 The following Evaluation Plan outlines the policy and procedures in the evaluation of responses to the Request for Tender (RFT) – 2011/12 Council Plant and Equipment.
- 1.1.2 The nominated Tender Evaluation Panel (TEP) contained therein will be subjected to the contents of this Plan. This document has been prepared for use by the TEP in conducting the assessment of responses to the RFT.

### **1.2 About this Evaluation Plan**

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- 1.2.1 The conduct of the evaluation must be consistent with the evaluation process detailed in the RFT. This Evaluation Plan seeks to establish this linkage and also provides:
- a) a description of the staff resources, including a description of the roles and the responsibilities of the TEP;
  - b) protocols for handling tenders;
  - c) the disallowance of late tenders;
  - d) protocols for identifying and handling conflicts of interest;
  - e) protocols for safekeeping of tenders;
  - f) the evaluation criteria and the associated weightings to be applied;
  - g) evaluation methodology;
  - h) the nominated approver (Procurement Delegate); and
  - i) an indicative evaluation timetable.
- 1.2.2 Any departure from this evaluation plan by the TEP after it has been approved may create procurement risk which may have serious management and legal implications for Mid-Western Regional Council (MWRC).

### **1.3 Objective of the Evaluation**

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- 1.3.1 The overall objective is to evaluate tenders and identify tenders demonstrating best value for money.
- 1.3.2 Value for money is a comprehensive assessment that takes into account both cost represented by the assessment of price, and value represented by technical assessment in the context of the risk profile presented by each Tender.
- 1.3.3 To identify best value for money requires the TEP to take into account all relevant risks, benefits and costs over the whole of life procurement cycle.

## **2 The Procurement**

### **2.1 Purpose of the Procurement**

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2.1.1 The purpose of this procurement is to replace the following items of Council Plant and Equipment:

- a) Excavator
- b) Two Rollers
- c) Loader
- d) Garbage Compactor

### **2.2 Tenders Received**

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2.2.1 In accordance with the Procurement Plan, an RFT will be issued for this procurement.

2.2.2 A Tenderer means any person or organisation who receives the RFT and who submits a Tender in response.

2.2.3 Tenders received in response to the RFT will be assessed in accordance with this Evaluation Plan.

### 3 The Evaluation Governance

#### 3.1 Declared Evaluation Roles

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3.1.1 Declared Evaluation Roles are:

- a) Chairperson of the Tender Evaluation Panel;
- b) Tender Evaluation Panel Member;
- c) Tender Evaluation Working Group Member;
- d) Probity Advisor;
- e) Probity Auditor; and
- f) Procurement Delegate.

#### 3.2 The Tender Evaluation Panel

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3.2.1 The Tender Evaluation Panel (TEP) comprises the Chairperson of the Panel and Panel members as follows:

Role	Description	Appointee
Chairperson of the Tender Evaluation Panel	To manage the evaluation process and report to the Procurement Delegate.	Andrew Drummond
Tender Evaluation Panel Members	Perform a detailed evaluation of the tender submissions.	Sally Mullinger Neil Bungate Ian Rothe

3.2.2 Individuals nominated on the TEP may change with approval of the General Manager.

3.2.3 Panel members will possess the necessary technical/subject matter skills to effectively assess tenders.

3.2.4 Each member is to possess a sound understanding of the requirements and will maintain confidentiality, probity and will conduct a fair and unbiased process.

#### 3.3 The Role of the Tender Evaluation Panel

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3.3.1 The outcome of an evaluation is a recommendation of preferred tenderer(s) that MWRC may enter into contract negotiation with and, if required, make recommendations on the negotiation strategy that should be employed.

3.3.2 The role of the TEP will be to evaluate the tenders received and make a recommendation on the preferred tenderer(s) to the Council.

3.3.3 The preferred tenderer(s) must be those offering best value-for-money while taking into account all relevant risks, benefits and costs over the whole Procurement Life Cycle.

**3.4 Tender Evaluation Working Groups**

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- 3.4.1 The TEP may form Tender Evaluation Working Groups to provide assistance during the conduct of the evaluation and act on its behalf.
- 3.4.2 Any Tender Evaluation Working Group (TEWG) formed will report to the TEP.
- 3.4.3 Any TEWG formed will undertake tender evaluation in accordance with this Evaluation Plan.
- 3.4.4 The membership of a TEWG will be decided by the TEP prior to commencement of Stage 2 of the evaluation process.
- 3.4.5 The role of TEWG will be clearly defined and documented by the TEP.
- 3.4.6 The outcomes of any assessment undertaken by an Evaluation Working Group will be reported to the TEP.

**3.5 The Procurement Delegate**

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- 3.5.1 The Procurement Delegate must be a person who has authority to commit MWRC to the nominated whole-of-life value in the Procurement Plan.
- 3.5.2 The nominated Procurement Delegate for this procurement process is:

Role	Description	Appointee
Procurement Delegate	To review and approve the recommendations of the TEP.	Council

- 3.5.3 The Procurement Delegate must decide who MWRC will enter into contract negotiations with.
- 3.5.4 In making this decision, the Procurement Delegate must take into consideration the Evaluation Report submitted by the TEP.
- 3.5.5 A departure from the TEP’s recommendation may create procurement risk which may have serious management and legal implications for MWRC. Legal advice must be sort before such a decision is taken.

**3.6 Weighted Evaluation Criteria**

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- 3.6.1 Some evaluation criteria mean more than others. MWRC reflect this relative importance through assigning weight to individual evaluation criteria.
- 3.6.2 Weighted Evaluation Criteria are used to determine the effectiveness of a tender against the Statement of Requirement contained in the RFT.
- 3.6.3 The effectiveness is calculated as a percentage by multiplying scores assigned by the TEP by the nominated criteria weight.
- 3.6.4 Weighting applied to the Evaluation Criteria for this procurement is detailed within the Evaluation Model at Appendix 3.



### **3.7 Changes to the Evaluation Plan**

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- 3.7.1 This plan will not be materially changed after the tender closing date has passed; this will ensure there is no basis for allegations that the evaluation methodology was changed after potential contact with tenderers.
- 3.7.2 No change will be made to the Evaluation Model (Appendix 3) after tenders have been opened.

### **3.8 Commencing the Evaluation**

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- 3.8.1 The Evaluation Process must not commence until the Evaluation Plan has been approved.

### **3.9 Tender Evaluation Software**

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- 3.9.1 MWRC does not currently utilise any tender evaluation software.

### **3.10 Clarifications/Presentations/Interviews**

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- 3.10.1 In addition to tenders received, the TEP may in its absolute discretion:
- a) invite some or all tenderers to give presentations for the purpose of demonstrating the features and capabilities of their applications and specifically how their proposed solution would address MWRC's requirements; and
  - b) visit tenderer reference sites and conduct discussions with, and visits to, customers of a tenderer (whether or not listed as referees in the tenderer's Tender).
- 3.10.2 The TEP may seek clarification from, and enter into discussion with any or all the tenderers in relation to their tender.
- 3.10.3 The TEP may seek additional information in respect of any aspect of a tender at any time.
- 3.10.4 The TEP is not under any obligation to take into account additional information provided by a tenderer in response to a request and will not do so where that would introduce unfairness into the evaluation process.
- 3.10.5 It is permissible for the TEP during evaluation phases to clarify any errors of form, such as technical omissions, ambiguities and anomalies, in a tender with the tenderer. However, this should not extend to a substantial re-tailoring of the tender.
- 3.10.6 It is not permissible for the TEP to negotiate during an evaluation process.
- 3.10.7 The Chair of the TEP will determine if further information or clarification is required from any tenderer.

**3.11 Unintentional Errors of Form**

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3.11.1 If the TEP considers that there are unintentional errors of form in a tender, the TEP may ask the tenderer to correct or clarify the error. However, this should not extend to a substantial re-tailoring of the tender.

**3.12 Scoring Scales**

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3.12.1 Each non-price response to the Tender Response Schedule within the RFT will be scored on a scale from 0 – 10. The response will be judged definitively or as a value judgement as follows:

Score	Definitive Answers	Value Judgement
0	Unsatisfactory	Fails to meet the requirement. Unimaginative/No apparent economic benefit.
2	Poor	Minimal Compliance. Moderately creative/benefits difficult to assess.
4	Satisfactory	Moderately satisfies the requirement. Worthwhile concept/may realise benefits.
6	Good	Partially satisfies the requirement. Creative/enduring benefits over time.
8	Very Good	Satisfies the majority of the requirement. Highly creative/enduring high benefits.
10	Excellent	Fully satisfies the requirement. Exceptional/immediate & enduring high benefits.

3.12.2 Scores must be recorded against each response. Where a score of less than ten (10) is made, a comment must be provided. Comments must detail deficiencies in the tenderer’s response. There should be a clear linkage between the score and comment. That is, a score of 0 should have an appropriate degree of substantiation as to why the tenderer fails to meet the requirement.

3.12.3 Where a tender response exceeds requirements, or the criteria is not applicable to the tender, a score of ten (10) will be awarded. A note should be made of where the tender response exceeds stated requirements.

3.12.4 As a guide, careful consideration should be given to comments as these comments substantiate the treatment of a tender during the evaluation process. Comments provide the basis of de-briefing unsuccessful tenderers so should give sufficient detail of deficiencies.

## **4 Probity and Ethics**

### **4.1 About Probity and Ethics**

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- 4.1.1 Probity is the evidence of ethical behaviour in a particular process.
- 4.1.2 Probity is defined as complete and confirmed integrity, uprightness and honesty. It contributes to sound procurement processes that accord equal opportunities for all participants. A good outcome is achieved when probity is applied with common sense.
- 4.1.3 Procurement must be conducted with probity in mind to enable the Department and tenderers to deal with each other on the basis of mutual trust and respect. Adopting an ethical, transparent approach enables business to be conducted fairly, reasonably and with integrity.
- 4.1.4 Ethical behaviour also enables procurement to be conducted in a manner that allows all tenderers to compete as equally as possible. The procurement process rules must be clear, open, well understood and applied equally to all parties to the process.
- 4.1.5 The basis for government procurement policy is Section 44 of the *FMA Act*, which specifies that Chief Executives are responsible for ensuring the ethical use of resources, including in relation to government procurement.

### **4.2 Conflict of Interest**

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- 4.2.1 Any person with a Declared Evaluation Role for this evaluation must detail any circumstances that may give rise to an actual or potential conflict of interest.
- 4.2.2 In the first instance, the Chair of the TEP should be notified of any conflict of interest.

### **4.3 Confidentiality**

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- 4.3.1 The establishment of security procedures for handling tender-related documents are as follows:
- a) requiring all officials and external consultants with access to tender information to sign an appropriate confidentiality undertaking;
  - b) storing documents which contain tender-related, commercially sensitive information in appropriately secure conditions; and
  - c) allowing only authorised officials with a direct “need-to know” access to tender-related sensitive information.
- 4.3.2 Any person with a Declared Evaluation Role must be instructed by the Chair of the TEP that each tender response contains confidential information and as such should be treated in the appropriate manner and not left on desks (overnight or weekends) or removed from the evaluation area without prior written approval by the Chairperson of the TEP or nominee. All evaluation material must be treated in the same manner.

- 4.3.3 As decisions must be made without 'fear or favour' the potential for a conflict of interest must be avoided, and if one exists, it should be declared for public record.
- 4.3.4 All tender responses will be treated as Commercial in Confidence and tenderer's intellectual property must not be plagiarised or placed in the public domain.

#### **4.4 Conflict of Interest and Confidentiality Declaration**

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- 4.4.1 Any person with a Declared Evaluation Role will be required to sign a Conflict of Interest and Confidentiality Declaration form at Appendix 1.
- 4.4.2 Any person providing administrative assistance to the TEP or to a Tender Evaluation Working Group will be required to sign a Conflict of Interest and Confidentiality Declaration form at Appendix 1.

#### **4.5 Probity Advice to Staff**

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- 4.5.1 The Chair of the TEP should circulate advice (Appendix 2) in relation to probity protocols during the procurement process to staff that may come into contact with potential tenderers.

#### **4.6 Probity Advisor**

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- 4.6.1 The Probity Adviser will provide advice to the TEP on probity matters to assist the Evaluation Committee in ensuring that all tenders are analysed fairly, uniformly and transparently.
- 4.6.2 The Probity Adviser is not a member of the TEP and must not engage in any evaluation activity.
- 4.6.3 The Probity Adviser must sign a Probity Declaration form at Appendix 1, and must not have any Conflict of Interest with any tenderer.
- 4.6.4 The Probity Adviser will also be available for the tenderers to raise concerns they may have regarding fairness throughout the RFT process.
- 4.6.5 The Probity Adviser will report to the Chair of the TEP; however the Probity Adviser may also approach the Procurement Delegate.
- 4.6.6 The Probity Advisor is:

Name	Mr Ian Roberts
Position	Manager Governance
Telephone	(02) 6378 2868
Email	<a href="mailto:Ian.Roberts@midwestern.nsw.gov.au">Ian.Roberts@midwestern.nsw.gov.au</a>

#### **4.7 Probity Auditor**

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- 4.7.1 If required, the Probity Auditor will be appointed by the General Manager.
- 4.7.2 The Probity Auditor will be self-directing and will independently establish a program of audit testing based on identified criteria.

- 4.7.3 At the end of the Evaluation Process the Probity Auditor will report an objective opinion on probity issues to the General Manager.
- 4.7.4 The Probity Auditor will not be contacted to resolve any specific probity issues during the evaluation.
- 4.7.5 The Probity Auditor may be contacted by the Probity Advisor to endorse any actions taken to resolve a probity issue during the evaluation. Endorsement is limited to ensuring probity requirements have been met by actions taken and it is appropriate to continue with the evaluation.
- 4.7.6 The Probity Auditor has not been appointed for this procurement.

## **5 The Evaluation Process**

### **5.1 Stage 1 – Opening the Tender Box**

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- 5.1.1 No tenders are to be opened before the Closing Time.
- 5.1.2 The MWRC Tender Box will be opened by the Project Manager and two Council Officers delegated by the General Manager.
- 5.1.3 The MWRC Electronic Tender Box will be opened by three witnesses who are registered on Tenderlink. Opening the Electronic Tender Box will be automatically recorded by Tenderlink. MWRC will receive an RFT lodgement summary of the registration receipt of each tender and content thereof.
- 5.1.4 Late Tenders will not be accepted (or considered further) unless lateness is clearly due to a mishandling of the tender by MWRC or it is evident that formal tender documents and all other requisite essential information were posted or lodged at a Post Office or other recognised delivery agency before the deadline for the closing of tenders. The reasons for admitting any Late Tender must be documented by the TEP in the Evaluation Report.
- 5.1.5 Late Tenders (i.e. those received after the Closing Time) must not be opened.
- 5.1.6 Tenders will be assessed against the Minimum Content and Format Requirements specified in the RFT.
- 5.1.7 Any tender failing to meet a Minimum Content and Format Requirement specified in the RFT must not be considered further.

### **5.2 Stage 2 – Tendering Conditions**

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- 5.2.1 The Tendering Conditions are mandatory requirements. They are minimum standards that suppliers must meet in order to participate in this procurement process.
- 5.2.2 Remaining tenders will be assessed against the Tendering Conditions stated in the RFT.
- 5.2.3 Any tender failing to meet a Tendering Condition specified in the RFT must not be considered further.

### **5.3 Stage 3 – Compliance Evaluation**

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- 5.3.1 Remaining tenders will be evaluated to assess the risk associated with responses to the following:
  - a) Compliance with Conditions of Tender;
  - b) Compliance with the Draft Contract;
  - c) Tenderer Details; and
  - d) The Tenderer's Declaration.
- 5.3.2 Tenders representing unacceptable levels of risk may be excluded from further consideration.

#### **5.4 Stage 4 – Technical Worth**

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- 5.4.1 For each remaining tender a quantitative (score) and qualitative (comment) assessment of the response to the Statement of Requirement will be conducted to determine the degree of effectiveness against the Evaluation Criteria.
- 5.4.2 Scoring will be conducted in accordance with the [Scoring Scales](#).
- 5.4.3 The Chair of the TEP may determine that assessments are carried individually or as a group. Where individual assessments are conducted the Chair should nominate a statistical method to calculate a preliminary final score for the group to consider. Where individual evaluations are conducted a consensus final score for each criteria (for each tender) must be reached where the standard deviation between individual scores is higher than 2.5.
- 5.4.4 The assessment should also include identification of any risk issues. Where a risk is identified a substantive comment should be made.
- 5.4.5 The TEP will undertake a gap analysis (i.e. the difference between what is offered in a tender and what is required by MWRC) to determine the possible materiality of any weaknesses of a tender.
- 5.4.6 Any tender demonstrating a significant gap, which would reduce the likelihood of MWRC achieving the stated project objective, may be excluded from further consideration.

#### **5.5 Stage 5 – Price Evaluation**

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- 5.5.1 The TEP will then consider pricing details for remaining tenders and identify tenders which are cost-effective.
- 5.5.2 If appropriate, the TEP may use 'marginal cost/marginal utility' to assist in identifying cost-effective tenders. The principal of the model states the critical point is where an increment of cost is matched by an equal increment of utility. This condition is met when a line is drawn on the marginal cost/utility graph through the zero point at an angle of 45° with each axis. The last plot cut by the line as it is moved at 45° towards maximum utility and minimum cost is the plot representing the optimum utility for minimum cost. This plot is considered to represent best value for money.
- 5.5.3 The TEP will also identify any risks associated with tendered pricing.
- 5.5.4 Tenders which are not cost-effective may be excluded from further consideration.

#### **5.6 Stage 6 – Risk Analysis**

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- 5.6.1 A risk evaluation will be conducted for remaining tenders against risk issues identified, using the risk matrix (Appendix 4).
- 5.6.2 The risk evaluation may also include such security, referee or financial checks and procedures as considered necessary in relation to the Tenderer, its officers, employees, partners, associates or related entities (including

consortium members and their officers or employees if applicable). These checks may include (without limitation) ascertaining risk associated with each Tenderer in relation to: financial viability; corporate history; significant litigation (past, present or pending); past performance; experience, qualifications and skills of resources; and other issues of risk.

- 5.6.3 A risk profile of each tenderer will be created for each tender taking into account the collective determination of risk magnitude for each risk issue identified.
- 5.6.4 Any tender demonstrating unacceptable risk, which would reduce the likelihood of MWRC achieving the stated project objective, may be excluded from further consideration.

### **5.7 Stage 7 – Presentations**

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- 5.7.1 The TEP will determine the need for presentations for remaining tenderers. The TEP may in its absolute discretion invite some or all tenderers to give presentations for the purpose of demonstrating how their tender would address the Statement of Requirements.
- 5.7.2 At least two members of the TEP will attend all presentations. An agenda must be established and transmitted to the tenderers prior to the presentations.
- 5.7.3 The TEP will assess presentations in the context of further developing the risk profile for a tenderer.
- 5.7.4 Any tender demonstrating unacceptable risk, which would reduce the likelihood of MWRC achieving the stated project objective, may be excluded from further consideration.

### **5.8 Stage 8 – Interviews**

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- 5.8.1 For remaining tenders, the TEP may in its absolute discretion visit tenderer reference sites, and/or visit customers of a tenderer (whether or not listed as referees), to conduct an interview for the purpose of assessing how the tenderer would address the Statement of Requirements.
- 5.8.2 At least two members of the TEP will participate in all interviews.
- 5.8.3 The TEP will assess interviews in the context of further developing the risk profile for a tenderer.
- 5.8.4 Any tender demonstrating unacceptable risk, which would reduce the likelihood of MWRC achieving the stated project objective, may be excluded from further consideration.

### **5.9 Stage 9 – Evaluation Recommendations**

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- 5.9.1 Remaining tenders will be assessed to determine their relative ability to satisfy the overall requirement (Technical Worth) at a competitive cost and at an acceptable risk.



- 5.9.2 A preferred tenderer, or tenderers, will be recommended on a value for money basis.
- 5.9.3 The TEP will develop an Evaluation Report containing the recommendation of preferred tenderer(s).
- 5.9.4 The Evaluation Report must contain:
- a) an executive summary containing an overview of the tender, including its purpose, advertising period and number of tender responses received
  - b) a listing of each tender received;
  - c) a listing of late tenders;
  - d) a listing of conforming tenders;
  - e) a listing of non-conforming or alternative tenders;
  - f) a statement relating to the evaluation methodology;
  - g) a summary of the tender evaluation process;
  - h) details of the tender evaluation panel;
  - i) a summary of the evaluation findings; and
  - j) confidential attachments (Evaluation Plan; Scores and Prices)

## **6 Concluding the Evaluation**

### **6.1 Final Review**

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- 6.1.1 If appointed, the Probity Adviser will review the draft evaluation report.
- 6.1.2 The Probity Adviser may propose amendments to the Evaluation Report to the Chair of the TEP.
- 6.1.3 The TEP will consider any proposed amendments suggested by the Probity Adviser.
- 6.1.4 The TEP will agree to a Final Evaluation Report. Any dissenting report should be an appendix to the majority report.
- 6.1.5 If appointed, the Probity Auditor should be provided with all procurement documentation needed to conduct the independent program of audit testing and reporting to the Procurement Delegate.

### **6.2 The Procurement Delegate's Decision**

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- 6.2.1 The TEP will submit the Final Evaluation Report to the Procurement Delegate for consideration.
- 6.2.2 If appointed, the Probity Auditor will submit an audit report on the procurement process to the Procurement Delegate for consideration.
- 6.2.3 The Procurement Delegate will decide who MWRC enters into contract negotiations with. The decision must be consistent with the core principle underpinning Australian Government procurement, i.e. obtaining best value for money.
- 6.2.4 The Procurement Delegate must not force a TEP to change its Evaluation Report.

### **6.3 Notification and Debriefing**

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- 6.3.1 All tenderers will be informed in writing of the outcome of their tender after the Procurement Delegate has made a decision.
- 6.3.2 Unsuccessful Tenderers may request in writing:
  - a) a statement of the reasons their tender was unsuccessful; and
  - b) an opportunity to be debriefed.
- 6.3.3 The content and/or format of any statement or debriefing is at MWRC's absolute discretion.

**7 Plan Authorisations**

**7.1 Project Manager**

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7.1.1 This Evaluation Plan and the RFT have been reviewed; both are compliant with the MWRC Procurement Policy and MWRC Tendering Procedure. This Evaluation Plan is consistent with the evaluation process described in the RFT, and the RFT can be published:

Andrew Drummond – ..... /...../.....  
Business Mgr Plant and  
Facilities

Name & Role Signature Date

**7.2 Chair – Tender Evaluation Panel**

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7.2.1 The evaluation will be conducted in accordance with this Evaluation Plan:

Andrew Drummond – ..... /...../.....  
Business Mgr Plant and  
Facilities

Name & Role Signature Date

**7.3 Group Manager**

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7.3.1 The Evaluation Plan is approved and the Request for Tender can be published.

7.3.2 I understand this procurement may proceed to contract unless it is the public interest to cancel the procurement.

Brad Cam – Group ..... /...../.....  
Manager Operations

Name & Role Signature Date

**Appendix 1 Conflict of Interest and Confidentiality Declaration**

I, the undersigned, do not currently have a conflict of interest and acknowledge my obligation to immediately make written notification to the Chair of the Tender Evaluation Panel of any conflict of interest including, but not limited to any:

- ownership of shares in any of the companies associated with a Tenderer;
- employment, contract for services or potential employment or contract for services opportunities for myself or members of my family with Tenderers or their sub-contractors;
- contact with any of the officer(s) of any Tenderers (or their sub-contractors) regarding their Tender;
- involvement with the preparation of a Tender; and
- other relevant matter likely to affect my objective and impartial evaluation of any Tenders.

Also, I acknowledge that during the evaluation process that I will not discuss issues regarding the evaluation with any Tenderer and will refer all enquires to the Chair of the Tender Evaluation Panel.

Should I, due to changed circumstances, be subjected to any of the above situations, I will immediately provide written notification to the Chair of the Tender Evaluation Panel of the circumstances and suspend myself from further evaluation activities pending further consideration by the Tender Evaluation Panel.

**Person making the Probity Declaration**

**Witness**

.....

.....

Signed

Signed

.....  
Print Name

.....  
Print Name

.....  
Date

.....  
Date

## **Appendix 2            Probity Advice to Staff**

### **Probity Advice to Staff**

The procurement process is underway for RFT, and a Probity Adviser for the process has been appointed.

It is essential that interested providers and the public at large are able to have complete confidence that the processes involved have been conducted in a manner which has due regard to probity; being, complete and confirmed integrity, uprightness and honesty.

It is possible that individuals or companies may approach MWRC staff, in either an official or informal way, seeking details of the tendering processes. In order to ensure the probity of the projects is maintained at the highest standard it has been decided to implement a process for responding to and reporting these contacts.

All individuals or organisations that make contact regarding the procurement process shall be advised that the appropriate point for discussion of the issues involved or for the provision of information is the Contact Officer. The Contact Officer is:

Name	Andrew Drummond
Position	Business Manager Plant and Facilities
Telephone	0263 782850
Email	council@midwestern.nsw.gov.au

No public statements shall be made by MWRC staff unless specifically authorised by the Contact Officer and the Corporate Communications Manager. By having a nominated point of contact we will ensure that all parties are given equal access to the same information.

Outside parties, with whom MWRC has an existing business relationship, may contact staff as part of the normal day-to-day relationship. It is important that staff follow the following guidelines throughout the entire process:

- No discussion shall be held with any potential Tenderer about the evaluation process in relation to any aspect of any Tender or the evaluation process without the prior approval or at the direction of the Contact Officer or nominee.
- No potential Tenderer shall receive or be perceived to have received additional information to that which is publicly available in respect of the selection process.
- Potential Tenderers shall be advised to deal directly with the Contact Officer in all matters in relation to the selection process, their tender or its current status. Staff shall refuse to enter discussions of this nature.
- Should any potential Tenderer request a copy of any document excluding the RFT, they should be referred to the Contact Officer. Staff should provide no documents other than the RFT, which should then be recorded in the Register of RFT's Issued.

- Unusual or exceptional invitations from any party with a declared interest in the procurement should not be accepted.
- Routine business meetings and social activities may continue as usual, but managers and employees shall exercise caution, and shall not discuss the evaluation, the evaluation procedures, or contents of responses to any RFT. Contact with potential Tenderers should be reported to the Contact Officer.
- Where any party in an unrelated business meeting or social situation seeks to raise issues in respect of the evaluation, or contents of any RFT, the employee shall indicate that it is not appropriate to discuss such matters.

The purpose of these instructions is to assist individuals having contact with this process to acquit their responsibilities in a way which is, and is seen to be, fair and unbiased.

Questions from MWRC staff regarding these instructions are to be directed to the Contact Officer.

Staff should contact the Probity Advisor with any concerns in relation to the probity of this process. The Probity Advisor is:

Name	Mr Ian Roberts
Position	Manager Governance
Telephone	(02) 6378 2850
Email	<a href="mailto:Ian.Roberts@midwestern.nsw.gov.au">Ian.Roberts@midwestern.nsw.gov.au</a>

**Appendix 3 Evaluation Model**

<b>Evaluation Criteria</b>	<b>Weighting</b>
1. Price	60%
2. Demonstrated capacity to meet Statement of Requirements	25%
3. Quality, safety and environmental management systems	15%

**Justification of Weightings Assigned**

Price is considered the most important criteria, thus has received the heaviest weighting at 60%. All other criteria are considered to be of equal importance.

**Characteristics of Preferred Responses**

**1. Price**

The lowest price will receive the highest score

**2. Demonstrated capacity to meet Statement of Requirements**

Higher scores will apply when the plant or equipment meets or exceeds the minimum requirements of the tender and will also be evaluated by a plant operator.

**3. Quality, safety and environmental management**

Higher scores will apply when the plant or equipment meets or exceeds the minimum requirements of the tender and will also be evaluated by a plant operator. OH&S, fuel consumption and emissions will also be evaluated.

**Risk Issues**

- Financial viability risk – the risk of the supplier becoming bankrupt
- Offer risk – the risk of the supplier being unable to supply the goods or services offered
- Commercial risk – the risk of the supplier being unable to execute or manage the contract

**Appendix 4 Risk Evaluation Matrix**

**Determination of Risk Effect**

The effect of identified risks should be classified as High, Medium, Low or Insignificant depending on the nature of the identified risks. Guidance on classifying risks is given by the following table:

Risk Impact Description	Financial	Human	Reputation and Image	Service Delivery	Environmental
High	Above \$500,000	Death	Reputation of MWRC affected nationally and/or internationally.	High numbers of unhappy clients. Services not delivery.	Long term harm
Medium	Between \$50,000 and \$500,000	Physical injury to staff requiring treatment by Dr/Hospital	Employee and/or community concern, heavy local media coverage.	Individual clients/groups unhappy with service provided. Lengthy delay in service delivery.	Medium-term harm
Low	Under \$50,000	First Aid	Minor concern amongst a small number of employee/clients.	Minor impact on service provision. Short service delay anticipated.	Short-term harm

**Assessment of Risk Likelihood**

This assessment is based on the likelihood that the risk will occur in light of the tender provided by each tenderer. Guidance on this assessment is given in the following table:

Category	Description
Unlikely	A risk event is possible, but unlikely, in the next 12 months.
Probable	A risk event is likely to occur at some time in the next 12 months.



Certain	The risk is occurring now – and MWRC is already exposed to its potential impact (i.e. this is an ‘issue’ now, not simply a risk that may occur in the future.)
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**Risk Magnitude**

The assessment of risk magnitude is a function of both the risk effect and risk likelihood, as set out in the following table:

Risk Likelihood	Risk Impact Description		
	High	Medium	Low
Certain	Extreme	High	Medium
Probable	High	Medium	Medium
Unlikely	Medium	Medium	Low

Risk magnitude should be assigned to each risk issue identified, *inter alia*: Extreme, High, Medium, or Low.



# Evaluation Plan

Procurement Title	Council Plant and Equipment – Crawler Dozer CCF Class 25 or 30 and excavator CCF Class 4 or 5
Tender Number	2011/15
Project Manager	Andrew Drummond
Records Folder No.	A0411115
Whole of Life Cost	\$440,000
Risk Classification	Low
Procurement Method	Request for Tender

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## **1 Introduction**

### **1.1 About this Evaluation**

---

- 1.1.1 The following Evaluation Plan outlines the policy and procedures in the evaluation of responses to the Request for Tender (RFT) – 2011/15 Council Plant and Equipment.
- 1.1.2 The nominated Tender Evaluation Panel (TEP) contained therein will be subjected to the contents of this Plan. This document has been prepared for use by the TEP in conducting the assessment of responses to the RFT.

### **1.2 About this Evaluation Plan**

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- 1.2.1 The conduct of the evaluation must be consistent with the evaluation process detailed in the RFT. This Evaluation Plan seeks to establish this linkage and also provides:
- a) a description of the staff resources, including a description of the roles and the responsibilities of the TEP;
  - b) protocols for handling tenders;
  - c) the disallowance of late tenders;
  - d) protocols for identifying and handling conflicts of interest;
  - e) protocols for safekeeping of tenders;
  - f) the evaluation criteria and the associated weightings to be applied;
  - g) evaluation methodology;
  - h) the nominated approver (Procurement Delegate); and
  - i) an indicative evaluation timetable.
- 1.2.2 Any departure from this evaluation plan by the TEP after it has been approved may create procurement risk which may have serious management and legal implications for Mid-Western Regional Council (MWRC).

### **1.3 Objective of the Evaluation**

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- 1.3.1 The overall objective is to evaluate tenders and identify tenders demonstrating best value for money.
- 1.3.2 Value for money is a comprehensive assessment that takes into account both cost represented by the assessment of price, and value represented by technical assessment in the context of the risk profile presented by each Tender.
- 1.3.3 To identify best value for money requires the TEP to take into account all relevant risks, benefits and costs over the whole of life procurement cycle.

## **2 The Procurement**

### **2.1 Purpose of the Procurement**

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2.1.1 The purpose of this procurement is to replace Councils existing 2001 Caterpillar D7 with a similar sized CCF Class 25 or 30 machine replace Councils Doosan SO55V excavator with similar sized CCF Class 4 or 5 machine and obtain trade in values on the current D7 dozer.

### **2.2 Tenders Received**

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2.2.1 In accordance with the Procurement Plan, an RFT will be issued for this procurement.

2.2.2 A Tenderer means any person or organisation who receives the RFT and who submits a Tender in response.

2.2.3 Tenders received in response to the RFT will be assessed in accordance with this Evaluation Plan.

### 3 The Evaluation Governance

#### 3.1 Declared Evaluation Roles

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3.1.1 Declared Evaluation Roles are:

- a) Chairperson of the Tender Evaluation Panel;
- b) Tender Evaluation Panel Member;
- c) Tender Evaluation Working Group Member;
- d) Probity Advisor;
- e) Probity Auditor; and
- f) Procurement Delegate.

#### 3.2 The Tender Evaluation Panel

---

3.2.1 The Tender Evaluation Panel (TEP) comprises the Chairperson of the Panel and Panel members as follows:

Role	Description	Appointee
Chairperson of the Tender Evaluation Panel	To manage the evaluation process and report to the Procurement Delegate.	Andrew Drummond
Tender Evaluation Panel Members	Perform a detailed evaluation of the tender submissions.	Sally Mullinger Neil Bungate Ian Rothe

3.2.2 Individuals nominated on the TEP may change with approval of the General Manager.

3.2.3 Panel members will possess the necessary technical/subject matter skills to effectively assess tenders.

3.2.4 Each member is to possess a sound understanding of the requirements and will maintain confidentiality, probity and will conduct a fair and unbiased process.

#### 3.3 The Role of the Tender Evaluation Panel

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3.3.1 The outcome of an evaluation is a recommendation of preferred tenderer(s) that MWRC may enter into contract negotiation with and, if required, make recommendations on the negotiation strategy that should be employed.

3.3.2 The role of the TEP will be to evaluate the tenders received and make a recommendation on the preferred tenderer(s) to the Council.

3.3.3 The preferred tenderer(s) must be those offering best value-for-money while taking into account all relevant risks, benefits and costs over the whole Procurement Life Cycle.

**3.4 Tender Evaluation Working Groups**

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- 3.4.1 The TEP may form Tender Evaluation Working Groups to provide assistance during the conduct of the evaluation and act on its behalf.
- 3.4.2 Any Tender Evaluation Working Group (TEWG) formed will report to the TEP.
- 3.4.3 Any TEWG formed will undertake tender evaluation in accordance with this Evaluation Plan.
- 3.4.4 The membership of a TEWG will be decided by the TEP prior to commencement of Stage 2 of the evaluation process.
- 3.4.5 The role of TEWG will be clearly defined and documented by the TEP.
- 3.4.6 The outcomes of any assessment undertaken by an Evaluation Working Group will be reported to the TEP.

**3.5 The Procurement Delegate**

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- 3.5.1 The Procurement Delegate must be a person who has authority to commit MWRC to the nominated whole-of-life value in the Procurement Plan.
- 3.5.2 The nominated Procurement Delegate for this procurement process is:

Role	Description	Appointee
Procurement Delegate	To review and approve the recommendations of the TEP.	Council

- 3.5.3 The Procurement Delegate must decide who MWRC will enter into contract negotiations with.
- 3.5.4 In making this decision, the Procurement Delegate must take into consideration the Evaluation Report submitted by the TEP.
- 3.5.5 A departure from the TEP’s recommendation may create procurement risk which may have serious management and legal implications for MWRC. Legal advice must be sort before such a decision is taken.

**3.6 Weighted Evaluation Criteria**

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- 3.6.1 Some evaluation criteria mean more than others. MWRC reflect this relative importance through assigning weight to individual evaluation criteria.
- 3.6.2 Weighted Evaluation Criteria are used to determine the effectiveness of a tender against the Statement of Requirement contained in the RFT.
- 3.6.3 The effectiveness is calculated as a percentage by multiplying scores assigned by the TEP by the nominated criteria weight.
- 3.6.4 Weighting applied to the Evaluation Criteria for this procurement is detailed within the Evaluation Model at Appendix 3.



### **3.7 Changes to the Evaluation Plan**

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- 3.7.1 This plan will not be materially changed after the tender closing date has passed; this will ensure there is no basis for allegations that the evaluation methodology was changed after potential contact with tenderers.
- 3.7.2 No change will be made to the Evaluation Model (Appendix 3) after tenders have been opened.

### **3.8 Commencing the Evaluation**

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- 3.8.1 The Evaluation Process must not commence until the Evaluation Plan has been approved.

### **3.9 Tender Evaluation Software**

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- 3.9.1 MWRC does not currently utilise any tender evaluation software.

### **3.10 Clarifications/Presentations/Interviews**

---

- 3.10.1 In addition to tenders received, the TEP may in its absolute discretion:
- a) invite some or all tenderers to give presentations for the purpose of demonstrating the features and capabilities of their applications and specifically how their proposed solution would address MWRC's requirements; and
  - b) visit tenderer reference sites and conduct discussions with, and visits to, customers of a tenderer (whether or not listed as referees in the tenderer's Tender).
- 3.10.2 The TEP may seek clarification from, and enter into discussion with any or all the tenderers in relation to their tender.
- 3.10.3 The TEP may seek additional information in respect of any aspect of a tender at any time.
- 3.10.4 The TEP is not under any obligation to take into account additional information provided by a tenderer in response to a request and will not do so where that would introduce unfairness into the evaluation process.
- 3.10.5 It is permissible for the TEP during evaluation phases to clarify any errors of form, such as technical omissions, ambiguities and anomalies, in a tender with the tenderer. However, this should not extend to a substantial re-tailoring of the tender.
- 3.10.6 It is not permissible for the TEP to negotiate during an evaluation process.
- 3.10.7 The Chair of the TEP will determine if further information or clarification is required from any tenderer.

**3.11 Unintentional Errors of Form**

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3.11.1 If the TEP considers that there are unintentional errors of form in a tender, the TEP may ask the tenderer to correct or clarify the error. However, this should not extend to a substantial re-tailoring of the tender.

**3.12 Scoring Scales**

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3.12.1 Each non-price response to the Tender Response Schedule within the RFT will be scored on a scale from 0 – 10. The response will be judged definitively or as a value judgement as follows:

Score	Definitive Answers	Value Judgement
0	Unsatisfactory	Fails to meet the requirement. Unimaginative/No apparent economic benefit.
2	Poor	Minimal Compliance. Moderately creative/benefits difficult to assess.
4	Satisfactory	Moderately satisfies the requirement. Worthwhile concept/may realise benefits.
6	Good	Partially satisfies the requirement. Creative/enduring benefits over time.
8	Very Good	Satisfies the majority of the requirement. Highly creative/enduring high benefits.
10	Excellent	Fully satisfies the requirement. Exceptional/immediate & enduring high benefits.

3.12.2 Scores must be recorded against each response. Where a score of less than ten (10) is made, a comment must be provided. Comments must detail deficiencies in the tenderer’s response. There should be a clear linkage between the score and comment. That is, a score of 0 should have an appropriate degree of substantiation as to why the tenderer fails to meet the requirement.

3.12.3 Where a tender response exceeds requirements, or the criteria is not applicable to the tender, a score of ten (10) will be awarded. A note should be made of where the tender response exceeds stated requirements.

3.12.4 As a guide, careful consideration should be given to comments as these comments substantiate the treatment of a tender during the evaluation process. Comments provide the basis of de-briefing unsuccessful tenderers so should give sufficient detail of deficiencies.

## **4 Probity and Ethics**

### **4.1 About Probity and Ethics**

---

- 4.1.1 Probity is the evidence of ethical behaviour in a particular process.
- 4.1.2 Probity is defined as complete and confirmed integrity, uprightness and honesty. It contributes to sound procurement processes that accord equal opportunities for all participants. A good outcome is achieved when probity is applied with common sense.
- 4.1.3 Procurement must be conducted with probity in mind to enable the Department and tenderers to deal with each other on the basis of mutual trust and respect. Adopting an ethical, transparent approach enables business to be conducted fairly, reasonably and with integrity.
- 4.1.4 Ethical behaviour also enables procurement to be conducted in a manner that allows all tenderers to compete as equally as possible. The procurement process rules must be clear, open, well understood and applied equally to all parties to the process.
- 4.1.5 The basis for government procurement policy is Section 44 of the *FMA Act*, which specifies that Chief Executives are responsible for ensuring the ethical use of resources, including in relation to government procurement.

### **4.2 Conflict of Interest**

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- 4.2.1 Any person with a Declared Evaluation Role for this evaluation must detail any circumstances that may give rise to an actual or potential conflict of interest.
- 4.2.2 In the first instance, the Chair of the TEP should be notified of any conflict of interest.

### **4.3 Confidentiality**

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- 4.3.1 The establishment of security procedures for handling tender-related documents are as follows:
  - a) requiring all officials and external consultants with access to tender information to sign an appropriate confidentiality undertaking;
  - b) storing documents which contain tender-related, commercially sensitive information in appropriately secure conditions; and
  - c) allowing only authorised officials with a direct “need-to know” access to tender-related sensitive information.
- 4.3.2 Any person with a Declared Evaluation Role must be instructed by the Chair of the TEP that each tender response contains confidential information and as such should be treated in the appropriate manner and not left on desks (overnight or weekends) or removed from the evaluation area without prior written approval by the Chairperson of the TEP or nominee. All evaluation material must be treated in the same manner.

- 4.3.3 As decisions must be made without 'fear or favour' the potential for a conflict of interest must be avoided, and if one exists, it should be declared for public record.
- 4.3.4 All tender responses will be treated as Commercial in Confidence and tenderer's intellectual property must not be plagiarised or placed in the public domain.

#### **4.4 Conflict of Interest and Confidentiality Declaration**

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- 4.4.1 Any person with a Declared Evaluation Role will be required to sign a Conflict of Interest and Confidentiality Declaration form at Appendix 1.
- 4.4.2 Any person providing administrative assistance to the TEP or to a Tender Evaluation Working Group will be required to sign a Conflict of Interest and Confidentiality Declaration form at Appendix 1.

#### **4.5 Probity Advice to Staff**

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- 4.5.1 The Chair of the TEP should circulate advice (Appendix 2) in relation to probity protocols during the procurement process to staff that may come into contact with potential tenderers.

#### **4.6 Probity Advisor**

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- 4.6.1 The Probity Advisor will provide advice to the TEP on probity matters to assist the Evaluation Committee in ensuring that all tenders are analysed fairly, uniformly and transparently.
- 4.6.2 The Probity Advisor is not a member of the TEP and must not engage in any evaluation activity.
- 4.6.3 The Probity Advisor must sign a Probity Declaration form at Appendix 1, and must not have any Conflict of Interest with any tenderer.
- 4.6.4 The Probity Advisor will also be available for the tenderers to raise concerns they may have regarding fairness throughout the RFT process.
- 4.6.5 The Probity Advisor will report to the Chair of the TEP; however the Probity Advisor may also approach the Procurement Delegate.
- 4.6.6 The Probity Advisor is:

Name	Mr Ian Roberts
Position	Manager Governance
Telephone	(02) 6378 2868
Email	<a href="mailto:Ian.Roberts@midwestern.nsw.gov.au">Ian.Roberts@midwestern.nsw.gov.au</a>

#### **4.7 Probity Auditor**

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- 4.7.1 If required, the Probity Auditor will be appointed by the General Manager.
- 4.7.2 The Probity Auditor will be self-directing and will independently establish a program of audit testing based on identified criteria.

- 4.7.3 At the end of the Evaluation Process the Probity Auditor will report an objective opinion on probity issues to the General Manager.
- 4.7.4 The Probity Auditor will not be contacted to resolve any specific probity issues during the evaluation.
- 4.7.5 The Probity Auditor may be contacted by the Probity Advisor to endorse any actions taken to resolve a probity issue during the evaluation. Endorsement is limited to ensuring probity requirements have been met by actions taken and it is appropriate to continue with the evaluation.
- 4.7.6 The Probity Auditor has not been appointed for this procurement.

## **5 The Evaluation Process**

### **5.1 Stage 1 – Opening the Tender Box**

---

- 5.1.1 No tenders are to be opened before the Closing Time.
- 5.1.2 The MWRC Tender Box will be opened by the Project Manager and two Council Officers delegated by the General Manager.
- 5.1.3 The MWRC Electronic Tender Box will be opened by three witnesses who are registered on Tenderlink. Opening the Electronic Tender Box will be automatically recorded by Tenderlink. MWRC will receive an RFT lodgement summary of the registration receipt of each tender and content thereof.
- 5.1.4 Late Tenders will not be accepted (or considered further) unless lateness is clearly due to a mishandling of the tender by MWRC or it is evident that formal tender documents and all other requisite essential information were posted or lodged at a Post Office or other recognised delivery agency before the deadline for the closing of tenders. The reasons for admitting any Late Tender must be documented by the TEP in the Evaluation Report.
- 5.1.5 Late Tenders (i.e. those received after the Closing Time) must not be opened.
- 5.1.6 Tenders will be assessed against the Minimum Content and Format Requirements specified in the RFT.
- 5.1.7 Any tender failing to meet a Minimum Content and Format Requirement specified in the RFT must not be considered further.

### **5.2 Stage 2 – Tendering Conditions**

---

- 5.2.1 The Tendering Conditions are mandatory requirements. They are minimum standards that suppliers must meet in order to participate in this procurement process.
- 5.2.2 Remaining tenders will be assessed against the Tendering Conditions stated in the RFT.
- 5.2.3 Any tender failing to meet a Tendering Condition specified in the RFT must not be considered further.

### **5.3 Stage 3 – Compliance Evaluation**

---

- 5.3.1 Remaining tenders will be evaluated to assess the risk associated with responses to the following:
  - a) Compliance with Conditions of Tender;
  - b) Compliance with the Draft Contract;
  - c) Tenderer Details; and
  - d) The Tenderer's Declaration.
- 5.3.2 Tenders representing unacceptable levels of risk may be excluded from further consideration.

#### **5.4 Stage 4 – Technical Worth**

---

- 5.4.1 For each remaining tender a quantitative (score) and qualitative (comment) assessment of the response to the Statement of Requirement will be conducted to determine the degree of effectiveness against the Evaluation Criteria.
- 5.4.2 Scoring will be conducted in accordance with the [Scoring Scales](#).
- 5.4.3 The Chair of the TEP may determine that assessments are carried individually or as a group. Where individual assessments are conducted the Chair should nominate a statistical method to calculate a preliminary final score for the group to consider. Where individual evaluations are conducted a consensus final score for each criteria (for each tender) must be reached where the standard deviation between individual scores is higher than 2.5.
- 5.4.4 The assessment should also include identification of any risk issues. Where a risk is identified a substantive comment should be made.
- 5.4.5 The TEP will undertake a gap analysis (i.e. the difference between what is offered in a tender and what is required by MWRC) to determine the possible materiality of any weaknesses of a tender.
- 5.4.6 Any tender demonstrating a significant gap, which would reduce the likelihood of MWRC achieving the stated project objective, may be excluded from further consideration.

#### **5.5 Stage 5 – Price Evaluation**

---

- 5.5.1 The TEP will then consider pricing details for remaining tenders and identify tenders which are cost-effective.
- 5.5.2 If appropriate, the TEP may use 'marginal cost/marginal utility' to assist in identifying cost-effective tenders. The principal of the model states the critical point is where an increment of cost is matched by an equal increment of utility. This condition is met when a line is drawn on the marginal cost/utility graph through the zero point at an angle of 45° with each axis. The last plot cut by the line as it is moved at 45° towards maximum utility and minimum cost is the plot representing the optimum utility for minimum cost. This plot is considered to represent best value for money.
- 5.5.3 The TEP will also identify any risks associated with tendered pricing.
- 5.5.4 Tenders which are not cost-effective may be excluded from further consideration.

#### **5.6 Stage 6 – Risk Analysis**

---

- 5.6.1 A risk evaluation will be conducted for remaining tenders against risk issues identified, using the risk matrix (Appendix 4).
- 5.6.2 The risk evaluation may also include such security, referee or financial checks and procedures as considered necessary in relation to the Tenderer, its officers, employees, partners, associates or related entities (including

consortium members and their officers or employees if applicable). These checks may include (without limitation) ascertaining risk associated with each Tenderer in relation to: financial viability; corporate history; significant litigation (past, present or pending); past performance; experience, qualifications and skills of resources; and other issues of risk.

- 5.6.3 A risk profile of each tenderer will be created for each tender taking into account the collective determination of risk magnitude for each risk issue identified.
- 5.6.4 Any tender demonstrating unacceptable risk, which would reduce the likelihood of MWRC achieving the stated project objective, may be excluded from further consideration.

### **5.7 Stage 7 – Presentations**

---

- 5.7.1 The TEP will determine the need for presentations for remaining tenderers. The TEP may in its absolute discretion invite some or all tenderers to give presentations for the purpose of demonstrating how their tender would address the Statement of Requirements.
- 5.7.2 At least two members of the TEP will attend all presentations. An agenda must be established and transmitted to the tenderers prior to the presentations.
- 5.7.3 The TEP will assess presentations in the context of further developing the risk profile for a tenderer.
- 5.7.4 Any tender demonstrating unacceptable risk, which would reduce the likelihood of MWRC achieving the stated project objective, may be excluded from further consideration.

### **5.8 Stage 8 – Interviews**

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- 5.8.1 For remaining tenders, the TEP may in its absolute discretion visit tenderer reference sites, and/or visit customers of a tenderer (whether or not listed as referees), to conduct an interview for the purpose of assessing how the tenderer would address the Statement of Requirements.
- 5.8.2 At least two members of the TEP will participate in all interviews.
- 5.8.3 The TEP will assess interviews in the context of further developing the risk profile for a tenderer.
- 5.8.4 Any tender demonstrating unacceptable risk, which would reduce the likelihood of MWRC achieving the stated project objective, may be excluded from further consideration.

### **5.9 Stage 9 – Evaluation Recommendations**

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- 5.9.1 Remaining tenders will be assessed to determine their relative ability to satisfy the overall requirement (Technical Worth) at a competitive cost and at an acceptable risk.



- 5.9.2 A preferred tenderer, or tenderers, will be recommended on a value for money basis.
- 5.9.3 The TEP will develop an Evaluation Report containing the recommendation of preferred tenderer(s).
- 5.9.4 The Evaluation Report must contain:
- a) an executive summary containing an overview of the tender, including its purpose, advertising period and number of tender responses received
  - b) a listing of each tender received;
  - c) a listing of late tenders;
  - d) a listing of conforming tenders;
  - e) a listing of non-conforming or alternative tenders;
  - f) a statement relating to the evaluation methodology;
  - g) a summary of the tender evaluation process;
  - h) details of the tender evaluation panel;
  - i) a summary of the evaluation findings; and
  - j) confidential attachments (Evaluation Plan; Scores and Prices)

## **6 Concluding the Evaluation**

### **6.1 Final Review**

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- 6.1.1 If appointed, the Probity Adviser will review the draft evaluation report.
- 6.1.2 The Probity Adviser may propose amendments to the Evaluation Report to the Chair of the TEP.
- 6.1.3 The TEP will consider any proposed amendments suggested by the Probity Adviser.
- 6.1.4 The TEP will agree to a Final Evaluation Report. Any dissenting report should be an appendix to the majority report.
- 6.1.5 If appointed, the Probity Auditor should be provided with all procurement documentation needed to conduct the independent program of audit testing and reporting to the Procurement Delegate.

### **6.2 The Procurement Delegate's Decision**

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- 6.2.1 The TEP will submit the Final Evaluation Report to the Procurement Delegate for consideration.
- 6.2.2 If appointed, the Probity Auditor will submit an audit report on the procurement process to the Procurement Delegate for consideration.
- 6.2.3 The Procurement Delegate will decide who MWRC enters into contract negotiations with. The decision must be consistent with the core principle underpinning Australian Government procurement, i.e. obtaining best value for money.
- 6.2.4 The Procurement Delegate must not force a TEP to change its Evaluation Report.

### **6.3 Notification and Debriefing**

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- 6.3.1 All tenderers will be informed in writing of the outcome of their tender after the Procurement Delegate has made a decision.
- 6.3.2 Unsuccessful Tenderers may request in writing:
  - a) a statement of the reasons their tender was unsuccessful; and
  - b) an opportunity to be debriefed.
- 6.3.3 The content and/or format of any statement or debriefing is at MWRC's absolute discretion.

**7 Plan Authorisations**

**7.1 Project Manager**

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7.1.1 This Evaluation Plan and the RFT have been reviewed; both are compliant with the MWRC Procurement Policy and MWRC Tendering Procedure. This Evaluation Plan is consistent with the evaluation process described in the RFT, and the RFT can be published:

Andrew Drummond – ..... /...../.....  
Business Mgr Plant and  
Facilities

Name & Role Signature Date

**7.2 Chair – Tender Evaluation Panel**

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7.2.1 The evaluation will be conducted in accordance with this Evaluation Plan:

Andrew Drummond – ..... /...../.....  
Business Mgr Plant and  
Facilities

Name & Role Signature Date

**7.3 Group Manager**

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7.3.1 The Evaluation Plan is approved and the Request for Tender can be published.

7.3.2 I understand this procurement may proceed to contract unless it is the public interest to cancel the procurement.

Brad Cam – Group ..... /...../.....  
Manager Operations

Name & Role Signature Date

**Appendix 1                      Conflict of Interest and Confidentiality Declaration**

I, the undersigned, do not currently have a conflict of interest and acknowledge my obligation to immediately make written notification to the Chair of the Tender Evaluation Panel of any conflict of interest including, but not limited to any:

- ownership of shares in any of the companies associated with a Tenderer;
- employment, contract for services or potential employment or contract for services opportunities for myself or members of my family with Tenderers or their sub-contractors;
- contact with any of the officer(s) of any Tenderers (or their sub-contractors) regarding their Tender;
- involvement with the preparation of a Tender; and
- other relevant matter likely to affect my objective and impartial evaluation of any Tenders.

Also, I acknowledge that during the evaluation process that I will not discuss issues regarding the evaluation with any Tenderer and will refer all enquires to the Chair of the Tender Evaluation Panel.

Should I, due to changed circumstances, be subjected to any of the above situations, I will immediately provide written notification to the Chair of the Tender Evaluation Panel of the circumstances and suspend myself from further evaluation activities pending further consideration by the Tender Evaluation Panel.

**Person making the Probity Declaration**

**Witness**

.....

.....

Signed

Signed

.....

Print Name

.....

Print Name

.....

Date

.....

Date

## **Appendix 2            Probity Advice to Staff**

### **Probity Advice to Staff**

The procurement process is underway for RFT, and a Probity Adviser for the process has been appointed.

It is essential that interested providers and the public at large are able to have complete confidence that the processes involved have been conducted in a manner which has due regard to probity; being, complete and confirmed integrity, uprightness and honesty.

It is possible that individuals or companies may approach MWRC staff, in either an official or informal way, seeking details of the tendering processes. In order to ensure the probity of the projects is maintained at the highest standard it has been decided to implement a process for responding to and reporting these contacts.

All individuals or organisations that make contact regarding the procurement process shall be advised that the appropriate point for discussion of the issues involved or for the provision of information is the Contact Officer. The Contact Officer is:

Name	Andrew Drummond
Position	Business Manager Plant and Facilities
Telephone	0263 782850
Email	council@midwestern.nsw.gov.au

No public statements shall be made by MWRC staff unless specifically authorised by the Contact Officer and the Corporate Communications Manager. By having a nominated point of contact we will ensure that all parties are given equal access to the same information.

Outside parties, with whom MWRC has an existing business relationship, may contact staff as part of the normal day-to-day relationship. It is important that staff follow the following guidelines throughout the entire process:

- No discussion shall be held with any potential Tenderer about the evaluation process in relation to any aspect of any Tender or the evaluation process without the prior approval or at the direction of the Contact Officer or nominee.
- No potential Tenderer shall receive or be perceived to have received additional information to that which is publicly available in respect of the selection process.
- Potential Tenderers shall be advised to deal directly with the Contact Officer in all matters in relation to the selection process, their tender or its current status. Staff shall refuse to enter discussions of this nature.
- Should any potential Tenderer request a copy of any document excluding the RFT, they should be referred to the Contact Officer. Staff should provide no documents other than the RFT, which should then be recorded in the Register of RFT's Issued.

- Unusual or exceptional invitations from any party with a declared interest in the procurement should not be accepted.
- Routine business meetings and social activities may continue as usual, but managers and employees shall exercise caution, and shall not discuss the evaluation, the evaluation procedures, or contents of responses to any RFT. Contact with potential Tenderers should be reported to the Contact Officer.
- Where any party in an unrelated business meeting or social situation seeks to raise issues in respect of the evaluation, or contents of any RFT, the employee shall indicate that it is not appropriate to discuss such matters.

The purpose of these instructions is to assist individuals having contact with this process to acquit their responsibilities in a way which is, and is seen to be, fair and unbiased.

Questions from MWRC staff regarding these instructions are to be directed to the Contact Officer.

Staff should contact the Probity Advisor with any concerns in relation to the probity of this process. The Probity Advisor is:

Name	Mr Ian Roberts
Position	Manager Governance
Telephone	(02) 6378 2850
Email	<a href="mailto:Ian.Roberts@midwestern.nsw.gov.au">Ian.Roberts@midwestern.nsw.gov.au</a>

**Appendix 3 Evaluation Model**

<b>Evaluation Criteria</b>	<b>Weighting</b>
1. Price	60%
2. Demonstrated capacity to meet Statement of Requirements	25%
3. Quality, safety and environmental management systems	15%

**Justification of Weightings Assigned**

Price is considered the most important criteria, thus has received the heaviest weighting at 60%. All other criteria are considered to be of equal importance.

**Characteristics of Preferred Responses**

**1. Price**

The lowest price will receive the highest score

**2. Demonstrated capacity to meet Statement of Requirements**

Higher scores will apply when the plant or equipment meets or exceeds the minimum requirements of the tender and will also be evaluated by a plant operator.

**3. Quality, safety and environmental management**

Higher scores will apply when the plant or equipment meets or exceeds the minimum requirements of the tender and will also be evaluated by a plant operator. OH&S, fuel consumption and emissions will also be evaluated.

**Risk Issues**

- Financial viability risk – the risk of the supplier becoming bankrupt
- Offer risk – the risk of the supplier being unable to supply the goods or services offered
- Commercial risk – the risk of the supplier being unable to execute or manage the contract

**Appendix 4 Risk Evaluation Matrix**

**Determination of Risk Effect**

The effect of identified risks should be classified as High, Medium, Low or Insignificant depending on the nature of the identified risks. Guidance on classifying risks is given by the following table:

Risk Impact Description	Financial	Human	Reputation and Image	Service Delivery	Environmental
High	Above \$500,000	Death	Reputation of MWRC affected nationally and/or internationally.	High numbers of unhappy clients. Services not delivery.	Long term harm
Medium	Between \$50,000 and \$500,000	Physical injury to staff requiring treatment by Dr/Hospital	Employee and/or community concern, heavy local media coverage.	Individual clients/groups unhappy with service provided. Lengthy delay in service delivery.	Medium-term harm
Low	Under \$50,000	First Aid	Minor concern amongst a small number of employee/clients.	Minor impact on service provision. Short service delay anticipated.	Short-term harm

**Assessment of Risk Likelihood**

This assessment is based on the likelihood that the risk will occur in light of the tender provided by each tenderer. Guidance on this assessment is given in the following table:

Category	Description
Unlikely	A risk event is possible, but unlikely, in the next 12 months.
Probable	A risk event is likely to occur at some time in the next 12 months.



Certain	The risk is occurring now – and MWRC is already exposed to its potential impact (i.e. this is an ‘issue’ now, not simply a risk that may occur in the future.)
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**Risk Magnitude**

The assessment of risk magnitude is a function of both the risk effect and risk likelihood, as set out in the following table:

Risk Likelihood	Risk Impact Description		
	High	Medium	Low
Certain	Extreme	High	Medium
Probable	High	Medium	Medium
Unlikely	Medium	Medium	Low

Risk magnitude should be assigned to each risk issue identified, *inter alia*: Extreme, High, Medium, or Low.