



Ordinary Meeting of Council Late Agenda Items

Tuesday 11 December 2018

Ordinary Meeting 6.00pm

Council Chambers, Civic Centre,
Stuart Highway, Katherine

15.1 Amendment to tender assessment criteria weighting_____1-2



REPORT

FOLDER: Tenders / Administration / Tender Assessments

MEETING: ORDINARY COUNCIL MEETING – 11 DECEMBER 2018

REPORT TITLE: AMENDMENT TO TENDER ASSESSMENT CRITERIA WEIGHTING

Purpose of Report

To amend the tender assessment criteria and bring it in line with NTG Department of Trade, Business and Innovation's "Procurement Rules" - Version 1.3, 1st July 2018.

Background

Katherine Town Council currently applies the following weightings to assessing tenders:

Percentage Weightings and Assessment Criteria From Response Schedules	
Past Performance	15%
Local Development and Value Adding	15%
Capacity	20%
Price	50%
Total	100%

Recently, the NTG Department of Trade, Business and Innovation re-issued several policy guidelines, including the Procurement Rules (July, 2018) in which the following guideline for the weighting to be given to assessment criteria was stipulated under Rule 11;

- 11.1 Assessment criteria weighting **must** include:
- i. a minimum 30% weighting for local content
 - ii. up to a maximum 30% weighting for price.

The rationale behind this approach is to foster opportunities for local companies to compete and win business, thus building up the pool of local suppliers. KTC is currently reviewing its overall Procurement Policy but as a first step the recommendation is to make the following change in order to bring this aspect of KTC procurement practice in line with NTG guidelines.

Update Since November 2018 OMC

When this report was first presented at the November 2018 Ordinary Council Meeting, it was laid on the table with further clarification requested on what impact the new weightings will have on tenders. Since then, a comparison of four recent tender outcomes has been performed using the existing percentage weighting by criteria and then varying local development + value adding and price criteria. There was no change to the rankings of any of the four examples which demonstrates that this change will not have a serious impact to the typical tenders that KTC assesses.

As the 'Past Performance' and 'Capacity' criteria will not be altered, there theoretically should not be any change to the quality of service that is provided. This change will just mean that the 'tie-breaker' for close tender submissions will value local content as much as price.



REPORT

OFFICER RECOMMENDATION

That it be recommended to Council:

1. That the following criteria be adopted:

Percentage Weightings and Assessment Criteria From Response Schedules	
Past Performance	15%
Local Development	30%
Value Adding	5%
Capacity	20%
Price	30%
Total	100%

The basis of each of the criteria is as follows;

- *Past Performance* – Experience in providing similar works including referees from completed jobs of similar nature, size and scope
- *Local Development* – Details of business premises address (Katherine and/or NT) and other regional offices including permanent employees based there, use of local suppliers and contractors
- *Value Adding* – Current/additional/temporary indigenous employment opportunities created, regional development, community involvement and contributions.
- *Capacity* – Overview of personnel to be involved in project, specialist skills, current contractual commitments, performance, quality and OHS management systems to be utilised.

Robert Jennings
CHIEF EXECUTIVE OFFICER

Delegation: Mr Jamie Craven, Executive Manager – Infrastructure and Environment
Attachments: Nil