

POL	PROCUREMENT EVALUATIONS	SES3
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POLICY CODE:	SES3
DIRECTORATE:	Executive Support Department
BUSINESS UNIT:	Executive Support Department
SERVICE UNIT:	Executive Support Services
RESPONSIBLE OFFICER:	Chief Executive Officer
FILE NO.:	182/001
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ATTACHMENTS:	N/A
DELEGATED AUTHORITY REF.:	SES3
VERSION NO.	5

Dates of Amendments / Reviews:		
DAPPS Meeting:	31 January 2013 22 May 2014	25 February 2016 24 November 2016
OCM:	17 September 2002 14 February 2013	12 June 2014 10 March 2016

BACKGROUND:

Council is required to award (evaluate and issue) contracts for the provision of goods and services to the City in accordance with the requirements of the Local Government (Functions and General) Regulations 1996 and the City's Procurement Policy (SC38), by either calling Public Notices, Tenders (RFT), Requests for Proposal (RFP) or Expressions of Interest (EOI – a two stage tendering process); or by formal Requests for Quotation (RFQ – a selective sourcing process).

This policy has been broadened to outline the delegated financial authority (DFA) requirements for awarding contracts (including the approval of purchase orders).

A Purchasing Policy (SC38) was adopted in May 2007 and this was revised and retitled to Sustainable Procurement Policy in April 2008 and modified to 'Procurement' in March 2014.

All values referred to in this Policy are exclusive of Goods and Services Tax (GST).

PURPOSE:

To provide direction to Council and its Officers (or Consultants acting on behalf of Council) in evaluating public notices, RFT, RFP, EOI or RFQ submissions in a methodical and consistent manner in order to demonstrate an accountable and equitable process of selecting the most advantageous outcome to Council.

Evaluations and recommendations are prepared to a consistent standard and in sufficient detail that allows for considered decisions to be made by Council or the Delegate(s). This will also facilitate any debriefing process.

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POLICY:

(1) Evaluation Criteria

The evaluation criteria must be established prior to engaging the supply market. The evaluation and selection process including any reports and recommendations made to Council, or any decisions made under the Delegated Authority of Council shall be based on, and made in accordance with the following evaluation criteria:

1.1 Compliance Criteria

Non-weighted criteria that will result in the elimination of a submission or response and shall include:

- Compliance with the Specification
- Compliance with the Conditions of Tendering or Responding
- Financial Risk Report - Major Projects/High risk contracts/ Procurement expenditure over \$1,000,000.

Other compliance criteria shall be selected to reflect the importance of other compliance requirements and may include compliance with insurance requirements, occupational safety and health requirements etc. and shall be in accordance with the City's Procurement Procedures.

1.2 Qualitative Criteria

Weighted criteria that shall include:

- Sustainability – Sustainability – to measure an organisations environmental, social and economic impact on the community. This criteria can include environmental certification, certified product eco-labelling, Indigenous engagement and disability employment inclusion
- Other qualitative criteria may be selected to reflect the importance of other key requirements, to include demonstrated relevant experience, key personnel skills and experience, financial capability and project methodology.

1.3 Price Criteria

Weighted criteria that are allocated to the commercial value of the goods and/or services being considered. This may include different cost methods, such as lump sum, whole of life, time & materials and a schedule of rates.

(2) Weightings

Weightings shall be allocated to price and qualitative evaluation criteria and shall be used in evaluating all formal market engagements. Weightings must be disclosed to potential suppliers as part of the procurement process.

Price and Sustainability weightings shall be allocated in accordance to following table (unless approved otherwise by the Director Finance & Corporate Services):

Weightings	
Evaluation Criteria	Weighting
Price	Up to
Sustainability	Up to

Evaluation criteria shall be allocated weightings to reflect their degree of importance in the evaluation/selection process and the allocated weightings together with price shall total 100%.

(3) Canvassing

Canvassing of City of Cockburn Elected Members, Staff, Contractors or their representatives; will result in the elimination of that submission from the selection process. Tenderers/Respondents may only contact those Council staff or Consultant(s) nominated in the documentation for the purposes of obtaining further information required to assist with the preparation of their submission /response.

(4) Evaluation Panel

The City shall form an evaluation panel based on the sourcing method and the level of risk associated with the requirement. The size of the panel will be dependent on the value and complexity of the expected contract value.

Evaluations are to be carried out by a panel consisting of a minimum of three members and should include the following representation:

- A nominated Chairperson (usually contract owner)
- a minimum of three (3) Council staff or a minimum of two (2) Council staff and one (1) Consultant
- one (1) senior manager (Director or SBMG)
- An independent officer not connected to the same service or business unit
- A probity officer from Procurement Services (where deemed appropriate)

Evaluation panel members may be selected by the nominated Chairperson, who is selected by senior management. If required the Procurement Services Team will assist the chairperson to appoint the panel.

(5) Evaluation Process

Procurement services will establish and administer the evaluation methodology to be used by evaluation panels. This will endeavour to identify the best value on offer to the City. The evaluation panel is duty bound to

evaluate submissions with due care and knowledge and free of any conflict of interest that might undermine the fairness of the evaluation process.

The following evaluation methodology shall be used:

- a) Submissions are checked for completeness and compliance.
- b) Submissions are assessed against the evaluation criteria.
- c) Each panel member shall independently assess submissions against the set criteria and submit their score to the Procurement representative or the Chairperson if appropriate.
- d) The most suitable tenderers/respondents may be short listed, have referees contacted and may also be required to validate their tender/response, make a presentation, demonstrate the solution offered and/or open premises for inspection.
- e) A consensus review will be conducted of the evaluation process results and a meeting may be called to normalise scores.

A contract may then be awarded to the Tenderer/Respondent whose submission is considered the most advantageous to the City; or in the case of EOI's, a RFT is issued to those deemed acceptable Tenderers.

(6) Clarifications

All requests for clarification (s) shall be referred to the Procurement representative. Tenderers/Respondents are not to be contacted directly by any evaluation panel member. All clarifications shall be in writing and shall be sent to all submitters equally.

(7) Recommendations

Recommendations arising from formal market engagements to be approved by:

Total Contract Value (GST Exclusive)	To be Approved By
Non-Tenders	
Less than DFA	One(1) Director or Strategic Business Unit Manager (DFA for non-formal market engagement)
Tenders	
Less than \$325,000	Delegated Authority – One(1) Director and CEO
From \$325,001 to \$650,000	Delegated Authority – Two(2) Directors or One(1) Director and CEO
Greater than \$650,000.00	Council Meeting

Any Elected Member has the right to request that any tender or expression of interest or other formal market engagement be referred to Council for approval.

(8) Recommendation Format

A recommendation report to Council or a Delegated Authority shall be prepared in accordance with Position Statement PSES15 – Reports to Council or Delegated Authority - Tenders.

(9) Requisition Authorisation

Strategic Business Unit Manager or Directors are authorised to set the financial limit (DFA level) in which City officers can approve requisitions and commit budgeted expenditure. The DFA levels are held in the purchasing system to enable requisitions and purchase order amendments to be approved.

The standard Delegated Financial Authority is stated below;

DFA LEVEL	City of Cockburn Staff	AUTHORISATION LIMIT
		GST Exclusive
1	CEO	>\$325,000
2	Directors Only	>\$325,000
3	SBMG Managers Only	\$325,000
4	Managers and Level 9 Officers	\$250,000
5	Level 7 to 8 Officers	\$100,000.
6	Level 5 to 6 Officers	\$50,000
7	Level 4 Officers	\$10,000
Level 1 to 3 Officers and Procurement Officers Excluded		

All requisition approvals of goods and / or services must be in accordance with this policy and the Procurement Policy SC38. All City officers granted a DFA level must attend the Procurement Induction and Purchasing Training before the authority is activated. Procurement Inductions must be refreshed every two years.

(10) Purchasing Authorisation

The Director, Finance & Corporate Services must authorise the financial limit (Purchase DFA level) for authorised officers within the Procurement Team, allowing purchase orders to be released and a financial commitment made to the supplier.