

15.1 Acquisition of garbage compaction units (RFQ11055)

This report is seeking Council approval for the purchase of two robotic arm collection vehicles (RACV) as part of the 2011–12 Plant Replacement Schedule and in accordance with Request for Quotation (RFQ 11055).

This is information seeking Council direction.

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File reference:	Nil
Attachments:	Tenders and Contract Management System (TCMS) Evaluation (3 page)

1 Executive summary

1.1 Topic

This report is seeking Council approval for the purchase of two robotic arm collection vehicles (RACVs) as part of the 2011–12 Plant Replacement Schedule and in accordance with RFQ 11055.

1.2 Context

A non-confidential report has been included on the agenda providing details in relation to the proposed replacement of two RACVs.

The pricing was received through the Request for Quote process and assessed through council's Contract Management System (CMS) on RFQ 11055.

1.3 Suggested outcome

The acquisition of two RACVs garbage compaction units.

2 Recommendation(s)

1. That

- a. **under the provisions of Section 90(2) of the *Local Government Act 1999* an Order be made that the public be excluded from attendance at the meeting in order to consider in confidence this item.**
- b. **That Council is satisfied that it is necessary that the public be excluded to enable Council to consider the report at the meeting on the following grounds:**

Section 90(3)(k) tenders for the supply of goods, the provision of services or the carrying out of works

The Council is satisfied that it is reasonably foreseeable that the public disclosure or discussion of the information at the meeting may:

- **prejudice the commercial position of the companies that supplied the information; or**
- **confer a commercial advantage on a third party; or**
- **prejudice any ongoing negotiations with the preferred supplier**

potentially causing damage to the interests of the Council.

- c. **accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information or discussion confidential.**
2. **That Council award the Tender proposed by North East Isuzu Adelaide SA for two (2) Isuzu FVZ 1400 cab/chassis fitted with two (2) Superior Pak side loading compactor bodies in response to RFQ 11055 as:**
 - **it passed mandatory criteria;**
 - **the evaluation panel showed a preference, after testing, for the operation of the Superior Pak unit; and**
 - **it presented a commercially acceptable offer.**
3. **That the offer proposed by North East Isuzu Adelaide SA of a gross cost of \$718,885.09 with a trade in of \$105,000 giving a combined net cost of \$613,885.09 (including GST) is accepted.**
4. **That Council delegate authority to the Chief Executive Officer to sign all required documentation to finalise the contract (and authorise all expenditure in relation to that contract) with North East Isuzu Adelaide SA for the acquisition of two (2) Isuzu FVZ 1400 cab/chassis fitted with two (2) Superior Pak side loading compactor bodies.**
5. **That an Order be made under the provisions of Section 91(7) and (9) of the *Local Government Act 1999* that the abovementioned document (or part of such document) including the minutes and the report of the Council relating to discussion of the subject matter of that document with the exception of part 2 of the recommendation and resolution, having been dealt with on a confidential basis under Section 90 of the Act, should be kept confidential on the grounds of information contained in 90(3)(k) until the tendered goods have been purchased.**

Key factors

3 Discussion

3.1 Current units

Council currently operates 14 waste compaction units with bodies built by MacDonald Johnston Engineering.

With regard to RACV cab/chassis, we currently operates 5 Hino and 9 Isuzu (most recent purchases). The council has found the Isuzu cab/chassis to be reliable and effective with good parts supply and well supported service provision.

3.2 Procurement process

This process was undertaken through Local Government Corporate Services (LGCS) which access the Local Government National Procurement Network managed by Local Buy Contract No BUS 198-0410.

The Contracts, tenders and purchasing policy, contains the following:

7.2 Standing exemptions

Use of approved standing exemptions means that purchases can be made without seeking quotations or tenders by use of eligible standing exemption contracts including those which are administered by the following:

- *G6 Purchasing Group*
- *Procurement Australia*
- *South Australian Government*
- *Local Government Corporate Services*

Following the approval process a Request for Quotation (RFQ) was sent to LGCS. The RFQ went to Isuzu, Hino and Iveco, for the supply of two RACVs with the alternative of MacDonald Johnston bodies and Superior Pak bodies.

The two RACV body manufacturers being the only ones to have previously tendered and the only potential suppliers with a presence in South Australia.

The three RACV cab/chassis potential suppliers were limited to those which are currently used by the council and are the only potential suppliers with RACVs operating in South Australia.

A summary schedule of the submitted price is shown below.

Tenderer	Item	Engine	2 X RACV excluding GST	2 X RACV including GST
North East Isuzu	Isuzu FVZ1400 with MacDonald Johnston Engineering Gen V body	Isuzu Sitec Series 3 295 6HK1-TCS, 221Kw, 7.790 litres	\$654,922.00	\$720,414.20
North East Isuzu	Isuzu FVZ1400 with Superior Pak body	Isuzu Sitec Series 3 295 6HK1-TCS, 221Kw,	\$653,531.90	\$718,885.09

Tenderer	Item	Engine	2 X RACV excluding GST	2 X RACV including GST
		7.790 litres		
Adelaide Iveco	Iveco Acco 2350G with MacDonald Johnston Engineering Gen V body	Cummins ISC-05, 8 litres	non-conforming	non-conforming
Adelaide Iveco	Iveco Acco 2350G with Superior Pak body	Cummin ISC-05, 8 litres	non-conforming	non-conforming
CMI-Hino	Hino 500 Series FM2630 with MacDonald Johnston Engineering Gen V body	Hino A09C TT 221Kw, 8.866 litres	\$652,490.13	\$717,739.14
CMI-Hino	Hino 500 Series FM2630 with Superior Pak body	Hino A09C TT 221Kw, 8.866 litres	\$651,332.03	\$716,465.23

The pricing does not include the 'trade in' offered against the existing units being replaced.

3.3 Evaluation

Responses were assessed in accordance with the administrative Procurement Procedure. This procedure requires that responses are assessed by an evaluation panel using a weighted matrix to rank the responses in order of preference.

This process was overseen by the Supply Section. The panel included representatives from Plant and Fleet as well as RACV operators and the Waste Management section.

The responses were assessed for compliance to the specification for functional capabilities, as well as specific prescriptive requirements.

The pre-determined evaluation criteria applied incorporated price, functionality including operator testing, safety and workshop assessment. After sales service and the ability to deliver are also assessed.

Superior Pak provided a compaction unit on an Iveco cab/chassis, which facilitated the compaction body evaluation.

We are currently operating Isuzu cab/chassis with MacDonald Johnston RACV bodies with the same specification to those offered and we were therefore able to carry out comparative assessments on the body and cab/chassis.

CMI Hino did not provide an evaluation unit, with either RACV bodies to be assessed, however this did provide a cab/chassis of a different model and size with

a standard non-modified (twin steer) cab. We therefore were restricted in the opportunity to carry out a full assessment of the cab/chassis offered.

The Adelaide Iveco submission did not meet council's cab/chassis specification and was deemed non-compliant.

The attached Tenders and Contract Management System report includes the results of the evaluation process that took into account all assessment criteria including price. As a result of this evaluation the preferred supplier is North East Isuzu with the Superior Pak body.

Council currently own and operate 38 Isuzu trucks of various light to heavy applications including a rear loading compaction unit and in particular nine RACVs with the dual steer conversion. We have experienced very good results with these vehicles.

MacDonald Johnston RACV bodies have proven to be both reliable and effective. The Superior Pak unit, when trialled was assessed to perform to a higher standard with respect to a smoother bin lifting operation and more efficient packing action. It has less moving parts and showed greater ease of maintenance.

The Superior Pak unit has undergone significant development and testing over the past few years and existing users have confirmed its performance and maintenance requirements.