

Step 1:
Supply Chain

Step 2:
Work Smarter
not Harder

Step 5:
Tendering Tips

Step 4:
The Procurement
Process

Step 3:
RCC
Procurement

Workshop Structure

Step 1: Supply Chain



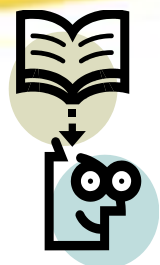


What is a Supply Chain

A Supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer request.

Redland City Council spends millions of dollars each year on goods, services and capital works.

For suppliers, this means there are many opportunities on an annual basis to tender, subcontract or supply to RCC for projects.

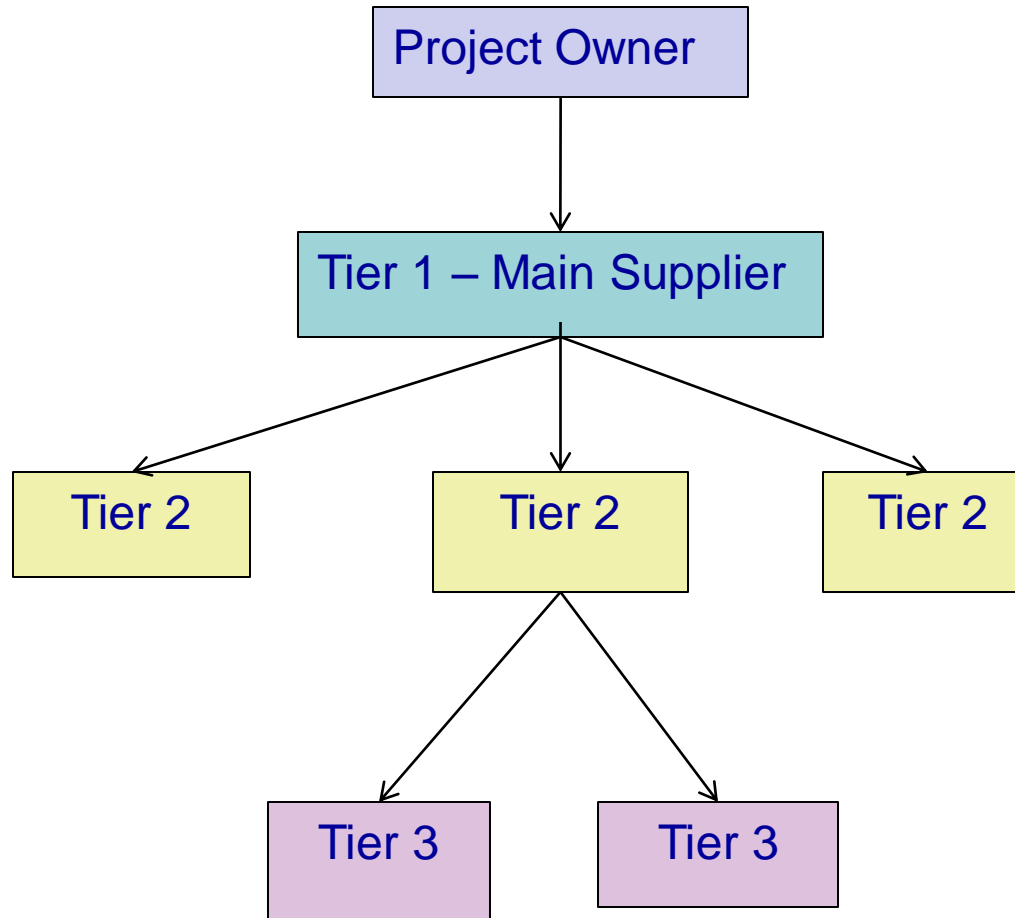


What does RCC Want?

- Suppliers that can deliver to RCC's needs
- Goods and/or services that meet all requirements of the Specification.
- Value for money for the ratepayer dollar
- RCC's aim is to engage local businesses wherever possible and encourage non-local business to utilise local suppliers and sub-contractors

Supply Chain Example

Supply Chains are generally broken down into tier levels



So what does this all mean for your business?

Companies supplying DIRECTLY to RCC (Tier 1)

- Know what RCC requirements are and determine if you and your current subcontractors (tier 2 and 3) can meet the project requirements before tendering
- Continually review your subcontractors and have multiple subcontractors where possible
- Make sure the subcontractors can all deliver in the required timeframe and to the required standard
- Continually review your standards and if you can deliver better value for money, come and talk to us
- Know who can help you to improve your business

So what does this all mean for your business?

Companies NOT supplying directly to RCC (Tier 2, and 3)

- Know who has been awarded the work (Tier 1) so you can market your business to them
- Know what RCC's requirements are so you can help the Tier 1 companies to meet the project requirements as part of their supply chain
- Know what is required to supply directly to RCC before you apply to tender – some companies will not meet the standards or have the necessary capability. Your opportunity may be to become the 'supplier of the supplier'
- Know who can help you improve your business

Step 2: Work Smarter not Harder



Register for Notifications



Local Government

www.lgtenderbox.com.au

www.redland.qld.gov.au

www.brisbane.qld.gov.au

www.logan.qld.gov.au

State Government

Housing & Public Works - www.hpw.qld.gov.au

Procurement Policy & Guidance Material

<http://www.hpw.qld.gov.au/aboutus/ReportsPublications/Guidelines/Pages/procurementrecent.aspx>

QTender Website -

<http://www.hpw.qld.gov.au/Procurement/Suppliers/CurrentOpportunities/Pages/Qtender.aspx>

Queensland Contracts Directory - <http://qcd.qgcpc.qld.gov.au/>

Federal Government

www.austender.gov.au

www.dplsi.defence.gov.au

Step 3: RCC Procurement



RCC's Corporate Procurement Policy (POL-3043)



- Sets out Council's framework for procurement and contracting activities in a manner that complies with applicable laws, including:
- Local Government Act 2009 (Qld) (LGA 2009)
- Local Government Regulations 2012 (LGR 2012)

RCC's Policy Objectives Incorporates the Sound Contracting Principles

- Value for money; and
- Open and effective competition; and
- The development of competitive local business and industry; and
- Environmental protection; and
- Ethical behaviour and fair dealing.

Regard is to be had for each principle, although each principle may not receive equal consideration, depending on the particular Procurement.

Achieving Value for Money

Price is not the only indicator of value, Council must consider various factors including:

Cost Factors

- Up-front price, whole-of-life costs, use, maintenance and disposal

Non-cost factors

- Capacity to undertake or provide the goods/services/work, quality, delivery and service support.

Develop Local Business and Industry

What does this mean for local business and industry?

RCC may consider the following factors when conducting its Procurement:

- Employment opportunities for the region;
- Economic growth for the region;
- Availability of goods, services and support;
- Benefits to RCC of contracting with local suppliers and the associated local commercial transactions that flow from that contracting.

Ethical Behaviour and Fair Dealing

What does this mean for procurement?

- RCC has to ensure that its procurement complies with all relevant legislation and policies
- Procurement is conducted with probity and accountability
- Procurement is conducted with transparency
- All RCC Officers are bound by RCC's Code of Conduct

Quotation and Tender Thresholds

Section 225 of the LGR 2012 – Medium sized arrangement

- Contractual arrangements worth more than \$15,000 and less than \$200,000 in a financial year, or over the proposed term of the contractual arrangements require three (3) written quotations

Section 226 of the LGR 2012 – Large sized arrangements

- Contractual arrangements worth more than \$200,000 in a financial year, or over the proposed term of the contractual arrangements require the invitation of written tenders

Expressions of Interest

- RCC may advertise for an Expression of Interest for projects at anytime in accordance with section 228(5)
- To prepare a short list from the persons who respond to the invitation for expressions of interest and
- To invite written tenders from the shortlisted companies

Exception for Contractual Arrangements

The following are the main exceptions RCC uses

- Preferred Supplier Arrangements (s231 of the LGR 2012)
- Register of Pre-qualified Suppliers (s232 of the LGR 2012)
- Approved Contractor Lists (s233 of the LGR 2012)
- Local Buy Arrangements (s234 of the LGR 2012)
- Other Government Agency Arrangements (s235(f) of the LGR 2012)

Preferred Supplier Arrangements

RCC establishes a Preferred Supplier Arrangement when:

- RCC requires a large volume of good and services
- The goods and services are required on a regular basis
- RCC can provide a comprehensive specification specific to the goods/services/works to be provided

Examples of Preferred Supplier Arrangements

- After Hours Compliance and Animal Management
- Mail Services
- Replacement of Water Meters
- Janitorial Products
- Cleaning of Council Buildings
- Landscape Maintenance

Register of Pre-Qualified Suppliers

RCC establishes a Register of Pre-qualified Suppliers when

- RCC has work on an as needs basis
- The successful contractors are assessed as having the technical, financial and managerial capability necessary to perform the work on time and in accordance with agreed requirements
- Prices are provided for the goods/services/works at the time of tender

Examples of Pre-qualified Supplier Arrangements

- Trades and Services
- Electrical Services
- Engineering Services
- Survey Services
- ICT Services
- Mechanical and Electrical Services
- Traffic Control
- Tree & Habitat Restoration

Approved Contractor List

RCC establishes an Approved Contractor List when:

- There are a number of individual projects valued at less than \$200,000.
- The Approved Contractor List provides RCC with a list of companies appropriately qualified to undertake the work.
- Work is allocated on a quotation basis.
- Prices are requested at the time of quotation.

Examples of Approved Contractor Arrangements

- Building Construction & Refurbishment
- Signage
- Specialised Automotive Services
- Park Infrastructure
- Occupational Health
- Plant Hire
- Marine
- Concreting

Local Buy Arrangement

- RCC can utilise current arrangements under s234 of the LGR 2012

Other Government Arrangements

- RCC can utilise current arrangements under s235(f) of the LGR 2012 with:
 - Other Councils
 - State Government Agencies
 - Federal Government Agencies



Step 4: The Procurement Process



The Procurement Process

Tender process (Buyers Perspective)

- **Plan the procurement**
 - Market research, business case, budget approvals
 - Select the most effective procurement method
- **Prepare tender documents**
 - Specify requirements, develop evaluation criteria & weightings, conditions of tendering
- **Advertise/release final tender documents to suppliers (e-tender site)**
 - Respond to supplier questions/queries
 - May include a supplier briefing session
- **Tenders received and evaluated and post-offer negotiations**
 - Tender interviews and negotiations may be conducted for shortlisted candidates
- **Prepare final recommendations for approval by the responsible authority level**
- **Contracts Awarded**
 - Contracts above \$200,000 are published
 - Debriefs offered to unsuccessful suppliers
- **Manage contracts**

Evaluation Criteria

Mandatory Criteria

- Tenderers must meet mandatory criteria to move to the next stage of the evaluation process

Financial Criteria

- The weighting of this deliverable will depend on the type of process

Non-Financial Criteria

- Weightings are allocated to specific aspects of the project. The percentage allocated to the weighting will indicate the importance of the activity

Tender/Quotation Deliverables - include but are not limited to the following:-

- Form of Tender
- Statement of Non-Compliances
- Tendered Sum
- Insurance Details
- Local Business and Industry
- Quality Assurance System
- Environmental Management Plan
- Safety Management Plan
- Traffic Management Plan
- General Operational Capability and Experience
- Licences and Certification
- Referee Reports
- Workplace Health & Safety System

Evaluating (Good and Services)

The Evaluation Panel's Responsibilities

- Establish suppliers technical and commercial compliance
- Identify bids not meeting mandatory requirements
- Establish the total or life cycle costs
- Confirm capability / capacity of product and supplier to perform
- Assess technical suitability of each offer

Evaluating (Goods and Services)

The Evaluation Panel's Responsibilities

- Assess commercial cost / benefits of each offer
- Compare costs of the offers received
- Determine the best value for money
- Document the reasons for not accepting the best nonconforming offer
- Assess any risks arising from the evaluation process

Evaluating

Formal interviews and post-offer negotiations

- A formal process that will review and seek clarification on the information provided in the tender document.
- Negotiation is not just about price – a range of things may be up for discussion
- Suppliers need to be aware that they are still being assessed
 - **Be prepared** – familiarise yourself with your submission
 - **Show enthusiasm** – be positive and explore options
 - **BE HONEST** – we do our research

Contract Award

- Award documents are sent to responsible Manager
- Contract is awarded
- Debrief Meetings
- Contract Management



TENDER EXAMPLE

Preferred Supplier for the Supply and Delivery of Hard Boiled Eggs to Indigiscapes



Specifications

Scope of Work

Supply and Deliver 200 Hard Boiled Eggs to Indigiscapes on a weekly basis.

Egg Details

- Eggs must be 70 grams in weight
- RSPCA free range approved.
- Used by date must be indicated on the packaging.
- Packaging must be clean, correctly labeled with the food name, the supplier's name and address and lot identification or date marking.
- Eggs must be stored at ≤ 15 degrees celsius

Egg Details

- Eggs must be cooked on the same day as delivery

Delivery Details and Number and Type of Eggs Required

Day	Delivery Time	Number and type of egg required
Monday	12.00pm to 4.00pm	50 Brown Eggs (70 gram) 30 White Eggs (70 gram)
Thursday	12.00pm to 4.00pm	50 Brown Eggs (70 gram) 70 White Eggs (70 gram)

Damaged Eggs

RCC will not pay for any dirty, broken or cracked eggs. Contractor must replace damaged eggs at no cost to RCC



Compliance

The successful company must comply with the following legislation:-

- Food Act 2006 and Food Standards Code
- Work Health and Safety Act 2011
- Work Health and Safety Regulations 2011

TENDER EVALUATION CRITERIA

Mandatory Criteria	Reference to Tender Deliverable Attachment in Section B	Weighting %
Form of Tender	Tender Deliverable Attachment – A	-
Statement of Non Compliance	Tender Deliverable Attachment – B	-
Insurance Details	Tender Deliverable Attachment – D	-
Workplace Health and Safety System	Tender Deliverable Attachment – G	-
Local Business and Industry	Tender Deliverable Attachment - H	-
Other Criteria	Reference to Tender Deliverable Attachment in Section B	
Risk and Benefit to RCC	All Tender Deliverable Attachments	-
Tendered Sum	Tender Deliverable Attachment – C	30%
Quality Assurance System	Tender Deliverable Attachment – E	10%
General Operational Capability and Experience	Tender Deliverable Attachment – F	60%

Non-financial criteria is assessed on a scale of 0–5

- 0 No response provided
- 1 Response provided is not relevant to the questions
- 2 Response provided partially meets some but not all requirements
- 3 Response provided meets standard requirements
- 4 Response provided fully complies with and exceeds some requirements
- 5 Response excellent and adds considerable value to the project/services

Indicative Price for the supply and delivery of 200 eggs each week

Tenderer 1 - \$250.00

Tenderer 2 - \$270.00

Tenderer 3 - \$285.00

RCC's budget is \$265.00

Quality Assurance System

Tenderer 1

“We stuff it up we fix it”

Tenderer 2

All boiled eggs supplied by Tenderer 2 must comply with our in-house schedules and procedures in order to pass final inspection prior to the eggs being despatched to RCC. Our quality control systems ensures all boiled eggs supplied by Tenderer 2 meet RCC's requirements.

Quality Assurance System (continued)

Tenderer 3

Tenderer 3 has Third Party Accreditation ISO 9001:2008 Quality Management System – Certificate No: QEC0079.

Tenderer 3 QA system allows us to streamline production and have swift turnaround times in regards to despatch, thus benefiting RCC with fast and efficient service for the provision of boiled eggs.

General Operational Capability and Experience

Question:

Detail your company's experience in the supply and delivery of Hard Boiled Egg Services to venue's like Indigiscapes?

Tenderer 1

Tenderer 1 has been boiling eggs for venues for 20 years.

Tenderer 2

Tenderer 2 prides itself of only using the best quality free range eggs and supplying freshly boiled eggs to our customers on the same day as the eggs are cooked. Some of our clients include RSL's, Sports Clubs and restaurants.

Tenderer 3

Tenderer 3 sources RSPCA free range eggs to RCC's specifications from local suppliers in the Redlands. The eggs are delivered to our premises by 7.00am. The eggs are prepared for cooking no later than 8.00am. The eggs are placed in cold water and a machine slowly rotates the eggs until the water is boiling. This process centralises the yolk. The eggs are cooked for 7 minutes, they are then removed and placed under cold running water to ensure they do not continue cooking.

Tenderer 3's Response Continued

Once the eggs are cold our staff carefully pack them into egg cartons. The cartons are carefully labelled with our company's name and address, lot identification, date the eggs were cooked and the dated the eggs should be used by.

Tenderer 3 has a refrigerated truck that will deliver the eggs as per specification to Indigiscapes.

Tenderer 3 will replace any damaged eggs on the same day at no cost to RCC.

Evaluation Matrix

- Spreadsheet that ranks Tenderers based on scores awarded by the Evaluation Panel
- Identifies the Tenderer who demonstrates best value for money including other sound contracting principles

Preferred Supplier for the Supply and Delivery of Boiled Eggs to Indigiscapes

Conflict of Interest Declaration

Declaration: Your signature on this form confirms your declaration that you have no conflict of interest in relation to any of the offerers or offers in accordance with Redland City Council's Code of Conduct and Procurement Policy and Guidelines.

ELEMENT SCORES FOR NON-FINANCIAL CRITERIA

Description	Score
No response provided	0
Response provided is not relevant to the questions	1
Response provided partially meets requirements	2
Response provided meets standard requirements	3
Response provided fully complies with requirements	4
Response excellent and adds considerable value to the project/services	5

(Signature)

(Signature)

(Signature)

Summary of Evaluation

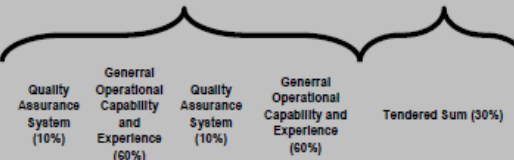
Check Tender for Compliance

Please Note: The labels in the cells below are for example purposes only. Refer to your Tender Deliverable Document specific to your project for population of these cells

Non Financial Scoring

Please Note: The labels in the cells below are for example purposes only. Refer to our Tender Deliverable Document specific to your project for population of these cells.

Financial Scoring



Key
 x - No info provided
 ✓ - Info fully provided
 ✓ - Info provided incomplete or has errors

List of Offerers

Ranking	Total Score (100%)	Tendered Sum (30%)	Quality Assurance System (10%)	General Operational Capacity and Experience (60%)	E-Offer or Hard Copy	Tender submitted to tender box properly	Attachment A - Form of Quote	Attachment B - Statement of Non-Compliance	Attachment C - Tendered Sum	Attachment D - Insurance Details	Attachment E - Quality Assurance System	Attachment F - General Operational Capability and Experience	Attachment G - Workplace Health and Safety System	Attachment H - Local Business and Industry	Other Form Signed	Add any comments for follow up on completeness of Offer	Attachment F - Quality Assurance System	Attachment F - General Operational Capacity and Experience	Attachment F - Quality Assurance System	Weighted Score	Attachment E - Project Methodology (including plant & equipment)	Weighted Score	Guided Sum - 30%	Total Score	Weighted Score
Tenderer 1	3	70.83	30.00	3.33	37.50	u	u	u	u	u	u	u	u	u	u	TDA D - Public Liability will expire on 30 July 2014 TDA G - Form is not signed	1.50	2.50	1.67	3.33	3.13	37.50	\$250	5.00	30.00
Tenderer 2	2	78.33	27.78	5.56	45.00	u	u	u	u	u	u	u	u	u	u	TDA A - ABN is Incorrect. ABN number is 96 765 876 34	2.50	3.00	2.78	5.56	3.75	45.00	\$270	4.63	27.78
Tenderer 3	1	95.32	26.32	10.00	60.00	u	u	u	u	u	u	u	u	u	u	No Clarifications required	4.50	4.00	5.00	10.00	5.00	60.00	\$285	4.39	26.32

Step 5:

Tendering Tips



Points to Consider When Responding to a Tender

- Answer all the questions for each Tender Deliverable:
 - Your response should be succinct
 - Around 200 words for details
 - Cross reference your response to specifications and attachments
 - Include attachments for more relevant information where applicable

Points to Consider When Responding to a Tender

- Emphasise your strengths
- Clearly detail the advantages your offer provides to RCC
- Do your market research submit a price that is competitive
- Follow the format, do not reformat or submit your response in your own format

Points to Consider When Responding to a Tender

- Ensure you contact your referees and let them know about your tender
- Submit current certificates of currency for Insurances and copies of current licenses and permits
- Submit your offer on time



Points to Consider When Responding to a Tender

- Develop a really good Capability Statement or Business Profile
 - Introduce your key people and note their special abilities
 - Provide examples of relevant past work
 - Identify your key selling point, e.g. technology, quality, service
 - Provide evidence of management systems, e.g. safety (ISO4801), environment (ISO14001), risk (ISO 31000) and quality (ISO9001)

Points to Consider When Responding to a Tender

- Develop a really good Capability Statement or Business Profile
 - Provide evidence that you have the capability in your business to perform the work
 - Provide evidence that you have the capability in your business to take on the work and meet the timelines
 - Highlight additional services provided e.g. design, engineering, product innovation

Points to Consider When Responding to a Tender

- Price position in the market
 - Keep it real and do your market research
 - Do a full breakdown
 - Include your logistics costs
 - Highlight any value for money considerations

Points to Consider When Responding to a Tender

- Methodology
 - Clearly detail how you are going to deliver what we want
 - Highlight any advantages your offer will provide
 - Address any risks and how you will manage them

Guidelines Dealing with Local and State Governments

DO's and DONT's

- Respect obligations of the buyers – put your questions in writing first!
- Avoid perceptions of undue influence
- Avoid collusive and unfair practices
- Disclose conflicts of interest
- Provide accurate and reliable information
- Provide a complete price breakdown

Know How to Close the Deal

If you are Successful



- Check that the contract:
 - Complies with the tender/offer
 - Takes account of any agreed specifics of your bid
 - Ensure you can fulfil the terms of the contract
- Request post contract award briefing

Know How to Close the Deal

If you are Unsuccessful

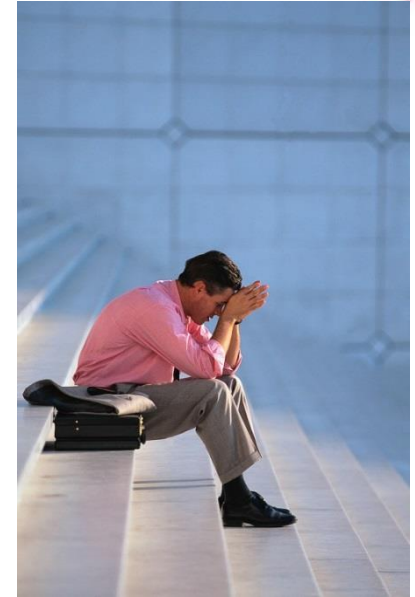
- Seek a debriefing and obtain the reasons
(What you need to consider for next time)
 - Did I submit a conforming offer
 - What were the strengths and weaknesses of your offer
 - Be diplomatic in your approach
 - RCC cannot discuss other suppliers offers



Know How to Close the Deal

If you are Unsuccessful

- Contact the Procurement Services Unit and request a debrief meeting
- Attend the debrief meeting



If you choose to lodge a complaint

- Follow Procedures, refer to Complaints Management Process (POL-3037) on RCC Website

Closing the Deal

Performance

When the product / service is delivered and completed, a contract is considered to have been discharged / fulfilled

Delivery in Full on Time (DIFOT)

Note

- Contracts might also be discharged / ended
 - By mutual agreement
 - By impossibility of performance
 - By breach or default on conditions

Further assistance

Email your enquiry to:

procurementtenders@redland.qld.gov.au

Telephone: (07) 3829 8999 and ask for a member of the Procurement Team

