

ITEM NO: 4

SUBJECT: TENDER – SUPPLY AND DELIVERY OF TWO DOMESTIC WASTE CAB CHASSIS AND COMPACTOR UNITS CONTRACT WS V2 2008

FILE NO: 09/112468

Management Plan Link

Principal Activity: Looking After Environment

Service: Waste

Project: This report does not relate to a Management Plan project

Recommendations:

1. That Council accept the tender submitted by Iveco Trucks Australia Ltd for 194 kW trucks fitted with MacDonald Johnston Engineering Company Pty Ltd (MK5) 22m3 side loading compaction bodies at a unit cost of \$335,348.61 (GST exclusive). Total cost of \$670,697.22 excluding GST; and

2. That the two replaced vehicles be disposed of through Public Auction.

Report by Group Manager, BM City Services**Introduction**

This tender involves the purchase of two domestic waste collection vehicles (0964 and 0963) that are currently due for replacement. Waste collection vehicles are programmed for replacement on a 5-year cycle. This timetable has been found to be the best option for Council for the following reasons:

- Optimum resale value;
- Minimum maintenance costs;
- The harsh nature and reliability requirements of the work; and
- The style of equipment.

Tender Evaluation

A Tender Assessment Panel consisting of the Fleet and Supply Officer, Team Coordinator-Waste Collection, Mechanical Services Section Leader and the OH&S Officer (selected as the independent) was established to evaluate the Tender submissions. The panel declared no pecuniary or non-pecuniary interest and a commitment to maintain confidentiality of all information reviewed, discussions held and decisions made by them.

The Panel short listed cab chassis models and compaction systems based on a weighted assessment of the published criteria for final consideration and review. The weightings established and adopted by the panel are detailed:

Selection Criteria for Cab Chassis including compaction body.	Weighting (%)
Satisfaction of Occupational Health & Safety Act Principles	15
Conformity with Specification	10
Demonstrated product reliability and warranty and compatibility with existing fleet	25
Proven supplier performance.	10
Net Tender price.	40

Minutes of the meetings held, together with relevant assessment summary spreadsheets and inspection reports are also available to Councillors on file.

The key areas of investigation and consideration included:

- Physical inspections of the cab chassis and compaction bodies;
- Assessment of operational issues affecting drivers such as cabin access, equipment, turning circles, etc;
- Assessment of the performance of current equipment used by Council compared to the tendered equipment;
- Examination of the environmental impact, including operational noise and safe working systems; and
- Ability of each of the tenders to carry out the work required which is best suited to council's requirements.

Given the long lead time with this tender, it is expected that there may be minor rise and fall variations to the tendered prices which will not affect the relative price ranking.

Tenderer – Cab Chassis and Compaction Body	Location	Model(s)	Unit Price (ex. GST)	Weighted score
1. Volvo Truck and Bus, MacDonald Johnston Body	Chullora NSW	Volvo FEE 6x4	\$333,829.00	69.95
2. Adtrains Hino with MacDonald Johnston Body	Camden NSW	FM 2630 Auto	\$320,950.68	74.36
3. City Hino with MacDonald Johnston Body	Guildford NSW	FM 2630 Auto	\$314,249.43	76.00
4. Iveco Trucks Australia, Arndell Park with MacDonald Johnston Body	Arndell Park NSW	2350G 194 kW	\$335,348.61	76.28
5. Iveco Trucks Australia, Arndell with Superior Pak Body	Arndell Park NSW	2350G 194 kW	\$331,082.37	76.26
6. Iveco Trucks Australia, Arndell Park with MacDonald Johnston Body	Arndell Park NSW	2350G 235 kW	\$339,346.42	74.51

Tenderer – Cab Chassis and Compaction Body	Location	Model(s)	Unit Price (ex. GST)	Weighted score
7. Iveco Trucks Australia, Arndell Park with Superior Pak Body	Arndell Park NSW	2350G 235 kW	\$335,803.42	75.13
8. Suttons Motors Arncliffe with MacDonald Johnston Body	Arncliffe NSW	Isuzu FVR 1400 Auto	\$321,647.00	75.88

The Panel examined all tenders and evaluated each in respect to application of their operational and industry knowledge in respect to the evaluation criteria.

Following the review of all tenders the Panel narrowed the selection to City Hino and Iveco Trucks Australia, Arndell Park for the supply of the cab chassis and MacDonald Johnson Engineering, Wetherill Park for the compaction units. This was to enable a more detailed analysis of the tender documents and their associated benefits.

The Panel excluded the proposal from Adtrains as it was the same combination as submitted by City Hino with a higher tender price.

In evaluating the tender submissions the panel deemed that the higher powered Iveco provided increased fuel consumption, higher purchase price and was not required to meet the current operational needs. Suttons Arncliffe and Volvo Australia were considered to provide a lower level of conformance to O.H. & S. requirements and the ability to provide a high level of service. These areas plus their compatibility with Council's existing fleet resulted in a lower overall rating when evaluated against the tender's selection criteria.

City Hino provided the lowest tendered price. The panel identified a lower level of conformance to BMCC O.H. & S. requirements and under the tendered vehicle specifications, the ability to provide a high level of reliability. These areas and its compatibility with Council's existing fleet led it to have a lower overall rating under the evaluation criteria. In addition the Panel also examined the benefits associated with the pendulum compactor tendered by Superior Pak. While this also was the lowest tendered price, concern in product support, non-conformity with existing equipment and reliability led to its lower ranking in the evaluation criteria. The evaluation sheets are available on file.

At the conclusion of the evaluation, weightings identified MacDonald Johnston Engineering, Wetherill Park as the preferred supplier for the Compaction unit and Iveco Trucks Australia, Arndell Park as the preferred supplier of the cab chassis.

The *Iveco 194 kW* cab chassis and the *MacDonald Johnston* compaction system were selected, based on the current MacDonald Johnston equipment in the Council fleet; this system is seen to be the most appropriate and uses the best compaction/waste system for this service.

Sustainability Assessment (Triple Bottom Line Reporting):

Effects	Positive	Negative
Environmental	Vehicles chosen meet the latest Euro 4 emissions standards	Nil
Social	Better reliability for collection of waste	Nil
Economic	Nil	Nil

Financial implications for the Council

This purchase is funded from the Domestic Waste Management Program, and funds are available in the Domestic Waste Management Restricted Asset account, to be drawn during the 2009/2010 financial year.

Legal and risk management issues for the Council

The tender process has been conducted in accordance with Council procurement policies. The Tender Review Committee has reviewed the tender procedures and is satisfied as to the fairness of the process and that the process has complied with policies. There are no identified legal or risk management issues related to this matter.

External consultation

No external stakeholder consultation was undertaken.

Comment by Tender Review Committee

The Tender Review Committee has reviewed the Tender procedures and is satisfied as to the fairness of the process.

Conclusion

The Panel resolved that the *International IVECO 2350G* cab chassis supplied by Iveco Trucks Australia and the *MacDonald Johnston Gen V 22m3* compaction body supplied by MacDonald Johnson Engineering, Wetherill Park be recommended at a combined cost of \$335,348.61 per unit (excluding GST).

Additionally, the disposals of the replaced vehicles are to be via public auction, as this will provide a better opportunity to improve the return on Council's asset.

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