

**ITEM 7. SSROC TENDER - SUPPLY AND DELIVERY OF COPY PAPER**

**FILE NO: S071260**

**TENDER NO: 08-06**

**SUMMARY**

The Southern Sydney Regional Organisation of Councils (SSROC) copy paper agreement 2006/09 has expired. SSROC is an association of fifteen municipal and City Councils in the southern area of Sydney. SSROC provides a forum for the councils to deal with common issues, particularly those that cross boundaries and achieve economies of scale. Key issues include procurement, planning, environment, transport, sustainability and waste management.

As part of the SSROC's Supply Management Group's work plan for 2008/2009, the Group identified that a continuing agreement for the supply of copy paper would be beneficial to all member Councils in terms of cost savings and meeting the green initiatives of the member Councils.

The tender process was facilitated by SSROC with the City of Sydney involved in the assessment of the tenders.

**RECOMMENDATION**

It is resolved that

- (A) Council endorse the selection of company 'A' for the supply of Copy Paper; and
- (B) Tender Evaluation Summary and Schedule of Prices, being Attachments A and B respectively to the subject report, remain confidential in accordance with Section 10A(2)(d) of the Local Government Act 1993.

**ATTACHMENTS**

**Attachment A:** Tender Evaluation Summary (Confidential)

**Attachment B:** Schedule of Prices (Confidential)

## **BACKGROUND**

1. The City of Sydney is a member of the Southern Sydney Regional Organisation of Councils (SSROC), an association of 15 local Council's established in 1986.
2. One of SSROC's roles is to act as a facilitator of joint venture procurement activities to enable individual councils to benefit from the available economies of scale.
3. The current SSROC copy paper agreement has expired.
4. The SSROC tender evaluation panel agreed that environmental issues were a major policy consideration for Member Councils, and this is reflected in the weighted scoring. The panel also agreed that a person with particular expertise in this area would benefit the evaluation process and invited the City of Sydney Environmental Projects Manager to join the evaluation team.
5. The tender is for a two (2) year period with an optional one (1) year extension based on performance and competitiveness.
6. The tender period was extended by three weeks to facilitate an addendum addressing environmental criteria.

## **INVITATION TO TENDER**

7. The tender was advertised on Tuesday 2 December 2008.
8. Tenders closed at 2.30pm on Wednesday 28 January 2009 at Woollahra municipal administration office on behalf of SSROC.

## **TENDER SUBMISSIONS**

9. A total of 6 submissions were received:
  - Aushen Corporate Merchandise Pty. Ltd
  - Complete Office Supplies
  - Corporate Express Australia Ltd
  - Fuji Xerox Pty. Ltd
  - OfficeMax Australia Ltd
  - Paper & Printing Direct Pty. Ltd

## **TENDER EVALUATION**

10. The Tender Evaluation Panel was comprised of representatives from the following councils: Woollahra, Waverly and City of Sydney.
11. No pecuniary interests were noted by members of the panel.
12. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.

13. All submissions were assessed in accordance with the approved evaluation criteria being:
  - (a) competitive pricing;
  - (b) delivery and performance standards;
  - (c) environmental considerations;
  - (d) specification;
  - (e) Occupational Health & Safety (mandatory); and
  - (f) insurances (mandatory).
14. Fourteen (14) items were included in the tender schedule, with the lowest price in each group receiving the maximum weighted score for the price criteria.
15. Four (4) tender items, A3 and A4 house brand bond 80 gsm white virgin pulp/unspecified recycled, and A3 and A4 house brand bond 80 gsm 100% recycled (post consumer waste), did not receive any responses and were not included in the evaluation. The conclusion is that the requested items are not currently available in the market. The evaluation was carried out on the remaining ten (10) items.
16. Prices were requested for quantities over one (1) pallet and less than one (1) pallet. There were little or no price benefits for quantities over one pallet, therefore the comparisons were carried out on quantities less than one (1) pallet only.
17. The tender considered the contract performance issues such as order fill, reporting systems, lead times and buffer stock levels.
18. Consideration was given for ability of paper(s) for high speed copying without jamming or curling in conjunction with meeting the archival requirements for public records.
19. Environmental considerations are examined as part of a dedicated section within this report.

#### **TENDER EVALUATION – ENVIRONMENTAL**

20. No submission included a 100% recycled, post consumer waste, Australian produced paper. Paper manufactured from mill off-cuts is not post consumer waste and was scored accordingly.
21. Environmental considerations were addressed through three (3) main areas: a questionnaire, the certification of the submissions and the source of the product.
22. The questionnaire examined whether companies who made a submission had an environmental policy and / or plan. Tenderers were asked to provide details of commitment to minimising their environmental impact. Examples such as carrying out carbon audits, formation of environmental management committees or attaining ISO 14001 accreditation were seen to address these criteria.

23. Tenderers were asked to provide details of their greenhouse reduction program. A commitment to carbon reduction targets and audits carried out by the Carbon Reduction Institute were solutions sought by the panel.
24. Tenderers were asked to show their commitment to a recycling program and give examples of other environmental initiatives they have undertaken. Appropriate responses included the recycling of pallets and packaging, utilization of LPG vehicles, green power for company buildings and sponsorship of environmental agencies.
25. Tenderers were asked to give details of their source of pre and post consumer waste, the carbon value of the products (amount of CO2 produced per kg) and the bleaching process used. A preference was given for process chlorine free (PCF) paper that contains post consumer recycled fibre processed without the use of any additional chlorine or chlorine compounds and elemental chlorine free (ECF) paper produced without the use of elemental chlorine.
26. Tender submissions were evaluated for carbon footprint based on the region their product originated. Paper from Australia scored highest, followed by South East Asia, South Africa and Europe in descending scoring order based on distance the product travelled.
27. A number of packaging considerations were sought – does the Tenderer have a policy on its packaging, does the Tenderer identify the materials used in their packaging, is the packaging made from re-cycle content and is plastic or wax present in the packaging ?
28. All these criteria were weighted and scored accordingly.
29. Tenderers were requested to provide details of certification for sourcing of raw materials. Tenderers that specified a Forest Stewardship Council (FSC) certification were given scoring preference over those that specified ISO 14001. FSC is a stakeholder owned system for promoting responsible management of the world's forests. FSC sets international standards for responsible forest management and practices while ISO 14001 relates more to the accreditation of the environmental management system at the organizational level.
30. Nuclear power was not used in the manufacture of the preferred tenders product range.

#### **PERFORMANCE MEASUREMENT**

31. The contract will be let for a period of two (2) years with an option to extend for a further one (1) year subject to satisfactory performance.
32. Review of supplier performance will be carried out periodically during the duration of the agreement.

#### **BUDGETARY IMPLICATIONS**

33. The City's 2008/09 budget and forward estimates contains sufficient funding for procuring copy paper products.

**RELEVANT LEGISLATION**

34. Information provided by tenderers, which is commercial-in-confidence, has been protected and will not be disclosed in accordance with section 10A(2)(d) of the Local Government Act 1993. A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer.

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