



4th June, 2004

EXTRAORDINARY COUNCIL MEETING

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY COUNCIL MEETING OF THE COUNCIL OF THE CITY OF RANDWICK WILL BE HELD IN THE COUNCIL CHAMBER, TOWN HALL, 90 AVOCA STREET, RANDWICK, ON TUESDAY 8TH JUNE, 2004 AT 5:30 P.M.

- 1 Apologies**
- 2 Addresses to the Council by the Public**
- 3 Mayoral Minutes**
- 4 Director Governance Management & Information Services' Report**
- 4.1 DIRECTOR GOVERNANCE, MANAGEMENT & INFORMATION SERVICES' REPORT 14/2004 - TENDER T015/04 PRINTING & DISTRIBUTION OF RATE NOTICES. 2
- 5 Confidential Reports**
- 6 Committee-of-the-Whole**
- 7 Report of the Committee-of-the-Whole**
- 8 Notice of Rescission Motions**

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GENERAL MANAGER



Director Governance, Management & Information Services' Report 14/2004

SUBJECT:	TENDER T015/04 PRINTING & DISTRIBUTION OF RATE NOTICES
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DATE:	3 June, 2004	FILE NO:	98/S/3235
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REPORT BY: DIRECTOR GOVERNANCE, MANAGEMENT & INFORMATION SERVICES

BACKGROUND:

On 4 May, 2004 tenders were called for the printing and distribution of Council's rate notices with tender closure being 25 May, 2004. Randwick City Council issues approximately 180,000 rate notices per year with the main rate notice issues in July, October, December and January.

With the General Manager's approval, tenders were called to secure the services of a suitably qualified company with the resources and expertise to service the current and future printing and distribution of rate, instalment, reminder and final notices. The contract would be for a three year period with two (2) options to extend the contract, each for a further 12 months each.

TENDER ASSESSMENT:

Evaluation Objectives:

The objectives of the evaluation were to:

- Select the tenderer(s) offering the best value for money
- Select the successful tender in a rational and defensible way which is fair to all tenderers

The tender specifications Part A 'Conditions of Tendering' advised that the evaluation, negotiation and selection of tenders would be in accordance with the requirements of the NSW Local Government (Tendering) Regulation 1999 under the NSW Local Government Act 1993. Tenderers were also given an indication of the selection criteria, (see below) to be referred to in the evaluation.

Mandatory Criteria:

- (a) Experience in fulfilling the requirements of similar contract(s);
- (b) Capacity to fulfil the requirements of this tender;
- (c) Provide Randwick City Council with the printed base stock (approximately 47,000copies) of the 2004-2005 Annual Randwick City Council Rate Notice on or before 1 July, 2004.

Desirable Criteria:

- (a) Price;
- (b) Quality Assurance;
- (c) Occupational Health and Safety;
- (d) Environmental Policies;
- (e) Tenderer's capacity, qualifications and previous experience;
- (f) Tenderer's financial capacity/stability;
- (g) Compliance with tender contract terms and conditions.

Evaluation Team:

A thorough and detailed evaluation of all tender submissions was conducted by a panel comprising, Council's Manager Contracts and Purchasing, Kim Davis, Revenue Team Leader, Harry Lambrou and Assistant Revenue Team Leader, Siqi Chen.

EVALUATION CRITERIA AND WEIGHTINGS

All Tenderers were evaluated against the following evaluation criteria and Weightings.

EVALUATION CRITERIA	TENDER QUESTIONS	TOTAL WEIGHT
<i>STAGE 1 – MANDATORY CRITERIA</i>		
Experience in fulfilling the requirements of similar contract(s)		All criteria must be met
Capacity to fulfil the requirements of this tender		All criteria must be met
Provide Randwick City Council with the printed Base Stock (approximately 47,000 copies) of the 2004-2005 Annual Randwick City Council Rate Notice on or before 1 July 2004.		All criteria must be met
<i>STAGE 2 – DESIRABLE CRITERIA</i>		
a) Quality Assurance	B10	5%
b) Occupational Health and Safety	B11	5%
c) Environmental Policies	B12	5%
d) Tenderer's capacity, qualifications and previous experiences		

Employee data	B6	15%
Schedule of Supply	B8	15%
Work in hand/complete	B9	15%
Questionnaire	B13	15%
e) Tenderer's financial capacity/stability	B3	10%
f) Compliance with tender contract terms and conditions		5%
Insurance Schedule	B4	
Schedule of Additional Services, Alternatives & Non-Compliance	B5	
STAGE 3		
Referee Checks		10%
TOTAL		100%

Evaluation of Tenders:

The evaluation was conducted commencing with the opening of the tender box on 25 May, 2004 by a three (3) person panel from Randwick City Council. A report was prepared by the panel, which identified eight tenders had been received.

An initial review was conducted by the evaluation committee to identify any seriously non-conforming tenders. All tenders were conforming and proceeded to a detailed evaluation.

The evaluation was based on "value for money" principles. Value for money does not automatically mean the lowest price. It is determined by considering all factors relevant to a particular purpose. It includes the cost of the deliverables, geographic coverage, whole of life costs, innovation and value adding components, such as meeting the Local Government's economic, social development and environmental policy objectives.

The main steps in the detailed evaluation were to:

- I. Score each Tenderer's response against each valuation criteria to determine a qualitative score. Tenderers are listed in descending order of value.

Table 1
Quality Score - In Descending Order

Tenderer's Name	Quality Score
Lane	89.60%
QM	81.60%
HPA	76.20%
Security Mail	76.00%
Mail & Print	60.53%
Kalamazoo	54.53%
Aust. Post	46.47%
LPI	45.40%

- II. Calculate each tenderer's price to establish a cost index by determining the annual cost to council. Tenderers are listed in ascending order of cost.

Table 2
Cost Index - In Ascending Order

Tenderer's Name	Tenderers Price	Cost Index
HPA	\$26,437.05	1.00
QM	\$28,961.21	1.10
Aust. Post	\$30,312.88	1.15
Security Mail	\$30,366.50	1.15
Mail & Print	\$33,157.74	1.29
Lane	\$33,457.64	1.27
Kalamazoo	\$39,505.44	1.49
LPI	\$40,736.00	1.54

- III. To determine a value for money score, the qualitative score was divided by the cost index. Tenderers are listed in order of best value for money.

Table 3
Summary of Best Value for Money - In Descending Order

Tenderer's Name	Quality Score	Cost Index	Value for Money Score
HPA	76.20%	1.00	76.20%
QM	81.60%	1.10	74.49%
Lane	89.60%	1.27	70.80%
Security Mail	76.00%	1.15	66.17%
Mail & Print	60.53%	1.29	46.85%
Aust. Post	46.47%	1.15	40.53%
Kalamazoo	54.53%	1.49	36.49%
LPI	45.40%	1.54	29.46%

Attachment A provides a more detailed outline of the scores for each tender.

SUMMARY OF TENDERERS

HPA

HPA have had demonstrated experience in the printing and distribution of Local Government rate notices.

HPA had the lowest cost \$26,437.05 and the third highest quality score of 76.20%, demonstrating a good quality organisation with the ability to provide print and distribution of rate notices to Council at competitive rates.

HPA offers the best value for money for Council.

QM Industries

QM Industries have had demonstrated experience in the printing and distribution of Local Government rate notices, however did not provide all information requested in the tender.

QM Industries had the second lowest cost \$28,961.21 and the second highest quality score of 81.60%, demonstrating a quality organisation, however not as competitive as the recommended tenderer.

Lane Print Group

Lane Print Group have had extensive experience in the printing and distribution of Local Government rate notices, however they were not as competitive in price.

Lane Print Group had the third highest cost \$33,457.64 and the highest quality score of 89.60%.

Security Mailing Services

Security Mailing Services have also had extensive experience in the printing and distribution of Local Government rate notices, however did not fully comply with the tender.

Security Mailing Services had the fourth lowest cost \$30,366.50 and the fourth highest evaluation score of 76.00%.

Mail and Print

Mail and Print did not demonstrate experience in the printing and distribution of Local Government rate notices.

Mail and Print had the fourth highest cost \$33,157.74 and the third lowest evaluation score of 60.53%.

Australia Post

Australia Post have had demonstrated experience in the printing and distribution of Local Government rate notices, however did not fully comply with the tender.

Australia Post had the third lowest cost \$30,312.88 and the second lowest quality score of 46.47%.

Kalamazoo

Kalamazoo have not had any experience in the printing and distribution of Local Government rate notices and were not competitive in price.

Kalamazoo had the second highest cost \$39,505.44 and the third lowest quality score of 54.53%.

Land and Property Information (LPI)

LPI did not demonstrate any experience in the printing and distribution of Local Government rate notices and were not competitive in price.

LPI had the highest cost \$40,736 and the lowest quality score.

CONCLUSION:

All of the eight (8) tenders were considered by the Evaluation Committee and it was agreed that the tender received from Hermes Precisa Pty Ltd trading as HPA Contacmail for an amount of \$26,437.05 per annum was the preferred tender, offering the best value for money.

RECOMMENDATION:

1. The Tender from Hermes Precisa Pty Ltd ABN 48 002 816 766 trading as HPA Contacmail for the printing and distribution of rate notices be accepted for a three year period with two (2) options to extend the contract for a further 12 months each, and that Council enter into a contract under the Local Government (Tendering) Regulation 1999.

2. Authority is granted for Council's Common Seal to be affixed to the contract for the Printing and Distributions of Rate Notices between Council and Hermes Precisa Pty Ltd trading as HPA Contacmail for a period of three years with two options to extend the contract for a further twelve months.

ATTACHMENT/S:

Attachment A - Value for Money evaluation spreadsheet. (Under Separate Cover)

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MARK HUMMERSTON
DIRECTOR GOVERNANCE,
MANAGEMENT & INFORMATION
SERVICES