

**17.1 LATE ITEM - LOADER PROCUREMENT**

<b>File No:</b>	<b>PL.19</b>
<b>Responsible Executive Officer:</b>	<b>Director Strategic Projects &amp; Infrastructure</b>
<b>Reporting Author:</b>	<b>Fleet &amp; Plant Coordinator</b>
<b>Date of Report:</b>	<b>15 April 2020</b>
<b>Applicant/Proponent:</b>	<b>Nil</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s)</b>	<b>Confidential Evaluation Report</b>

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**PURPOSE**

For Council to consider the quotations for the Supply & Delivery of a loader for the 7 Mile Waste Disposal Facility (7MWDF) offered under RFQ 44-19/20.

**BACKGROUND**

As per Council's ten (10) year plant replacement program, the Wheeled Loader at the 7MWDF, identified as plant number P8016, has been recognised due for replacement based on age and utilisation.

An allocation of \$300k has been included in the 2019/20 Budget for this procurement.

Specifications for the replacement machine (a CCF Class, 4 wheel loader, operating capacity >4000kg <5000kg) were developed in consultation with the Waste Services and Fleet & Plant Services teams. Request for Quotations were called from the WALGA Preferred Supplier Panel.

Advertisement was opened on 6 March 2020 and closed 20 March 2020.

Four (4) submissions were received by the closing date from:

- Westrac Pty Ltd – Caterpillar 930K
- Komatsu Australia Pty Ltd – Komatsu WA270
- CJD Equipment – Volvo L70F
- CJD Equipment – SDLG LG938L

A three (3) person panel evaluated the quotations as follows:

- Fleet & Plant Coordinator
- Fleet & Plant Supervisor
- Waste Services Operations Coordinator

The quotations were first assessed for compliance with the RFQ documents and then assessed against the qualitative criteria that were weighted.

The criteria and associated weightings were:

<b>Criteria</b>	<b>Weighting</b>
Price	50%
Mechanical & Operational Assessment	25%
Whole of Life Costs	25%

The Regional Price Preference Policy was not applied, as no suppliers are locally based.

A copy of the Evaluation Report is contained within the confidential section of the agenda.

### **LEVEL OF SIGNIFICANCE**

In accordance with Council Policy CG-8 Significant Decision Making Policy, this matter is considered to be of low significance in terms of Council's ability to perform its role.

### **COUNCILLOR/OFFICER CONSULTATION**

Consultation has taken place between panel members in analysing the content of each submission.

### **COMMUNITY CONSULTATION**

No community consultation is required.

### **STATUTORY IMPLICATIONS**

The Request for Quotations were called in accordance with Section 3.57 of the *Local Government Act 1995* and specifically, Regulation 11(2)(b) of the *Local Government (Function and General) Regulations 1996*.

### **POLICY IMPLICATIONS**

The CG 12 Purchasing Policy is applicable as it provides for the purchasing threshold requirements to be waived where the purchase is from a pre-qualified supplier on the WALGA Preferred Supplier Program. Council are required to award a contract where the consideration involved exceeds the CEO's delegation of \$300k (excl. GST).

### **FINANCIAL IMPLICATIONS**

An allocation of \$300k has been included in the 2019/20 Budget for this procurement. Procurement is funded from the Council's Waste Reserve.

The recommended quotation is slightly over the estimated quote (less than 3%). If Council agree to award the contract to the preferred supplier, this variance will be addressed at the Final Forecast Review.

### **STRATEGIC IMPLICATIONS**

This item is relevant to the Council's approved Strategic Community Plan 2016-2026 and Corporate Business Plan 2016-2021. In particular, the Operational Plan 2019-2020 provided for this activity:

Programs/Services: 4.c.1.6 Fleet and Plant Management

### **RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	Low	OSH- The loader incorporates an ergonomically designed cabin, including air suspension seats to provide support on rough terrain and dampen machine vibrations.
Financial	Low	Replacement of the existing machine at its optimum lifecycle will reduce likelihood of increased operating costs e.g. fuel burn, repairs & maintenance. Resale of existing machine will also be more competitive if sold before machine hours increase.

Service Interruption	Moderate	Keeping the existing wheeled loader beyond optimum replacement timeframe will increase likelihood of critical breakdown and associated downtime.
Environment	Low	The Komatsu engine is the sole respondent that is EPA Tier 4 Final emissions certified, which reduces fuel consumption, while maintaining performance.
Reputation	N/A	Nil
Compliance	N/A	Nil

### IMPACT ON CAPACITY

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

### RELEVANT PRECEDENTS

Council regularly purchases large plant & equipment for its operations as per its 10-year Plant & Fleet Replacement program.

### VOTING REQUIREMENTS

Simple Majority.

### OPTIONS:

#### Option 1

As per Officer's recommendation.

#### Option 2

That Council by SIMPLE Majority pursuant to Section 3.57 of the *Local Government Act 1995* RESOLVES to PROPOSE a substitute supplier.

#### Option 3

That Council by SIMPLE Majority pursuant to Section 3.57 of the *Local Government Act 1995* RESOLVES to NOT PROPOSE a substitute supplier at this time.

### CONCLUSION

The Evaluation Panel believes that the recommended WALGA Preferred Supplier provides the best outcome for Council based on capacity to deliver the required machine specifications, whole of life costings and purchase price.

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### OFFICER'S RECOMMENDATION

That Council by SIMPLE Majority pursuant to Section 3.57 of the *Local Government Act 1995* RESOLVES to AWARD the contract to Komatsu Australia Pty Ltd ABN 71 143 476 626 based on the assessment of the compliance criteria, qualitative criteria and pricing structures offered under RFQ 44-19/20 – Supply & Deliver One (1) NEW CCF Class 4 Wheel loader, operating Capacity > 4000kg < 5000kg, as contained in the confidential attachment to this report.