

Management report to Council

Agenda item 6.3

Vehicle Towing and Impound Services - 3585

Council

Presenter: Linda Weatherson, Director City Operations

24 September 2019

Purpose and background

1. The purpose of this report is to award a contract for the provision of Vehicle Towing and Impound Services for three years with two, two year extension options.
2. The invitation to tender contained three options in order to obtain a greater number of responses;
 - 2.1. Option 1 - Clearway and special event towing including the operations of an impound service.
 - 2.2. Option 2 - Abandoned and unregistered vehicle towing and Impound service.
 - 2.3. Option 3 – Options 1 and 2 combined.
3. The current contractor is Nationwide Towing & Transport Pty Ltd for the full service (Options 1 and 2 combined).
4. The current tender expires on 16 November 2019 and costs \$1.7 million per annum. The tender was advertised in 'The Age' newspaper on Saturday 6 July 2019. One tender submission was received for options 1 and 2 and one tender submission was received for option 2. All tenders were compliant.
5. The weightings of the evaluation criteria declared in the Invitation to Tender documents were:
 - Option 1: Cost (55 per cent), Plan for Proposed Services (10 per cent), Experience, Capability and Past Performance (15 per cent) and Occupational Health and Safety (5 per cent), Corporate Social Responsibility (5 per cent), Quality Assurance (5 per cent), Compliance to General Conditions of Contract (5 per cent)
 - Option 2: Cost (40 per cent), Plan for Proposed Services (10 per cent), Experience, Capability and Past Performance (10 per cent) and Occupational Health and Safety (5 per cent), Corporate Social Responsibility (30 per cent), Quality Assurance (5 per cent).
6. Council charges a fee for the release of vehicles impounded. This fee covers the cost of this contract, plus the administration costs incurred by Council.

Key issues

7. There was only one tender response for provision of both options. A response was received for option two only from a second company however this lacked the scalability to incorporate the requirements and volume of City of Melbourne. The key consideration in evaluation was continuation of the abandoned and unregistered vehicle towing and impound service.
8. There were no tenderer interviews carried out.
9. The cost to Council of appointing the recommended tenderer is \$1.7 million per year. The initial contract period of three years totals \$5.1 million. The contract extension periods of two years plus two years, total \$3.4 million per extension period.
10. The preferred tenderer is being recommended as they have a proven track record of delivering the services to multiple clients, including City of Melbourne, Victoria Police and other Victorian Councils.

Recommendation from management

11. That Council awards the contract for the provision of Vehicle Towing and Impound Services to Nationwide Towing Group Pty Ltd for a term of three years commencing 17 November 2019 with an option to extend the contract term by up to a further four years (two options of two years each) in accordance with the submitted schedule of rates for an estimated cost of \$5.1m for the three year initial term and otherwise in accordance with the negotiated terms and conditions of contract.

Attachments:

1. Supporting Attachment (Page 2 of 3)

Supporting Attachment**Legal**

1. Pursuant to section 186 of the *Local Government Act 1989* (Vic), before a Council enters into a contract for the purchase of goods or services to the value of \$150,000 or more (levels increased by Order in Council dated 7 August 2008), the Council must give public notice of the purpose of the contract and invite tenders from persons wishing to undertake the contract.

Finance

2. The forecasted vehicle numbers calculated using the schedule of rates, gives a contract cost of \$1.7 million, with City of Melbourne vehicle release fees creating a cost neutral service.

Procurement

3. This matter accords with the Centre Led Procurement Policy and Procedures.

Tender evaluation summary

4. The membership of the tender evaluation panel was as follows.

Title and/or company	Generalist or Nominated Speciality	Full / Advisory Member
Compliance Coordinator, CoM	Specialist – On Street Compliance	Full
Program Manager Compliance - OSC, CoM	Specialist – On Street Compliance	Full
Business Partner – F&P, CoM	Specialist - Finance	Full
Financial Analysis Officer – F&P, CoM	Specialist – Finance	Full
Commercial Portfolio Manager – F&P, CoM	Probity - Chair	Advisory

5. The summary of final scoring for the conforming tenderer is shown below:

Summary of final scoring				
Company	Price <i>(Refer to Note 1)</i>	Financial score <i>(Refer to Note 2)</i>	Non-financial score	Total score
Nationwide Towing Group Pty Ltd	\$5,100,000	47.5	43.6	91.1
Tenderer B		32	28.5	60.5

Note 1: this price applies to the schedule of rates by estimated volumes for Years 1, 2 and 3.

Note 2: this score includes an assessment of both lump sum pricing and schedules of rates.

Conflict of interest

6. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Health and Safety

7. The respondent noted that they have a strong commitment to Health, Safety, Environment & Quality and maintains accreditation to the AS4801, ISO14001 and ISO9001 standards for its Health, Safety, Environment & Quality (HSEQ) Management systems nationally. Nationwide has held accreditation to Safety and Quality standards since 1996 and recently gained Environment certification.

Other policy and procedures that the successful tenderer included were:

- Fatigue Management Policy
- Safety Critical Elements
- HSE Team
- HSE Committee
- Health & Safety Accountabilities
- Tow Truck Operator (TTO) Trainers
- TTO Training
- Safe Work Procedures (SWPs)
- Driver Safety and Skills Assessments (DSSAs)
- Personal Protective Equipment (PPE)
- Pre-start checks
- Site Safety Assessment
- In-Truck Cameras
- Safety Alerts

Stakeholder consultation

8. The tender was advertised in The Age on Saturday 6 July 2019.

Corporate social responsibility

9. The tenderers were asked to include details of Corporate Social Responsibilities in the provision of the service.

- 9.1. Aboriginal & Torres Strait Islanders strategies.

The respondent noted that they encourage and offer equal employment opportunities to all members of the community.

- 9.2. Environmental.

The respondent noted that environmental performance data will be provided and greenhouse gas emissions will be offset.

- 9.3. Local goods and services.

The respondent noted their service is 99% locally manufactured as the business requires local equipment, businesses and staff to support the daily operations of the impound facility.