

LATE ITEM: 5.2.2 Tender No 523/16 – Supply and Delivery of One Road Sweeper

Ward:	Both	Date:	20 April 2017
Precinct:	All	File Ref:	SC2800
Attachments:	Confidential Attachment – Pricing Schedule		
Tabled Items:	Nil		
Reporting Officer:	R Lotznicker, Director Technical Services		
Responsible Officer:	R Lotznicker, Director Technical Services		

RECOMMENDATION:

That Council:

- 1. In accordance with *Regulation 18(5) of the Local Government (Functions and General) Regulations 1996*, DOES NOT ACCEPT any tender submission for the supply and delivery of one road sweeper as per Tender No 523/16, for the reasons outlined in the report;**
- 2. APPROVES BY AN ABSOLUTE MAJORITY an amendment to the 2016/17 Budget to delete the following item, Major Plant Replacement Programme: - Road Sweeper No 1, \$356,000;**
- 3. NOTES that the sale of the City's existing road sweeper (Road Sweeper No 1) will be undertaken in accordance with Section 3.58 of the *Local Government Act 1995*; and**
- 4. ADVISES the five tenderers of its decision.**

PURPOSE OF REPORT:

To determine the outcome of the recently advertised Tender No 523/16 for the supply and delivery of one road sweeper for the City's Waste Management & Street Cleaning Operations.

BACKGROUND:

A report (Item 5.2.5) on the supply and delivery of one road sweeper (Tender No 523/16) was initially included in the Agenda for the Council Briefing of 28 February 2017 and, following the identification of some shortcomings in the Tender assessment, the report was withdrawn after the Briefing and, to date, the matter has not been further considered by Council.

Current Road Sweeper Fleet:

Road sweepers generally have a useful life of approximately seven years and one of the City's two road sweepers (Road Sweeper No 1) was delivered in 2004 and is now over 12 years old. Details of the City's two road sweepers are outlined below.

Road Sweeper No 1:

2004 MacDonald Johnston 605LT approved for purchase by Council at its Ordinary Meeting held on 25 February 2003 (delivered in 2004) and is currently used as a 'backup' machine only, (the subject of this report).

Road Sweeper No 2:

2012 MacDonald Johnston VT 605, approved for purchase by Council at its Ordinary Meeting held on 27 March 2012 (delivered in 2013) and is used daily for road sweeping and maintenance of the City's drainage gullies and inspection chambers. In accordance with the Long Term Major Plant Replacement Programme, this sweeper is currently listed for replacement in 2019/20.

Ordinary Meeting held on 27 March 2012:

Council considered a report on the purchase of Road Sweeper No 2 and was advised (in the report) that *“consideration was given in regards to the retention of the City’s existing sweeper (Road Sweeper No 1) as a backup and it was decided unanimously that operationally and due to the high cost of hiring sweepers the City should retain the existing sweeper as a backup vehicle. Also this would enhance the City’s operational capability by being able to use one machine for cleaning drains whilst the other could still operate sweeping the City without hold up when required”*.

Another reason for this position was the low trade in value offered for Road Sweeper No 1, at the time.

DETAILS:

Tender for the Replacement of Road Sweeper No 1:

This tender, No 523/16 for the supply and delivery of one road sweeper was advertised on 5 October 2016 in the West Australian and closed on 21 October 2016.

Tenders were subsequently received from the following registered companies:

- SweepVac
- Bucher Municipal
- Rosmech
- Rosmech alternative 1*
- Rosmech alternative 2*
- Drainflow Services
- Autosweep

Rosmech alternative Tenders1* and 2* were deemed non-conforming and were disregarded from consideration due to the sweeper not being large enough for street and drainage cleaning operations as specified in the tender.

The tenders from Drainflow and Autosweep were also deemed to be non-conforming and were not considered further, as they offered (only) to purchase Road Sweeper No 1 and not to supply a new sweeper.

Tender Assessment:

Each conforming tender was assessed using the selection criteria below, in accordance with the tender documentation, by a Tender Evaluation Panel comprising the Financial Accounting Officer, Supervisor Waste Management / Street Cleaning, Depot Purchasing Officer and Manager Engineering Operations.

CRITERIA	WEIGHTING
Product features	40%
Special facilities	20%
Price (tender)	20%
Operators ergonomics	5%
Life cycle costs	5%
Delivery	5%
Warranty	5%
Total	100%

Tender Evaluation Ranking:

Scores were allocated accordingly by the Tender Evaluation Panel for each Schedule as noted above and the table exhibited in the **Confidential Attachment 1** indicates the prices submitted.

Selection Criteria	Weighting	Bucher	SweepVac	Rosmech
Product features	40%	39.00	38.50	28.20
Special facilities	20%	19.30	16.80	15.80
Price (tender)	20%	16.07	20.00	18.34
Operators ergonomics	5%	5.00	5.00	3.80
Life cycle costs	5%	5.00	4.50	4.80
Warranty	5%	5.00	3.00	3.50
Delivery	5%	5.00	5.00	5.00
Total	100%	94.37	92.8	79.44
Ranking		1st	2nd	3rd

Review of Operational Plant Requirements - Road Sweeper Fleet:

Since its inception in 1994, and given its relatively small geographic area, the City (then Town) of Vincent owned and operated only one road sweeper until 2004.

As mentioned earlier, in 2012 following the purchase of Road Sweeper No 2, Road Sweeper No 1 was retained as a backup, as at the time it was considered this would enhance the City's operational capability.

All compliant tenders for the current Tender No 523/16 were assessed and following consideration of the previous report to the Council Briefing on 28 February 2017, the Director Technical Services considered it prudent to review the requirement for the City to own and operate two road sweepers. In retrospect it is considered this review should have been undertaken prior to advertising the tender for the replacement of Road Sweeper No 1 however the delay in finalising the report and a number of questions raised during the process, prompted the review.

The review revealed that Road Sweeper No 1 is only being used one day per week and very rarely are Road Sweeper No 1 and 2 'on the road' simultaneously.

In discussion with the Supervisor Waste and Precinct Cleaning, it was considered that when Road Sweeper No 2 is booked in for scheduled maintenance, as this is generally only for a short period of time, it ~~and~~ does not adversely affect operations. It was also agreed that should repairs be required, the repairs could be scheduled and depending on the time the road sweeper would be off the road, arrangements could be made to hire a road sweeper. The cost to hire a road sweeper, with driver, is approximately \$150 per hour.

The operational review for the need of a new, second sweeper has concluded that it is difficult to justify the City owning and operating two road sweepers and that Road Sweeper No 1 should be disposed of and not replaced.

CONSULTATION/ADVERTISING:

The tender was advertised in accordance with the *Local Government Act 1995*, *Local Government (Functions and General) Regulations 1996*, Tender Regulations and the City's Policy No. 1.2.2 – Code of Tendering and Policy No. 1.2.3 – Purchasing.

LEGAL/POLICY

The tender was assessed in accordance with the City's Policy No. 1.2.2 – Code of Tendering and Policy No. 1.2.3 – Purchasing.

Local Government (Functions and General) Regulations 1996 – Reg. 18: Rejecting and Accepting Tenders:

All tenders submitted were considered in the context of the above regulations; however, for the reasons outlined in the report (following a review of operational plant requirements), it is recommended that Council, in accordance with *Regulation 18(5) of the Local Government (Functions And General) Regulations 1996*, does not accept any tender submission for the supply and delivery of one road sweeper as per Tender No 523/16.

Regulation 18(5) states that after assessing all tenders "*The local government may decline to accept any tender*".

RISK MANAGEMENT IMPLICATIONS:

Low: The risk implications of the City not owning and operating two road sweepers is low, for the reasons discussed in the report.

STRATEGIC IMPLICATIONS:

In accordance with the City's *Strategic Plan 2013-2023*, Objective 1 states:

"Natural and Built Environment

1.1 *Improve and maintain the natural and built environment and infrastructure.*

1.1.5: *Enhance and maintain the City's infrastructure, assets and community facilities to provide a safe, sustainable and functional environment."*

SUSTAINABILITY IMPLICATIONS:

Not applicable.

FINANCIAL/BUDGET IMPLICATIONS:

An amount of \$356,000 has been allocated in the revised 2016/17 budget for the replacement of Sweeper No 1, with \$293,226 funding from the Plant and Equipment Reserve and the balance from Municipal.

These funds will no longer be required. In addition Sweeper No 1 will be sold in accordance with the requirements of *Section 3.58 of the Local Government Act 1995* providing further budget savings.

As mentioned earlier in the report, in accordance with the Long Term Major Plant Replacement Programme, Sweeper No 2, which is four years old, is currently listed for replacement in 2019/20.

COMMENTS:

As mentioned in the report, the requirement for the City to own and operate two road sweepers was reviewed, and it has been determined that only one road sweeper is required to meet the City's street cleaning operational requirements.

Therefore it is recommended that Council not accept any tender for the replacement of Road Sweeper No 1 and that this sweeper be disposed of in accordance with the Act.
