

Addendum 2

23 May 2024

Tender	Kalbarri Sewer Mains Extension AGRN965	RFT No.	RFT 09/2023
From	Antoinette Krause	Contact	antoinette.krause@ghd.com
Addendum	Addendum 2		

Tenderers are to acknowledge receipt of this Addendum in their Tender response.

Query No.	Tender query	Response
1.	Water sources	<ul style="list-style-type: none"> – Contractors are required to secure their own water sources. – A potential water source may be Richard Burgess 0417 912 901.
2.	Gravel sources	<ul style="list-style-type: none"> – Contractors are required to secure their own gravel sources. – Potential gravel sources may be: <ul style="list-style-type: none"> • Richard Burgess: 0417 912 901 • Graeme Ralph: 0427 361 122 • Kalbarri Siteworks – Theo Scheffer: 0417 942 016
3.	Confirm type of boundary trap: AA01-61-1 Detail Y or AA01-61-2 Running trap	<ul style="list-style-type: none"> – The Y type boundary trap can be used for both property connections. It should be supplied with a low level vent. – Lot 500 should have a DN150 property connection with a DN65 vent. – Lot 250 should have a DN100 property connection with a DN50 vent.
4.	Can the Shire please provide their Regional Price Preference policy.	<p>Refer Appendix A.</p> <p>The policy forms part of the Shire of Northampton's Policy Manual available on their website.</p> <ul style="list-style-type: none"> – <u>Microsoft Word - POLICY MANUAL 2022 @ 17 February 2023 (northampton.wa.gov.au)</u>

Tenderers are to acknowledge receipt of this Addendum in their Tender response.

Appendix A

Regional Price Preference Policy

2. FINANCE

2.1 LOCAL PURCHASE POLICY Policy Reviewed by Council 17 June 2022

After having due regard to the quality of the product, availability of after sales service, supply date, freight costs, degree of urgency and any other factors that could be included in the phrase "all things being equal" :-

1. Goods and services with a single item value between \$5,000 - \$49,999 are to be purchased locally provided -
 - a) at least one quote is obtained from outside the Shire and where possible two local quotes be obtained:
 - b) the local supplier's price is no more than 5% higher than the cheapest external quote.
2. Purchase of goods and services that are subject to the Local Government (Functions and General) Regulations 1996 are to be dealt with accordingly, but also giving preference of 5% variation to local contractors.
3. The purchase of all other goods and services to be left to the responsible officer's judgment having regard to Council's desire to where possible, purchase goods and services from local suppliers.
4. A local supplier of goods or services is considered to be one residing in and actively carrying on business within the Shire District.

2.2 TENDER PROCEDURE Policy Reviewed by Council 17 June 2022

That in relation to the inviting of any tenders, the following policy procedures are to apply:

- i) advertisements or specifications are to contain the words "delivery to Northampton" and "canvassing of Councillors will disqualify;"
- ii) for each tender invited, a tender reference number shall be allocated by the Chief Executive Officer and such number shall be quoted in the heading of all tender advertisements.
- iii) such aforementioned tender number shall be quoted in all references to the particular tender, ie on the Council correspondence, files, Council Minutes, Agendas, etc.

- iv) no member, employee or agent of Council's shall barter or negotiate with tenderers, albeit perhaps in good faith, in writing and equally with all tenderers, except where full Council has so resolved.

- xii) Formal tender procedures will be followed for plant acquisition where the purchase price is above the amount set by regulation. For plant items costing less than the amount set by regulation, the Chief Executive Officer may elect to use quotation procedures, provided -
 - a) plant specifications are approved by the Council.
 - b) the purchase price does not exceed the budgeted allowance.
 - c) at least three written quotations are received. A copy of all quotations received is to be provided to the Chief Executive Officer and shall be retained as a formal record.
 - d) the quotation accepted is within 5% of the lowest quote received (normal preference to purchase locally to apply).

2.3 PURCHASING AND TENDER GUIDE PURCHASING POLICY **Policy Reviewed by Council 16 September 2022**

2.3.1 OBJECTIVES

- To provide compliance with the Local Government Act, 1995 and the Local Government Act (Functions and General) Regulations, 1996 (as amended in March 2007).
- To deliver a best practice approach and procedures to internal purchasing for the Shire of Northampton.
- To ensure consistency for all purchasing activities that integrates within all the Shire of Northampton operational areas.

2.3.2 WHY DO WE NEED A PURCHASING POLICY

The Shire of Northampton is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:

- Provides the Shire of Northampton with a more effective way of purchasing goods and services.
- Ensures that purchasing transactions are carried out in a fair and equitable manner.
- Strengthens integrity and confidence in the purchasing system.

- Ensures that the Shire of Northampton receives value for money in its purchasing.
- Ensures that the Shire of Northampton considers the environmental impact of the procurement process across the life cycle of goods and services.
- Ensures the Shire of Northampton is compliant with all regulatory obligations.
- Promotes effective governance and definition of roles and responsibilities.
- Uphold respect from the public and industry for the Shire of Northampton's purchasing practices that withstands probity.

2.3.3 ETHICS & INTEGRITY

All officers and employees of the Shire of Northampton shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Shire of Northampton.

The following principles, standards and behaviors must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Shire of Northampton policies and code of conduct;
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Shire of Northampton by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

2.3.4 VALUE FOR MONEY

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire of Northampton. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

An assessment of the best value for money outcome for any purchasing should consider:

- all relevant whole-of-life costs and benefits whole of life cycle costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal.
- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
- financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

2.3.5 SUSTAINABLE PROCUREMENT

Sustainable Procurement is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services.

The Shire of Northampton is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the Shire of Northampton's sustainability objectives.

Practically, sustainable procurement means the Shire of Northampton shall endeavour at all times to identify and procure products and services that:

- Have been determined as necessary.
- Demonstrate environmental best practice in energy efficiency / and or consumption which can be demonstrated through suitable rating systems and eco-labeling.
- Demonstrate environmental best practice in water efficiency.

- Are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage.
- Products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed for ease of recycling, re-manufacture or otherwise to minimise waste.
- For motor vehicles – select vehicles featuring the highest fuel efficiency available, based on vehicle type and within the designated price range, where practicable.
- For new buildings and refurbishments – where available use renewable energy and technologies.

2.3.6 PURCHASING THRESHOLDS

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Amount of Purchase	Model Policy
Up to \$20,000	No quotations required prior to purchase if expenditure is approved in Council budget.
\$20,001 - \$50,000	Obtain two verbal or written quotes and these quotes to be recorded by the relevant officer.
\$50,001 - \$249,999	Obtain at least two written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations) and be submitted to Council for purchase endorsement.
\$250,000 and above	Conduct a public tender process.

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$150,000 threshold (excluding GST). If a decision is made to seek public tenders for Contracts of less than \$150,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

For expenses relate to Cyclone Seroja the following policy is to apply:

Amount of Purchase	Model Policy
Up to \$100,000	No quotations required prior to purchase if expenditure is solely related to damage caused by cyclone Seroja or where that expenditure relates to an insurance claim that has been approved by Local Government Insurance Services or is recoverable from the Disaster Recovery Funding Arrangements WA.
\$100,000 - \$250,000	if expenditure is solely related to damage caused by cyclone Seroja, quotes be obtained if required under the direction and approval of Local Government Insurance Services or is recoverable from the Disaster Recovery Funding Arrangements WA.
\$250,000 and above	if expenditure is solely related to damage caused by cyclone Seroja, either: <ul style="list-style-type: none"> • quotes be obtained under the direction of and approval of Local Government Insurance Services, • conduct a public tender process, • or apply discretion to engage with a tender exempt opportunity under <i>Regulation 11(2) of the Local Government (Functions and General) Regulations</i>.

In addition to the above, the delegated authority to individual officers are to be at the following thresholds:

Amount of Purchase	Delegated Officer Authorisation Limits
Up to \$5,000	Administration/Finance Officer.
\$5,001 - \$19,999	Mechanic & Leading Hands
\$20,000 - \$50,000	CEO, Deputy CEO, Manager of Works & Technical Services, Principal Planner, Health/Building Surveyor
\$20,000 - \$249,999	CEO, Deputy CEO, Manager of Works & Technical Services
\$250,000 and above	Conduct a public tender process.

2.3.6.1 Up to \$20,000

Where the value of procurement of goods or services does not exceed \$20,000 and provision is made within the current budget no quotations are required as such quotes are obtained to assist in the budget process. However it is recommended to use professional discretion and occasionally undertake market testing to ensure best value is maintained.

This purchasing method is suitable where the purchase is relatively small and low risk.

2.3.6.2 \$20,001 to \$50,000

This category is for the procurement of goods or services where the value of such procurement ranges between \$20,001 and \$50,000.

Two verbal quotes are required, and these quotes are to be recorded by the relevant officer. Two written quotes can also be obtained if deemed necessary. Where this is not practical, e.g. due to limited suppliers, it must be noted through records relating to the process.

The general principles for obtaining verbal quotations are:

- Ensure that the requirement / specification is clearly understood by the Local Government employee seeking the verbal quotations.
- Ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote.
- Read back the details to the Supplier contact person to confirm their accuracy.
- Written notes detailing each verbal quotation must be recorded.

Record keeping requirements must be maintained in accordance with record keeping policies.

2.3.6.3 \$50,001 to \$249,999

For the procurement of goods or services where the value exceeds \$50,001 but is less than \$249,999, it is required to obtain at least three written quotations containing price and a sufficient amount of information relating to the specification of goods and services being purchased.

Record keeping requirements must be maintained in accordance with record keeping policies.

For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

2.4 REGULATORY COMPLIANCE

Policy Reviewed by Council 17 June 2022

2.4.1 Tender Exemption

In the following instances public tenders or quotation procedures are not required (regardless of the value of expenditure):

- An emergency situation as defined by the Local Government Act 1995.
- The purchase is under a contract of WALGA (Preferred Supplier Arrangements), Department of Treasury and Finance (permitted Common Use Arrangements), Regional Council, or another Local Government.
- The purchase is under auction which has been authorised by Council.
- The contract is for petrol, oil, or other liquid or gas used for internal combustion engines.
- Any of the other exclusions under Regulation 11 of the Functions and General Regulations apply.

2.4.2 Sole Source of Supply (Monopoly Suppliers)

The procurement of goods and/or services available from only one private sector source of supply, (i.e. manufacturer, supplier or agency) is permitted without the need to call competitive quotations provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources must be made. Written confirmation of this must be kept on file for later audit.

Note: The application of provision "sole source of supply" should only occur in limited cases and procurement experience indicates that generally more than one supplier is able to provide the requirements.

2.4.3 Anti-Avoidance

The Local Government shall not enter two or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of \$150,000, thereby avoiding the need to publicly tender.

2.4.4 Tender Criteria

The Local Government shall, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted.

An evaluation panel is to be established, consisting of at least three elected members, prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase.

2.4.5 Advertising Tenders

Tenders are to be advertised in a statewide publication e.g. "The West Australian" newspaper, Local Government Tenders section, preferably on a Wednesday or Saturday.

The tender must remain open for at least 14 days after the date the tender is advertised. Care must be taken to ensure that 14 **full** days are provided as a minimum.

The notice must include;

- a brief description of the goods or services required.
- information as to where and how tenders may be submitted.
- the date and time after which tenders cannot be submitted.
- particulars identifying a person from who more detailed information as to tendering may be obtained;
- detailed information shall include;
 - such information as the Shire of Northampton decides should be disclosed to those interested in submitting a tender.
 - detailed specifications of the goods or services required.
 - the criteria for deciding which tender should be accepted.
 - whether or not the Shire of Northampton has decided to submit a tender; and
 - whether or not tenders can be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted.

2.4.6 Issuing Tender Documentation

Tenders will not be made available (counter, mail, internet, referral, or other means) without a robust process to ensure the recording of details of all parties who acquire the documentation.

This is essential as if clarifications, addendums or further communication is required prior to the close of tenders, all potential tenderers must have equal access to this information in order for the Shire of Northampton not to compromise its Duty to be Fair.

2.4.7 Tender Deadline

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

2.4.8 Opening of Tenders

No tenders are to be removed from the tender box, or opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened in the presence of at least two employees of Council, or one employee and at least one person authorised by the CEO to open tenders. The details of all tenders received and opened shall be recorded in the Tenders Register.

Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as *commercial-in-confidence* to the Local Government. Members of the public are entitled to be present.

The Tenderer's Offer form, Price Schedule and other appropriate pages from each tender shall be date stamped and initialled by at least one of the Local Government Officers present at the opening of tenders.

2.4.9 No Tenders Received

Where the Local Government has invited tenders, however no compliant submissions have been received, direct purchases can be arranged on the basis of the following:

- a sufficient number of quotations are obtained.
- the process follows the guidelines for seeking quotations between \$20,000 & \$149,999 (listed above).
- the specification for goods and/or services remains unchanged.
- purchasing is arranged within 6 months of the closing date of the lapsed tender.

2.4.10 Tender Evaluation

Tenders that have not been rejected shall be assessed by the Local Government by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

2.4.11 Addendum to Tender

If, after the tender has been publicly advertised, any changes, variations or adjustments to the tender document and/or the conditions of tender are required, the Shire of Northampton may vary the initial

information by taking reasonable steps to give each person who has sought copies of the tender documents notice of the variation.

2.4.12 Minor Variation

If after the tender has been publicly advertised and a successful tenderer has been chosen but before the Shire of Northampton and tenderer have entered into a Contract, a minor variation may be made by the Local Government.

A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided for by the initial tender.

2.4.13 Notification of Outcome

Each tenderer shall be notified of the outcome of the tender following Council resolution. Notification shall include:

- The name of the successful tenderer
- The total value of consideration of the winning offer

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process.

2.4.14 Records Management

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- Tender documentation.
- Internal documentation.
- Evaluation documentation.
- Enquiry and response documentation.
- Notification and award documentation.

For a direct purchasing process this includes:

- Quotation documentation.
- Internal documentation.
- Order forms and requisitions.

Record retention shall be in accordance with the minimum requirements of the State Records Act, and the Shire of Northampton internal records management policy.