

## **SAMPLE TENDER EVALUATION PLAN**

### **CONSTRUCTION CONTRACT (WITH PRICE AND NON-PRICE EVALUATION CRITERIA)**

**CONTRACT NO. 0000000**

**CONTRACT DESCRIPTION: HOPETOWN DAM- WATER TREATMENT  
PLANT UPGRADE - FILTRATION EQUIPMENT**

**CONTRACT FILE: P0000/00000 Pt1**

#### **1] MANAGEMENT ELEMENTS**

##### **(1.1) Reference Documents**

- Department of Services, Technology & Administration Tendering Manual;
- Department of Services, Technology & Administration Contracts User Guide; and
- Department of Services, Technology & Administration [Commercial Conditions for GC21 based contracts](#).

##### **(1.2) Purpose of the Procurement**

To improve the quality of the water supplied to Hopetown by using submerged membrane filtration plants to treat the water supply.

Hopetown Council already operates a pumped water supply to the town. The upgraded filtration plant will be an add on system. The Council intends to do most of the pipeline and infrastructure work for the new connection to the filtration plant itself to minimise disruption to the service.

Council has requested that the water treatment plant building and the associated civil works be tendered separately on a construct only basis so that the Council may have appropriate input into the design.

As the Council has requested that the filtration equipment contract should only cover the design, manufacture and installation of the filtration equipment tenders will be only invited from the three known suppliers in Australia of submerged membrane water treatment plant.

##### **(1.3) Objectives of the Procurement**

The main procurement objectives are:

- use a Design and Construct contract to allow for the suppliers designs (GC21 General Conditions of Contract);
- directly procure submerged membrane water treatment equipment from the specialist suppliers to avoid agents; and
- structure the submerged membrane water treatment equipment contract so that delivery of the equipment occurs on completion of the construction by others of the associated building and civil works.

#### **(1.4) Tender Evaluation Process**

The tender evaluation process will comprise of the following components:

- technical review of all technical schedules and details by the Department's engineering experts for all relevant disciplines;
- renew of the tender responses to the non-price evaluation criteria by the Tender Evaluation Team comprising Hopetown Council's Manager Water Supply; the Ministry of Energy and Utilities, Manager Water Infrastructure; and the Department's Project Manager, Senior Water Supply Engineer and Manager Suppliers Systems;
- review of the tender responses to the price evaluation criteria by the Project Manager;
- review of each tenderer's qualifications and departures by the Project Manager;
- assessment of the financial capacity of the recommended tenderer by Kingsway Financial Assessments Pty Ltd;
- preparation of draft recommendation report by the Project Manager incorporating the assessment of the evaluation criteria;
- review of the evaluation report and recommendation (using Contracts User Guide, Form/Precedent 2.60B) by the Tender Evaluation Team (with sign off), Department's Regional Projects Coordinator, Regional Contracts Manager, and possibly a review body member; and
- submission of the report and recommendation for concurrence by the review body.

#### **(1.5) Approval Process**

The approval process will comprise of the following components:

- selection of invited tenderers and calling tenders approval by Deputy Director-General, Office of Government Business, Hopetown Council and the Ministry of Energy and Utilities, Manager Water Infrastructure; and
- approval to award the contract by Department of Services, Technology & Administration Regional Manager.

#### **(1.6) Management, Organisation and Resource Requirements**

The organisation, resource requirements and responsibilities have been outlined in (1.3) and (1.4) above.

#### **(1.7) Risk Management, Confidentiality and Probity Arrangements**

Risk, confidentiality and probity during the tender process will be managed as follows:

- RFT documents will only be issued to the three invited tenderers;
- tenders will close in the Department of Services, Technology & Administration Tender Boxes at 9.30 am on Tuesday 8 April 2003;
- the Project Manager will be nominated as the Contact Officer for the tender process;
- contact with tenderers, during the tender period, will be documented and confirmed in writing;
- the mandatory meeting of tenderers will be minuted to cover matters to be included in the contract documents, with a copy of the minutes issued as an addendum to all tenderers;
- clarifications of RFT documents raised by tenderers requiring adjustments will be communicated to all tenderers by an addendum;

- any changes to the RFT documents during the tender period will be confirmed by addendum to all tenderers;
- tenders will be evaluated by the Tender Evaluation Team in a secure room and tenders will be stored securely at all other times; and
- tenderers' intellectual property and other confidential information will not be disclosed to other tenderers.

### **(1.8) Schedule of Tasks, Completion Dates and Responsibilities**

The Project Manager will:

- allocate and scheduled tasks and responsibilities; and
- establish and maintain a timeline program showing the allocation and scheduling of tasks and responsibilities.

### **(1.9) Audit Arrangements**

Audit of the tender process will be by peer review and will comprise:

- review of the evaluation report and recommendation by the Department's Regional Projects Coordinator;
- review of the evaluation report and recommendation by the Department's Regional Procurement Adviser;
- endorsement of the evaluation report and recommendation by the respective authorised representatives of the Ministry of Energy and Utilities and Hopetown Council; and
- review of the evaluation report and recommendation by a review body member; and
- consideration of the evaluation report and recommendation by the review body.

## **2] TECHNICAL ASPECTS**

### **(2.1) Rules for the Receipt and Evaluation of Tenders**

The requirements for the selection of tenderers, and receipt and evaluation of tenders are specified in the Contracts User Guide, *Tenders Guidelines*.

The receipt and evaluation of tenders will also conform with the Conditions of Tendering provisions for these functions.

The following forms, checklists and sample letters will be used to conduct the tender process:

- Calling of Tenders – Check List 2.26;
- Pre-tender Meeting with Tenderers – Check List 2.32;
- Review of Tenders – Check List 2.50;
- Tender Submission – Check List 2.60;
- Tender Recommendation – Precedent 2.60B; and
- Letter of Acceptance – Precedent 2.72.

### **(2.2) Criteria for Evaluation of Tenders**

The clients requested that the tender evaluation consider the price and non-price evaluation criteria as detailed in the Conditions of Tendering. The weighting of price relative to non-price evaluation criteria in the Conditions of Tendering is 40% to 60%. Financial capacity is a pass/fail criteria.

Price evaluation criteria [total weighting 40%] will comprise:

- Capital cost and life cycle cost for:
  - estimated energy cost;
  - estimated dosing chemical cost;
  - estimated cleaning chemical cost; and
  - net present value for membrane replacement cost over 20 years.

Non-price evaluation criteria [total weighting 60%] will comprise:

- Satisfaction of requirements [criterion weighting 15%], including:
  - Appreciation of the project outcomes and scope of work;
  - Proposed methodology; and
  - Program management.
- Tenderer's and proposed key subcontractors' experience, performance and capacity in the design, manufacture, supply, installation and commissioning of submerged filtration equipment [criterion weighting 20%].
- Experience and capacity of tenderer's proposed project team [criterion weighting 15%], including:
  - Project Manager;
  - Designers;
  - Construction Manager;
  - Key installation and construction personnel; and
  - Key subcontractor personnel.
- Demonstrated experience of proposed personnel in providing of management systems/plans and their implementation, O & M manuals, training course materials and operator training [criterion weighting 10%].

### **(2.3) Information Sources for Criteria Evaluation**

Tenderers are required to:

- lodge Tender Schedules outlining how the evaluation criteria are satisfied; and
- provide a list of all recent comparable projects together with client referees and their contact details for each project.

### **(2.4) Method of Ranking Tenders with Weighting and Scoring of Evaluation Criteria**

The Tender Evaluation Team as noted at (1.4) Review Process will be convened. Each member will sign the Department's Code of Conduct for the Tendering Process (Contracts User Guide, Precedent 2.04) and the signed copies will be placed on the contract file.

The Project Manager will advise the Tender Evaluation Team whether any tenderers have not met any mandatory requirements, including:

- Quality system certification;
- OHS&R Management System accreditation;
- Environmental Management System accreditation; and
- attendance at mandatory site inspection during the tender period.

The Project Manager will:

- contact the referees with all recent relevant projects undertaken by the tenderers in contention; and

- check all recent (last three years) Department of Services, Technology & Administration Contractor Performance Reports on the tenderers in contention and if necessary contact the respective officers involved for comment.

The Tender Evaluation Team members will individually read the tenders, consider the Project Manager's advice on the above, and evaluate the non-price information submitted by each tenderer and score each non-price evaluation criterion using the following scoring scale:

100	Exceeds requirements of an ideal tender.
90	Meets all requirements of an ideal tender.
80	Meets most requirements of ideal tender.
70	Meets many of the requirements of ideal tender.
60	Meets some of the requirements of ideal tender.
< 60	Fails to meet the requirements. Pass over this tender.

Subsequently, the Tender Evaluation Team members will meet to compare their scores and to reach consensus. To avoid the tender evaluation process being influenced by personal bias, team members will be required to justify their scores by reference to the information supplied in the tenders and to current and past contractor performance information, including as documented in Contractor Performance Reports.

The consensus scores will be tabulated using the following table format:

		Tender 1	Tender 2	Tender 3
(1) Satisfaction of project requirements. <b>Weight 15%</b>	Score			
	Weighted score			
(2) Tenderer's and subcontractors' experience, capacity and performance in providing submerged membrane equipment. <b>Weight 20%</b>	Score			
	Weighted score			
(3) Experience and capacity of proposed project team. <b>Weight 15%</b>	Score			
	Weighted score			
(4) Demonstrated experience of proposed personnel in providing O&M manuals, training materials and operator training. <b>Weight 10%</b>	Score			
Total weighted score (Tws) <b>(Maximum 60)</b>				
Normalised non-price score = $Tws \times 60 / \text{highest Tws}$				

After reaching agreement on the non-price evaluation criteria scores, the tendered price amounts will be examined with the tenders for compliance with the tender requirements, and a list of qualifications and departures prepared for each tender, where applicable.

The Tender Evaluation Team may request advice from expert staff from relevant disciplines regarding technical and contractual tender compliance matters.

Following the review of performance against the non-price tender evaluation criteria, in accordance with the provisions of the Conditions of Tendering, the Tender Evaluation Team may decide to invite all tenderers in contention to give a short presentation and respond to questions about their tender.

Subsequent to the presentations and questioning the Tender Evaluation Team will reconsider their evaluation of the non-price evaluation criteria scores and make any necessary adjustments.

The Tender Evaluation Team will determine the whether qualifications or departures are acceptable and record their decision on a Qualifications and Departures Appendix (Contracts User Guide, Precedent 2.53) prepared for each applicable tender in contention. The estimated cost to a tenderer for removal of unacceptable qualifications and departures will be included in the assessed tender amount.

The value of the life cycle cost components will be evaluated with assessed values being applied as loadings as necessary.

The Assessed and Loaded Tender Amounts will be used in the following to calculate the price scores:

<b>Price Scoring</b>	<b>Tender 1</b>	<b>Tender 2</b>	<b>Tender 3</b>
Assessed & Loaded Tender Amount	\$	\$	\$
$P_{av}$ = average of all Final Assessed & Loaded Tender Amounts	\$	\$	\$
$P_s$ = price score = $200 - \left(\frac{100}{1} \times \frac{P_c}{P_{av}}\right)$			
$P_n$ = normalised price score $P_n = \frac{P_s}{\text{Highest } P_s} \times \frac{100}{1}$			
$P_w$ = weighted price score <b>(Maximum 40)</b> $P_w = P_n \times \frac{\text{percentage weighting}}{100}$			
<b>Total Score</b> (Total of normalised non-price score and weighted price score)			

## **(2.5) Assessing Value for Money and Changes in Tender Relativity**

The highest ranked tender, as the tender with the highest total of normalised non-price score and weighted price score, will be the tender offering the best value for money in terms of the evaluation criteria.

The tenderer with the highest ranked tender will be contacted to resolve any qualifications and departures in accordance with Contracts User Guide, Tenders Guidelines, *Evaluation of Tenders, Evaluation of Tenders Using Weighted and Scored Price and Non Price Evaluation Criteria*.

Should the relativity of tenders change following the calculation of the resulting Final Assessed and Loaded Tender Amount for the tenderer and the recalculation of Total Scores with this amount, the evaluation of tenders will follow the procedure set out in Contracts User Guide, Tenders Guidelines, *Evaluation of Tenders, Evaluation of Tenders Using Weighted and Scored Price and Non Price Evaluation Criteria*.

At the end of this process the preferred tenderer will have been identified.

The Tender Evaluation Team will reconvene to determine the strategy if the adjusted tender amount exceeds the available funds or if the client requests changes in the scope of works under the contract after close of tenders. Any change to the Tender Evaluation Plan will be dealt with in accordance with the Contracts User Guide, Tenders Guidelines, *Tender Evaluation Methodology, Prepare Tender Evaluation Plans*.

## **3] THE CONTRACT**

### **(3.1) Preparation of the Tender Recommendation**

A financial assessment report will be obtained on the preferred tenderer. Subject to the financial assessment report indicating satisfactory financial capacity the preferred tenderer will be recommended for acceptance.

No details will be provided to any tenderer regarding their overall ranking at this stage.

The tender evaluation report and recommendation will follow the format of Contracts User Guide, Precedent 2.60B, *Tender Recommendation with Scoring and Weighting of the Price and Non-Price Criteria*.

In preparing for the tender evaluation report and recommendation the following checks will be undertaken:

- validity period of preferred tender remains current;
- funding from the client/s is available;
- site availability; and
- availability of any Principal supplied services and materials.

The tender evaluation report will then be put through the review and approval steps detailed in part (1.4) and (1.5) above.

### **(3.2) Award of Contract**

The Project Manager will review all relevant documentation and prepare notes for the issue of the letter of award in accordance with Contracts User Guide, *Award of Contract, Briefing Notes for Letter of Acceptance/Award*.

Following receipt of concurrence with the tender evaluation report and recommendation by the review body, the tender recommendation will be submitted to the Regional Manager who has delegated authority to approve the award of the contract and issue the letter of award to the contractor, in accordance with Contracts User Guide, Precedent 2.72, Letter of Acceptance/Award.

**(3.3) Advising Unsuccessful Tenderers of the Outcome**

Unsuccessful tenderers will be advised by letter in accordance with Contracts User Guide, Precedent 2.80, Letter to Unsuccessful Tenderers.

Unsuccessful tenderers may request a debriefing regarding their tender. The Project Manager will on request debrief unsuccessful tenderers. The scope of any debriefing will be limited to discussing the tender requirements and the strengths and weaknesses of the unsuccessful tenderer's tender (Tendering Guidelines, Award of Contract refers).

**Approval of Tender Evaluation Plan by the Tender Evaluation Team**

Project Manager, Department of Services, Technology & Administration  
(Chairperson)

Manager Water Supply, Hopetown Council

Manager Water Infrastructure, Ministry of Energy and Utilities

Senior Water Supply Engineer, Department of Services, Technology & Administration

Manager Suppliers Systems, Department of Services, Technology & Administration