



Request For Tender (RFT) 2021.2

Harvest and Haulage Services Central & Benalla/Mansfield FMA's

13 September 2021

This RFT consists of the following parts:

Part A General Information

Part B Scope of Work

Part C Tender Process and Conditions

Part D RFT Attachments

Tenderers are advised to rely only on the information provided in, attached to or incorporated by reference into this Request for Tender document (as amended from time to time) as well as the formal clarification process described in **Section 7.2**. All other information either in writing or verbal provided by VicForests or its consultants are to be disregarded and not in any way to be relied upon in the preparation of Tenders.

Please Register in accordance with Section 2.4

The Closing Time for the lodgement of Tenders is 5 pm Thursday, 30 September 2021.

**All communications relating to the RFT must be directed to the Tender Manager via email:
vfs.woodsupply@vicforests.com.au**

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1. Documentation

1.1 RFT Attachments

The following attachments form part of this RFT:

Attachment A1 Local Jobs First Policy

Attachment A2 Local Industry Development Plan template

Attachment A3 Local Jobs First Policy Supplier Guidelines

Attachment A4 Supplier Code of Conduct

Attachment B1 Harvest Agreement (Draft)

Attachment B2 Haulage Agreement (Draft)

Attachment B3 Linked Harvest Agreement (Draft)

Attachment B4 Linked Haulage Agreement (Draft)

Attachment B5 Harvest and Haulage Agreement (Draft)

Attachment B6 Harvesting and Regeneration Systems

Attachment B7 Interim Variable Retention Harvest Add on Rates

Attachment B8 Utilisation Procedures

Attachment C1: Response Forms 1 to 11

Attachment C2: Response Form 12 - Supplier Code of Conduct

Attachment C4: Grievance Process

Attachment C5: Weighted Average Comparison Rate Calculator Harvest

Attachment C5 Weighted Average Comparison Rate Calculator Haulage

1.2 Definitions

In this RFT, unless the context otherwise requires:

Agreement or Contract means the Harvest and/or Haulage Agreements included as **Attachment B** to this RFT.

Alternative Tender means a Tender as described in **Sections 8.2 and 8.3** of this RFT.

Briefing Session means a meeting (the details of which are specified in **Section 2.5** of this RFT) held by or on behalf of VicForests to provide information about the RFT and the Tender Process.

Closing Time means the time specified as such in the Timetable in **Part A** of this RFT by which Tenders must be received.

Combined Tender means a Tender as described in **Sections 8.2** of this RFT.

Comparative Non-Price Cost Score is a rate determined by VicForests, for harvest and haulage respectively, at the 20th percentile position from within the range of minimum non-price cost scores of each harvest or haulage Tenderer from their respective Tenders.

Comparative Total Cost is, for each Lot, the sum of the Comparative Unit Cost and Comparative Non-Price Cost Score.

Comparative Unit Cost is a weighted average rate determined by VicForests for each Lot which can be adjusted if required during the evaluation process.

Contract or Agreement means the Harvest and/or Haulage Agreements included as **Attachments B1 to B5** to this RFT.

Eligibility Criteria means the criteria set out in **Section 5.1** of this RFT.

Harvest Agreement means the Harvest Agreement included as **Attachment B1, B3 or B5** to this RFT.

Haulage Agreement means the Haulage Agreement included as **Attachment B2, B4 or B5** to this RFT.

Individual Tender means a Tender as described in **Sections 8.2** of this RFT.

Intellectual Property Rights includes copyright and neighbouring rights, and all proprietary rights in relation to inventions (including patents) registered and unregistered trademarks (including service marks), registered designs, confidential information (including trade secrets and know how) and circuit layouts, and all other proprietary rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

Lot or Tender Lot means a parcel of services described in **section 3.1**.

Request For Tender or RFT means this document (comprising each of the parts identified on the cover page of the RFT) and any other documents so designated by VicForests.

Services means the harvest and/or haulage services required by VicForests, as summarised in **Part B** of this RFT and as set out in **Schedule 2** of the Harvest Agreement and **Schedule 2** of the Haulage Agreement.

Successful Tenderer means a Tenderer who receives a notification from VicForests pursuant to **Step Nine of Section 9** of this RFT.

Tenderer means an interested person or business that submits a Tender.

Tender means a document or electronic file lodged by a Tenderer in response to this RFT containing detail of an offer to provide Services in accordance with the **RFT Specification** and includes **Alternative Tenders**.

Tender Manager means the person designated by VicForests to be in charge of the Tender Process.

Tender Process means the process commenced by the issuing of this RFT and concluding upon:

- (a) execution of all of the Agreements to be awarded by VicForests pursuant to **Step Nine of Section 9** of the RFT; or
- (b) VicForests ceasing to proceed with, or suspending such process (regardless of whether any or some Agreements have been awarded in respect of Lots in this Tender Process have been awarded);

whichever occurs first and to avoid any doubt, it excludes any presentations, discussions, correspondence and exchange of documentation prior to the issue of this RFT.

Tender Reference Rate means, for harvest, the rate tendered for a specified product and yield class for a Lot and for haulage, the rate tendered for “A class” road haulage for a Lot.

Tender Specification means any specification or description of VicForests requirement for Services contained in **Part B** of this RFT.

Total Unit Cost is the sum of the Weighted Average Comparison Rate and the non-price cost score for each Tender.

Weighted Average Comparison Rate means the average rate calculated from a given Tender Reference Rate determined using the range characteristics described in **section 8.5 & 8.6**.

1.3 Interpretation

In this RFT, unless expressly provided otherwise:

- a) terms which are not defined in **Section 1.2** of this RFT which are defined in the Agreement shall have the same meaning as given in the Agreement when used in this document. To the extent of any inconsistency the meaning of a term as defined in **Section 1.2** will prevail; and
- b) a reference to:
 - i) “includes” or “including” means includes or including without limitation; and
 - ii) “\$” or “dollars” is a reference to the lawful currency of the Commonwealth of Australia; and
 - iii) if a word or phrase is defined in its other grammatical forms they have corresponding meanings.

2. General Information

2.1 Background

VicForests is seeking to procure 25,000 m³ of harvest and haulage contractor capacity to operate in native forest the Central and Benalla/Mansfield Forest Management Areas (FMA's).

Harvest Services and Haulage Services will be offered as individual, linked or combined agreements with tenure of three years. Delivery of timber products will be required to customers throughout Victoria.

VicForests has determined that a competitive tender process open to the market will be used to procure these services.

2.2 Objectives

VicForests is required to conduct this process in a manner consistent with the Victorian government's:

- Local Jobs First Policy
- Social Procurement Framework and
- the Supplier Code of Conduct

Additionally, this RFT process will be conducted in a manner which reflects the Victorian Government Purchasing Boards' (VGPB) principles of:

- value for money, taking into account;
 - the total benefits and costs over the life of the goods, services or works procured;
 - environmental, social and economic factors; and
 - any risk related to the procurement;
- accountability for procurement commensurate with appropriate levels of authority and responsibility;
- probity through the application of integrity, ethical behaviour, fairness and transparency in the conduct of procurement processes;
- scalability so that procurement governance policies and processes are appropriate and efficient, taking into account the capability of available resources and the complexity of the procurement undertaken.

2.3 Timetable

| Activity | Date(s) |
|---------------------------------------------------------|------------------------------------------------------------------------|
| Release of Request for Tender | 13 September 2021 |
| Briefing Session | Microsoft Teams video meeting: 4:00pm, Monday, 20 September 2021 |
| End of period for questions or requests for information | COB, Tuesday, 28 September 2020. |
| Closing Time for Tenders | 5:00pm, Thursday, 30 September 2021 |
| Successful Tenderer Advised | COB, Monday, 11 October 2021 |
| Commencement of Agreements | October 2020 |

2.4 Registration of Interest

All potential Tenderers are requested to provide their:

1. contact name;
2. name of entity;
3. contact details;
4. email address; and

to the Tender Manager via the email address:
vfs.woodsupply@vicforests.com.au as soon as possible after release of the RFT. This is so you may receive any communications from the Tender Manager before the Closing Time and receive an email invitation to the on-line Briefing Session. Failure to provide e-mail address details will not disqualify a person from submitting a Tender but may result in the person not receiving up to date RFT information.

2.5 Briefing Session

Due to COVID restrictions the Briefing Session will be via a Microsoft Teams on-line video meeting. Potential tenderers who have registered will receive an email invitation to this Briefing. The Briefing will be recorded so that those not able to attend can view it later.

The purpose of the briefing session will be for VicForests to explain the tender submission and evaluation processes, and for potential Tenderers to raise any issues requiring further clarification or explanation.

Attendance at the Briefing is optional. Any material presented by will be made available to all registered potential tenderers along with relevant Q and A's on VicForests website.

3. Scope of Work

3.1 Description

There are two contracts available for tender, described as follows:

| Lot No | Services | Annual Supply Level (m ³ /yr) | Tenure (yrs) | Supply Zone | Operating Period | Species |
|--------|----------|------------------------------------------|--------------|-----------------------------------|--------------------|-------------|
| H210 | Harvest | 25,000 | 3(+3) | Central & Benalla/Mansfield FMA's | 9 mths Oct to June | Ash & Mixed |
| T210 | Haulage | | | | | |

Species Mix

The successful tenderer(s) should expect to be operating across both forest types of Ash and Mixed Species.

Product Grade

For reference indicative recoveries by grade may be as follows.

| Grade \ Species | B | C | D | E | HQ ,MQ Pulpwood & Firewood | LQ |
|-----------------|-----|-----|----|-----|----------------------------|----|
| Ash | 11% | 10% | 2% | 27% | 50% | 0% |
| Mixed | 3% | 14% | 3% | 10% | 70% | 0% |

Actual recoveries will be dependent upon the particular coupes harvested and balance between customer sale commitments being met at any particular time.

Yield Class

Average Yield Class is expected to be:

| Ash | Mixed |
|----------------------------|----------------------------|
| 400-800 m ³ /ha | 100-200 m ³ /ha |

Variable Habitat Retention Harvesting

In order for VicForests to become accredited under Forest Stewardship Council certification scheme, a variable habitat retention harvesting system is being developed. The Successful Tenderer(s) will be expected to operate in accordance with the system provided in **Attachment B6** for reference.

Specific rate add-ons will be applied for this type of harvesting when required. (refer **section 7.5, 3**) The methodology of applying these add-ons and their dollar values should be considered interim only. It is expected that the successful tenderer will work cooperatively with VicForests to validate or modify this approach over time as the experience of both the contractor and VicForests in this type of harvesting improves.

3.2 Supplier Code of Conduct

The Victorian State Government has introduced a Supplier Code of Conduct (the Code) to support its commitment to ethical, sustainable and socially responsible procurement. The government expects all existing and new suppliers to commit to the Code.

As a State-owned business, VicForests is required to implement the Code with all suppliers.

Contractors sign onto the Code by signing a Commitment letter. This demonstrates your commitment to meeting the government's minimum expectations under the Code. This has been included as part of your tender Forms (**Form 12**).

A copy of the Code is provided in **Attachment A4**. Further information can be found at <http://www.procurement.vic.gov.au/Suppliers/Supplier-Code-of-Conduct>.

Please review the attached Code and ensure that relevant areas of your business and supply chain either meet or you are working to meet these standards.

3.3 Agreement Commencement Date

Agreements will commence upon execution with work under the agreement commencing as soon as suitable weather permits.

3.4 Tenure of Agreements

The tenure of the agreements will be for three years to 30 June 2024 with the potential of up to three years of extension to 30 June 2027.

Note – while provision for extension exists, it is unlikely the agreement will be extended beyond 30 June 2024 as this is the first step-down point in production under the Victorian Forestry Plan. The extension provisions exist for convenience only. VicForests is yet to resolve how harvest and haul services will be procured beyond June 2024.

3.5 Safety Requirements

Successful tenderers must demonstrate prior to commencing work that they have a fully functioning safety management system including appropriate site inspection and risk assessment processes that ensure compliance with relevant occupational health and safety legislation, regulations, codes of practice, published guidelines and the Utilisation Procedures.

However, tenderers must not have any outstanding matters from previous safety system audits to be eligible.

3.6 Operational Requirements

VicForests operates under the Australian Forestry Standard certified forest management system and is seeking certification under the Forest Stewardship Council (FSC). VicForests is also required to comply with various legally enforceable laws and codes.

To achieve these requirements, VicForests' contractors play a key role in the protection of environmental and cultural values found on and adjacent to coupes and on routes from coupes to Delivery Sites. This is primarily achieved through the careful implementation of the Agreements, VicForests' Utilisation Procedures, the Code of Practice for Timber Production (the Code) and individual coupe plans.

Successful tenderers must ensure that the provision of Services and any officer, employee or agent of the applicant and any VicForests approved sub-contractor of the tenderer and its officers, employees or agents must also comply with the Utilisation Procedures, the Code, the Forest Coupe Plan and all laws in the performance of the Services. Prospective tenderers should familiarise themselves with these documents.

3.7 Coupe Locations - Year 1

A schedule of potential coupes or the first Contract Year will be provided and discussed in Briefing Sessions. This will be provided as a draft only. Please note that it is likely to change.

4. Agreement Overview

| |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>This Section is a general summary only. VicForests strongly urges all potential tenderers to carefully consider and review all the clauses in the Agreement and obtain any financial or legal advice they consider necessary prior to submitting a Tender.</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

4.1 Quantity

The contract quantity is expressed in cubic metres per annum and is defined in the Agreement as the Annual Supply Level. VicForests has the ability to adjust this

volume of work provided to the Contractor in accordance with the terms of the Agreement (including as a result of a Force Majeure event or a Collapse of Market event. See **Clause 15** of the Agreement).

Due to variable market and supply conditions existing at the time of release of the RFT, VicForests reserves the right to remove Lots from this RFT and or determine not to award any Lot or Lots at any time during the RFT Process.

4.2 Mandatory Harvest Equipment and Systems

The following types of equipment are mandatory for all harvest Lots:

- bulldozer or skidder or other means capable of extracting log products from steep slopes and constructing roads and log landings; and
- excavator with attachment for debarking, sorting, stacking and loading;
- mechanised falling equipment.

A Tenderer's proposed equipment mix and operating system for harvest must include the following capabilities:

- the ability to fell and extract logs from slopes up to 30 degrees;
- the capacity to efficiently harvest both regrowth and mature native forest;
- the ability to process and sort up to eight log grades from any one operation at any time;
- the ability to extract all log products specified in the Utilisation Procedures;
- the ability to clear around retained habitat in order to assist regeneration activities;
- the ability to construct roads, landings and install drainage structures within the coupe boundary to the requirements of the relevant Code of Practice for Timber Production and the Utilisation Procedures;
- the ability to operate agreements concurrently with separate crew and equipment, where contracted for more than one harvest contract in overlapping harvest periods; and
- access to and be able to provide an accredited manual faller to provide tree felling capability in situations where it is unsafe or impractical for mechanised falling.

4.3 Mandatory Haulage Equipment and Systems

The mandatory requirements for haulage vehicles are set out in: **Clause 5.8 (b)(iii) and 5.8(h)** of the Haulage Agreement;

4.4 Harvest Services

The Harvest Services to be performed by the Successful Tenderer which are included in the tendered rate schedule under **Schedule 1** of the Harvest Agreement; are set out in **Item 1 of Schedule 2** of the Agreement.

4.5 Haulage Services

The Haulage Services to be performed by the Successful Tenderer which are included in the tendered rate schedule under **Schedule 1** of the Haulage Agreement; are set out in **Schedule 2** of the Haulage Agreement.

4.6 Other Services

Other Services to be performed by the Successful Tenderer which are not included in the tendered rate schedule but are paid for under a standard schedule of hourly rates are set out in **Item 2 of Schedule 2** of the Harvest Agreement.

4.7 Communication

The following communications equipment is mandatory:

- home or office base: telephone and e-mail (that is checked daily);
- UHF two way crew radio for each employee at each worksite;
- mobile telephone for each harvest crew; and
- mobile telephone for each truck.

All costs associated with establishing, operating and maintaining Tenderers' communication equipment will be the responsibility of the Successful Tenderers.

4.8 Location

VicForests intends that harvesting will be based in the Central and Benalla/Mansfield FMA's including the districts of Alexandra, Marysville and Toolangi. To ensure continuity of work, contractors may, from time to time, be required to operate outside the specified Supply Zone and will be compensated in accordance with the Agreement.

Harvest Sites currently approved for harvest under a Timber Release Plan (TRP) are able to be viewed on maps available through VicForests website at the following location. www.vicforests.com.au/timber-release-plan

The TRP is updated with new approved Harvest Sites from time to time.

VicForests provides no guarantee with regards to a tenderer harvesting or hauling from any particular Harvest Site.

Please note that VicForests staff are not permitted to accompany Tenderers on any self-guided inspections of harvest sites.

4.9 Log Product and Log Delivery Details

Timber can be expected to be delivered to the following VicForests customers:

Sawlogs: B, C & D grades: sawmills across Victoria

Sawlog : E grade : Dormit at Dandenong

Pulpwood: Australian Paper at Maryvale, Midway at Geelong

Part B – Scope of Work

This information represents current delivery site locations - it is indicative only. The actual mix of quantities, products, destinations, road class and distances will vary over time depending upon various factors which may include the areas being harvested and available markets.

In relation to Haulage Services VicForests makes no guarantees of actual mix of quantities, products, destinations, road class and distances.

4.10 B –Double Road Network

B Double trucks longer than 19m require a Class 2 Permit to be issued for travel on all roads not gazetted for B Doubles. Permits are issued by the National Heavy Vehicle Regulator (NHVR) under advice from the relevant Responsible Road Authority on condition of certification that roads are suitable for B Doubles. The relevant Responsible Road Authorities are: VicRoads in relation to main roads; municipalities in relation to local roads and DELWP in relation to forest roads.

DELWP has certified few forest roads but acknowledges that much of the forest road network is currently accessed by B Doubles. DELWP is continually updating its assessments of the suitability of the forests road network for B Doubles, and the road network available for B Double use is not expected to decrease, although some roadworks will be required to make some roads suitable for B Doubles.

DELWP assessments of major forest roads indicate that the following roads are definitely not available for B Double use:

| Forest District | Road Network |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Marysville | Cambarville Rd from Marysville-Woods Point Rd to Sandstone Rd. |
| Alexandra | Royston Rd from Quartz Creek Rd to Sandstone Rd and Rubicon River bridge on Quartz Creek Rd, due to load limit. |
| Mansfield | Mt Sunday Rd from Jamieson-Licola Rd to Low Saddle Rd, Brocks Rd from Sheeppark Flat to King Billy. |
| Noojee | Forests Rd from Tarago Rd to Labertouche Rd (suitable for Mini B Doubles, but not longer configurations at this stage), Link Road from Toorong Rd to Baw Baw Tourist Rd (not suitable for Mini B Doubles or longer configurations). |
| Powelltown | Bunyip Rd from Learmonth Creek Rd to Gentle Annie. |
| Ovens | Selwyn Creek Rd from Mt. Selwyn Rd to Tea Tree Range Rd |
| Upper Murray | Snowy Log Rd from Omeo Highway. |
| Swifts Creek | Mt Delusion Rd from Dingo Ridge Tk to Dorothy Cutting. |
| Cann River | Bungywarr Rd from Combienbar Rd to the switchback |
| Orbost | 41 Mile Rd.; Yalmy Rd from Mt Jersey Rd to Rising Sun Rd. |
| | |

4.11 Haulage at Night, on Sundays and Public Holidays

Night loading and haul operations are permitted if carried out in accordance with appropriate OHS management systems. Haulage between sunset and sunrise, on Sundays and public holidays, is subject to VicForests obtaining relevant approvals from DELWP.

4.12 Driver Behaviour

Voluntary codes of conduct for truck drivers that assist in maintaining a positive industry image have been in operation across Victoria for some time and haulage contractors are encouraged to comply with these codes of conduct

4.13 Over Loading

VicForests will require Successful Haulage Tenderers to provide information on the maximum legal mass and tare weight for each truck and trailer combination. Loading will be strictly monitored, and overloading will not be tolerated.

For loads where the legal mass limit of the vehicle configuration is exceeded adjustments to payments will apply in accordance with **Clause 4.11(b)** of the Haulage Agreement.

5. Tenderer Eligibility and Commitments

5.1 Eligibility Criteria

To be eligible for consideration, Tenderers must:

- have demonstrated experience in timber harvest or general haulage contracting;
- operate under a legal entity with an ABN and ACN and, if requested by VicForests, be able to demonstrate their financial capacity to undertake the work;
- have the mandatory equipment;
- have a Safety Management System with no outstanding significant matters from the most recent formal audit of the system. (For Tenderers who have not been contracting with VicForests, copies of their latest formal audit results should be provided with their submission);
- have an acceptable statutory payments position – i.e. that all statutory payments due and payable have been paid or that there is an agreed payment plan with the statutory authority which the entity is complying with;
- for an Alternative Tender, have submitted a compliant Tender from which the Alternative Tender varies;
- have signed the commitment statement regarding the Supplier Code of Conduct. (**Form 12**);
- have submitted a Local Industry Development Plan with their tender;
- have submitted an acknowledgment letter of their LIDP from Industry Capability Network(ICN); and
- have made and provided to VicForests a Conflict of Interest Declaration using **Submission Form 11**.

5.2 Insurance Details

Documentary evidence in the form of insurance certificates for workers compensation, public liability and vehicles, including insurance certificates of subcontractors, are not required to be submitted with Tenders, but if successful, are required to be presented before Agreement commencement. Documentary evidence will need to include:

- The name of the Tenderer
- The policy number of each policy
- The start and end date of the policy
- In relation to workers compensation – a statement that the policy applies to the State of Victoria (and where haulage services may involve delivery to New South Wales, that the policy applies to New South Wales)

- Where General Liability or Business Liability policies are presented an express statement that this includes coverage for Public Liability with a limit of indemnity of at least **\$20,000,000**.
- In relation to vehicles:
 - Confirmation that insurance covers vehicles to be used for business purposes
 - Vehicle registration numbers
 - The policy covers third party property damage with a limit of indemnity of at least **\$20,000,000**.

5.3 Verification of Information Provided by Tenderers

VicForests may seek to verify any information provided to it as part of a Tender. Tenderers must cooperate with VicForests in satisfying any reasonable request made by VicForests in verifying any information provided by a Tenderer as part of their Tender.

Failure to provide verification to the satisfaction of VicForests by the Tenderer may result in disqualification of their Tender.

VicForests is under no obligation to seek verification of anything in a Tender and VicForests reserves the right to disregard any verification that VicForests considers to be unsolicited or otherwise impermissible in accordance with the rules set out in this RFT.

5.4 Governing law

This RFT and the Tender Process is governed by the laws applying in the State of Victoria.

Each Tenderer must comply with all relevant laws in preparing and lodging its Tender and in taking part in the Tender Process.

5.5 Tenderer Warranties

By submitting a Tender, a Tenderer warrants to VicForests that:

- (a) it did not rely on any express or implied statement, warranty or representation, whether oral, written, or otherwise made by or on behalf of VicForests, its officers, employees, agents or external consultants other than any statement, warranty or representation expressly contained in this RFT (including any written document formally amending this RFT) or a written statement of VicForests which forms part of the formal clarification process described in **Section 6.2** of this RFT;
- (b) it did not use improperly or seek to use improperly the assistance of VicForests employees, ex-employees or agents, and/or information unlawfully obtained from VicForests, in compiling its Tender;
- (c) it has not engaged in any collusion or anti-competitive conduct with any other Tenderer in relation to the preparation, content or lodgement of the Tender;
- (d) it has examined and fully understands this RFT, and any other documents referenced or referred to herein, and any other information made available in writing by VicForests to Tenderers for the purposes of submitting a Tender;

- (e) it has sought and examined all necessary information which is obtainable by making reasonable enquiries relevant to the risks and other circumstances affecting its Tender;
- (f) it has otherwise obtained all information and advice (whether legal, financial or otherwise) necessary for the preparation of its Tender and it has not relied on any representation or statement of VicForests as constituting advice (whether legal, financial or otherwise);
- (g) it is responsible for all costs and expenses related to the preparation and lodgement of its Tender and any future process connected with or relating to the Tender;
- (h) it otherwise accepts, has complied and will continue to comply with the rules set out in this RFT;
- (i) it will provide additional information in a timely manner as requested by VicForests to clarify any matters contained in the Tender;
- (j) it is satisfied as to the accurateness, correctness and sufficiency of its Tender;
- (k) it acknowledges that VicForests will not be responsible for, nor pay for, any expense or loss that may be incurred by Tenderers in the preparation of their Tenders and will not make any claim in this respect; and
- (l) it has downloaded a copy of the Victorian Forestry Contractors Information Booklet and Rate Schedules from the website described in **Section 5.6** of the RFT.

5.6 Contractors Information Booklet

Under the Owner Drivers and Forestry Contractors Act, a hirer must only accept a Tender from a contractor if they have been given a copy of an information booklet complying with the Act. The Victorian Forestry Contractors Information booklet and Forest Industry Council Rates and Costs schedules can be accessed at the Business Victoria website at:

<https://business.vic.gov.au/business-information/transport-and-forestry/owner-drivers/owner-driver-rates-and-costs-schedules>

Prior to submitting a Tender it is a condition of this RFT that the Tenderer has downloaded a copy of the Victorian Forestry Contractors Information Booklet.

6. Local Jobs First Policy/ Local Industry Development Plans

Overview

The Local Jobs First Policy (**LJF Policy**) (**Attachment A1**) issued under the *Local Jobs First Act 2003* supports businesses and workers by ensuring that small and medium size enterprises are given a full and fair opportunity to compete for both large and small government contracts, helping to create job opportunities, including for apprentices, trainees

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and cadets. The LJF Policy is implemented by Victorian Government departments and agencies to help drive local industry development.

The LJF Policy comprises the Victorian Industry Participation Policy (**VIPP**) and the Major Projects Skills Guarantee (**MPSG**).

- VIPP seeks to ensure that small and medium-sized business are given full and fair opportunity to compete for government contracts.
- MPSG is a policy that provides job opportunities for apprentices, trainees and cadets on high value construction projects.

Local Jobs First applicable projects include but are not limited to:

- purchase of goods and/or services, regardless of the method of procurement (including individual project tenders, State Purchase Contracts, supplier panels);
- construction projects (incorporating design and construction phases and all related elements), including individual projects, Public Private Partnerships, Alliance Contracts, Market Led Proposals, supplier panels and auctions; and
- grant and loan projects, including grant agreements or loan arrangements to private, non-government and local government organisations for a single or group of projects.

The LJF Policy applies to standard projects above the threshold values of:

- \$3 million or more in metropolitan Melbourne, and
- \$1 million or more in regional Victoria, or
- any project valued at less than \$3 million that the Minister has declared to be a standard project.

Agreements under this Negotiation Program are considered standard projects.

Definitions

Agency means VicForests

Apprentice means a person whom an employer has undertaken to train under a Training Contract.

Cadets means those persons enrolled in a recognised tertiary level organisation and who receive structured learning opportunities as part of their engagement to a Local Jobs First project (e.g. cadets in

architecture, quantity surveying, or engineering) but which is not under a Training Contract.

Contestable Items means goods or services in a procurement process where there are competitive international and local suppliers. 'Competitive' means the suppliers are able to offer comparable goods or services that meet the specifications provided in this Negotiation Program. Contestable items can be goods or services at any stage of a project, including maintenance.

Department has the meaning given in s 3(1) the *Local Jobs First Act 2003*.

Guidelines means the Local Jobs First Supplier Guidelines, available at www.localjobsfirst.vic.gov.au.

Industry Capability Network (Victoria) means Industry Capability Network (Victoria) Limited ACN 007 058 120 of Level 11, 10 Queens Road, Melbourne VIC 3004.

Local Content has the meaning given in s 3(1) of the *Local Jobs First Act 2003*.

LJF Policy means the policy made under s 4 of the *Local Jobs First Act 2003*.

Project means the services to be provided by the contractor which are the subject of negotiations between the Contractor and VicForests through this Negotiation Program.

Project Total Estimated Labour Hours means the total estimated labour hours for the Project under the total value of the contract as determined by the Deemed Hours Formula. (See below).

Trainee means a person (other than an Apprentice) employed under a Training Contract.

Training Contract has the meaning given in the *Education and Training Reform Act 2006*.

Contestable Items

The LJF Policy requires that government agencies consider Local Content and job commitments, particularly in respect of Contestable Items, as a key criterion in tender evaluation and other relevant procurement processes.

Consideration should be given to contestable and non-contestable items in establishing local content commitments.

The Contestable Items within the scope of this invitation are included in the LIDP template provided through the ICN website.

Local Industry Development Plan

The Contractor must prepare a Local Industry Development Plan (**LIDP**) in accordance with the LJF Policy and Guidelines.

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A LIDP must be submitted by the Contractor to the Industry Capability Network (Victoria) and will be made available to the Agency and the Department.

A LIDP must:

- specify how the requirements of the LJJ Policy will be met;
- identify total content and Local Content for the Project; identify total and local jobs for the Project; and
- include any other matter required to be included in the Plan by the LJJ Policy

In developing the LIDP, tenderers must consult in good faith with Industry Capability Network (Victoria).

The LIDP template must be completed and submitted through Industry Capability Network (Victoria) Victorian Local Jobs First Management Centre at icnvc.org.au/VMC. (**Attachment A2**)

To demonstrate that the LIDP submitted is completed correctly and includes all required information, tenderers must obtain an acknowledgement letter of their LIDP from Industry Capability Network (Victoria). Contact details for ICN are provided in Section 6.7 below. An Agency cannot consider an Agreement that does not include a compliant LIDP.

Use of the Local Industry Development Plan

The contents of a Contractor's final LIDP will be included in the agreement to be entered into between the Contractor and the Agency. Further, the Contractor's LIDP information will be recorded centrally for Industry Capability Network (Victoria) certification of the LIDP outcomes reported.

Weighting of Commitments to Local Jobs First Policy

Industry development and job outcomes will be evaluated for each tender against the criteria in **Table 3, Section 9**. Please note the non-price score weighting for these criteria compared to other criteria.

Further information and assistance

The Department has prepared the Guidelines for Suppliers on the application of the LJJ Policy to projects.

Industry Capability Network (Victoria) provides free services to assist tenderers in identifying and developing the above information. Tenderers are advised that Industry Capability Network (Victoria) will be available to assist them in implementing the LJJ Policy. For further information or assistance, tenderers can contact Industry Capability Network (Victoria):

Level 11
10 Queens Road

Melbourne VIC 3004
(03) 9864 6700
https://icn.org.au/vic_home

7. Tender Process

7.1 Communications to the Tender Manager

All communications relating to the RFT Process and this RFT must be directed to the Tender Manager, Daniel Webster via email: vfs.woodsupply@vicforests.com.au

7.2 Requests for Clarification or Further Information before Closing Time

Any questions or requests for further information or clarification of the RFT Process, this RFT or any other document issued in connection with the RFT must be submitted to the Tender Manager, in writing, by email by close of business on the day specified in the Timetable in **Section 2.3**.

VicForests will use reasonable endeavours to respond to any submitted question by email to the email address of the Tenderer (as notified to the Tender Manager). However, VicForests reserves the right at its discretion not to respond to any query.

Except where VicForests is of the opinion that issues raised apply only to an individual Tenderer, questions submitted, and answers provided will be made available to all Tenderers who have submitted an e-mail address at the time via an email response from the Tender Manager. VicForests will not identify the source of the question submitted.

In relation to operational and procedural aspects relating to the RFT and the RFT Process, Tenderers may only rely on written responses provided from the Tender Manager (by email) only. Under no circumstances should Tenderers rely on such responses as constituting legal or financial advice.

Any other forms of communication are not to be relied on for the preparation of individual Tenders.

7.3 Communications between Tenderers and VicForests

Other than as expressly set out in this RFT, Tenderers are not to communicate with VicForests staff or agents of VicForests in relation to their Tender or the Tender Process. Tenderers may communicate with VicForests staff or its agents to the extent that such communications do not relate to this RFT or the Tender Process. Where a Tenderer seeks the advice or assistance of a VicForests staff member or agent (who is not involved on behalf of VicForests in relation to the Tender Process) to assist the Tenderer with its submission, the Tenderer should

ensure that the VicForests staff member or agent has made a conflict of interest declaration and provided it to the Tender Manager. The Tenderer must also seek the prior consent of the Tender Manager to seek such assistance. A Tenderer can only make use of the assistance of a VicForests staff member or agent if the Tender Manager, at his discretion, gives consent to such communications and assistance, which may be subject to any specific conditions that seek to ensure that the Tender Process is equitable and fair for all Tenderers.

7.4 Improper Assistance

Tenderers must not engage in any activities that may have the effect of, or may be perceived as having the effect of, influencing the outcomes of the Tender Process in any improper way.

In addition to any other remedies available to it under the common law or in contract, VicForests may, in its sole and absolute discretion, disqualify a Tenderer that it reasonably believes has engaged in unauthorised communications, obtained improper assistance or influenced the outcomes of the Tender Process in any way.

7.5 Anti-competitive Conduct

Tenderers and their respective employees, agents and advisers must not engage in any collusion or anti-competitive conduct with any other Tenderer in relation to the preparation, content or lodgement of their Tender.

In addition to any other remedies available to it under the common law or in contract, VicForests may, in its sole and absolute discretion, immediately disqualify a Tenderer that it reasonably believes has engaged in such collusive or anti-competitive conduct.

This section is not intended to prevent Tenderers from arranging to work as sub-contractors to other Tenderers or creating a separate or joint contracting entity.

7.6 Confidentiality

For the purposes of ensuring the integrity of the Tender Process, the Tenderer acknowledges and agrees that all information contained in the submitted Tender is confidential. The Tenderer must ensure that all officers, employees and agents of the Tenderer keep all Tender information confidential.

7.7 Grievances about the Tender Process

Tenderers should refer to the Grievance Procedure set out in **Attachment C3**.

7.8 Late Tender Forms

Late Tenders and supporting documentation will not be considered, except where the integrity and competitiveness of the Tender Process will not be compromised.

7.9 Clarification of Tender Forms

If, in the opinion of VicForests, a Tender is unclear in any respect, VicForests may seek clarification from the Tenderer. Failure to supply clarification to the satisfaction of VicForests by the Tenderer may result in disqualification of their Tender.

VicForests is under no obligation to seek clarification of anything in a Tender and VicForests reserves the right to disregard any clarification that VicForests considers to be unsolicited or otherwise impermissible in accordance with the rules set out in this RFT.

7.10 Unclear, Alteration and Erasures

Incomplete Tenders may be disqualified or assessed solely on the information contained in the Tender. VicForests may disregard any content in a Tender that is unclear and will be under no obligation whatsoever to seek clarification.

VicForests will permit a Tenderer to correct an unintentional error in their Tender where that error becomes known or apparent after the Closing Time. However, a correction may not be acceptable if VicForests reasonably considers that the correction would unfairly and materially alter the substance of the Tenderer's Tender.

7.11 Disclosure of Tender Contents and Tender information

Submissions will generally be treated as confidential by VicForests. If the candidate is particularly concerned about the commercial sensitivity of any information and documentation provided to VicForests as part of the submission and believes their business would unreasonably be disadvantaged by the disclosure of that information and documentation, they should clearly mark their submission as being confidential. Candidates may choose to nominate certain classes of information as being confidential (e.g. price, work methods etc).

Taking the steps identified above will not guarantee that the document in question will not be released under the Freedom of Information Act (FOI Act). A request for access to a submission must be considered on a case-by-case basis. The candidate will be consulted, and their views sought in relation to possible disclosure of their submission or any part of it under the FOI Act if a request for access is received under that Act.

Notwithstanding the inclusion of any confidentiality preamble included in submission documentation, candidates should note that **VicForests may disclose submission contents in the following circumstances:**

- as required by law;
- for the purpose of investigations by the Australian Competition and Consumer Commission or other government authorities having relevant jurisdiction;
- to external consultants and advisors of VicForests engaged to assist with the submission process and evaluation; or,
- as required to be disclosed by government policy.

7.12 Use of Tenders

All Tenders submitted in accordance with the requirements set out in this RFT become the property of VicForests. Tenderers will retain all ownership of any

Intellectual Property Rights contained in their Tenders. The submission of a Tender does not transfer to VicForests any ownership interest in the Tenderer's Intellectual Property Rights or give VicForests any rights in relation to the Tender, except as expressly set out below.

Each Tenderer, by submission of their Tender, is deemed to have licensed VicForests to reproduce the whole, or any portion of their Tender for the purposes of enabling VicForests to evaluate their Tender.

The Tenderer accepts that VicForests may publish (on the internet or otherwise):

- The type of Agreement ;
- the name of the Tenderer as being a Successful Tenderer;
- the Agreement term; and
- the Agreement Annual Supply Level per Contract Year.

7.13 VicForests' Rights

Notwithstanding anything else in this RFT, and without limiting its rights at law or otherwise, VicForests reserves the right, acting reasonably, to:

- (a) cease to proceed with, or suspend the Tender Process;
- (b) alter the details, requirements and/or the timing of the RFT, RFT Attachments or the Tender Process (including without limitation, the eligibility criteria and evaluation process);
- (c) vary or extend any time or date specified in this RFT for all or any Tenderers or other persons;
- (d) terminate the participation of any Tenderer or any other person in the Tender Process;
- (e) require additional information or clarification from any Tenderer or any other person or provide additional information or clarification;
- (f) commence a Request for Information process;
- (g) call for new Tenders;
- (h) reject any Tenders received after the Closing Time;
- (i) reject any Tender that does not comply with the requirements of this RFT;
- (j) amend the description of any Lot
- (k) remove any Lot or Lots from the RFT process at any time during the RFT Process; and
- (l) not award any Lot or Lots.

7.14 Supplementary Information

If, prior to the Tender Process concluding, VicForests provides additional information to potential Tenderers this will be in the format of a numbered Supplementary Information document. This will be emailed to potential Tenderers. Any Supplementary Information documents will become part of the RFT.

8. Submission Requirements

8.1 Format and Contents

Tenderers may only respond to the RFT by completing the Tender Response Forms in **Attachments C1 and C2** and submitting them and all other required attachments in accordance with the process detailed in **Part C** of this RFT.

Forms are in MS Excel format and any queries in relation to technical aspects of entering information into these forms can be directed to VicForests at the following phone number, **0428 596907**.

Unnecessarily elaborate Tender forms or other presentations beyond what is sufficient to present a complete and effective Tender are not desired nor required. Tenderers should submit their Tenders for each Lot(s) with due consideration as to the conditions and procedures outlined in this RFT and associated documents alone.

Tenderers should fully inform themselves in relation to all matters arising from this RFT.

VicForests will not be responsible for, nor pay for, any expense or loss that may be incurred by Tenderers in the preparation of their Tenders.

8.2 Tender Types

A range of different Tender types may be submitted. They are:

- **an Individual Tender** (for either individual harvest, individual haul, linked harvest or linked haul); or
- **a Combined Tender** (for harvest and haul together): or
- **an Alternative Tender** (where variations to the Agreement terms and conditions have been proposed by the Tenderer).

Each Individual, Combined or Alternative Tender submitted by a Tenderer will be individually assessed.

For Linked Harvest and Haulage Agreements the respective tenderers must each identify on **Form 8** that they wish to be linked with their respective linked Contractor and name that proposed linked Contractor.

8.3 Alternative Tenders

Provided a compliant Individual Tender is submitted for the Lot, then a Tenderer may submit an Alternative Tender(s) with a Reference Rate entered in **Form 2** with descriptions of the alternative provided in **Form 8**. Tenders may vary any of the **Schedule 1** or **Schedule 2** items.

VicForests will consider whether the Tender under the Alternative Tender assists in meeting VicForests commercial objectives. If it does then the Alternative Tender

will be considered for further evaluation and will be included for assessment with other Tenders. An additional non-price criterion for Alternative Tenders will consider the cost or benefit to VicForests of an Alternative Tender.

As a result of an Alternative Tender, VicForests reserves the right to award or not award an Agreement relating to a Lot which may be described differently to the Agreement conditions or Lot descriptions contained in this RFT.

8.4 Preferences

The Tenderer may use the preference column in **Form 2** to allocate an order of preference to submitted Tenders

Subject to VicForests' aims of achieving best value for money, and any individual or general volume limits set out in the RFT, VicForests will endeavour to accommodate tender preferences where possible should a Tenderer be successful in respect of one or more tendered Lots.

8.5 Harvest Pricing

Tenderers will be required to submit a **single reference rate** for high quality Ash pulpwood in the average yield class. The rates for harvest service variables are determined by applying pre-set rate differentials. The reference rate will be automatically indexed for any reviews carried out after the Closing Time in accordance with the rate adjustment mechanism in **Schedule 3** of the Agreement.

The initial rate differentials to be used to establish base rates in **Item 6 of Schedule 1** of the Agreement are:

8.5.1 Yield Class Rate Differentials

| | Yield Class (m ³ /Ha) | | | | | | |
|-------------------------|----------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | 50 - 100 | 101-150 | 151-200 | 201-300 | 301-400 | 401-800 | 801+ |
| \$/m³ | \$4.10 | \$2.43 | \$1.64 | \$1.28 | \$1.18 | \$0.00 | -\$0.34 |

8.5.2 Product Rate Differentials (\$/m3)

| | Sawlog | | | | | High & Medium Quality Pulpwood, Green Firewood | Low Quality Pulpwood |
|-------------------------|---------------|---------------|---------------|---------------|---------------|------------------------------------------------|----------------------|
| | B | C | D | E2 | E1 | | |
| \$/m³ | \$5.38 | \$4.24 | \$3.10 | \$1.95 | \$1.95 | \$0.00 | -\$4.15 |

8.5.3 Mixed Species

Base rate Tables will be for all Ash species products. Add-on for any Mixed Species product will be 8.6 % of the Base Rate for Ash species.

8.5.4 Uphill Snigging Add-On

If more than 50% of a coupe (by vol) is to be pulled up hill in a coupe with Slope Category 2, 3 or 4 then the value of the add-on (up to \$1.00/m³) can be negotiated.

8.5.5 Rock, Slope and Location Add-Ons

Refer to the Agreements for add-ons for rock, slope and location.

8.5.6 Fire Salvage Add-Ons Guide

Refer to the Agreements for fire salvage add-ons.

8.5.7 Variable Retention Harvest Rate Add-ons

In order for VicForests to become accredited under Forest Stewardship Council certification scheme, a variable habitat retention harvesting system has been developed. Contractors are expected to operate in accordance with this system. A copy of the system is included in **Attachment B6** for reference.

Specific rate add-ons will be applied for this type of harvesting when required. The methodology of applying these add-ons and their dollar values should be considered interim only. It is expected that the Contractor will work cooperatively with VicForests to validate or modify this approach over time as the experience of both the Contractor and VicForests in this type of harvesting improves.

Please refer to **Attachment B7** for listing of the interim Variable Retention Harvest Rate Add-ons.

Contractors are requested to not attempt to build these Variable Retention Add-ons into their base rates through the negotiation process. Our intention is to keep this change as transparent as possible until the requirements and costs are better understood by all parties. At this stage this component of work is better paid as on add-on and not included in Base Rates.

8.6 Haulage Pricing

Tenderers wishing to tender for Haulage Services will be required to submit two reference rates, one for pulpwood and one for sawlog, in \$ per tonne per kilometre (\$/t/km) for "A Class" roads.

The rates for each haulage task will be based on the one-way road distance to a delivery site and road classes hauled over, using the formulae in **Clause 4.7** of the

Haulage Agreement and application of the road class adjustment factors and distance adjustment factors defined in **Schedule 1** of the Agreement.

VicForests anticipates that haulage will be undertaken by a combination of 8-9 axle B Double vehicles and/or 7 Axle (Mini B Double or Quad Dog), and/or 6 Axle (Skel, Jinker). Prices are sought on the basis of a single rate structure applying to any configuration or mix of configurations used.

Road classification definitions are defined in **Schedule 1** of the Agreement. They have been in common use for many years now.

8.7 Status of Tender

Each Tender constitutes an irrevocable offer by the Tenderer to VicForests to provide the Services required under **Part B** of this RFT on the terms and conditions of the relevant Agreement which can be accepted by VicForests at any time during the period of 60 days from the Closing Time or such other date as mutually agreed between VicForests and the Tenderer.

8.8 Supporting Information

Other than as indicated in this RFT, supporting information is not a mandatory requirement. However, should a Tenderer wish to submit additional information in support of their submission, some examples are provided below:

- Maintenance history and records of machines identified in Tender documents.
- Supporting statements from accountants or financial institutions attesting to the viability of proposed rates and/or the viability of the Tenderer's business.
- The calculation basis of rates tendered
- Photos of equipment to be used in carrying out the Services.
- Other material a Tenderer wishes to submit in support of their Tender.

8.9 Lodgement of Tenders

Tenders must be lodged only by the means set out below.

Lodgement of Tender submissions must be via email only.

8.10 Email Submission

All Tender submissions must be received by e-mail at vfs.woodsupply@vicforests.com.au by the Closing Time of **5pm Thursday 30 September 2021**.

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The e-mail should have the subject title:

- **“Confidential – VicForests Tender 2021.2”**; and
- the Company Name of the Tenderer

The e-mail Tender submission must include the following MS Excel Tender Form files and supporting attachment files:

- **One Set of Tender Forms 1 to 11**
- **One Tender Response Form 12 (Supplier Code of Conduct)**
- **Mandatory information** to be provided in electronically attached files is:
 - a. Local Industry Development Plan (LIDP)
 - b. Acknowledgement letter from ICN re LIPD
 - c. **Information from ATO or accountant** showing current GST and Tax liabilities and/or repayment plan.
 - d. **Copies of any current NHVAS accreditations**
 - e. If a Tenderer has not had their Safety Management System audited by VicForests (or its auditors or agents) in the last two years, a copy of an audit by an external auditor within the last two years must be provided.

Files must be directly attached to the email submission. If required, they can be zipped to reduce their size. Tender submissions where files for submission are accessed via internet links will not be accepted.

9. Evaluation and Award Process

A Tender Evaluation Team will evaluate each Tender and make recommendations to the Project Sponsor and the CEO. The Tender Evaluation Team will consist of VicForests staff and may include external industry experts.

The potentially Successful Tenders for each Lot selected by the Tender Evaluation Team will be subject to endorsement by the Project Sponsor and CEO prior to notification of award.

Evaluation Process – for all types of Tenders

Step One: Open Tenders and Confirm Lodgement

All Tenders lodged by email will have the time and date of lodgement recorded.

Confirmation of lodgement of a Tender will be emailed by the Tender Manager to each Tenderer.

If a Tenderer does not receive confirmation that their Tender has been received by VicForests within **1 business day** of submitting its Tender, the Tenderer **must** make contact with the Tender Manager so the whereabouts of the Tender can be ascertained. Failure to do so may result in VicForests not evaluating that Tender.

It is the responsibility of the Tenderer to check that their Tender has been received by VicForests prior to the Closing Time.

Following the Closing Time, Tenders will be registered and opened.

Step Two: Assessment of Eligibility Criteria and Complete Information

All Tenders will be assessed to ensure they are complete and meet the Eligibility Criteria. Tenders that are incomplete or do not meet the Eligibility Criteria may be disqualified.

Step Three: Determining the Tenders Non-Price Score

All compliant Tenders will be evaluated against the non-price criteria set out in **Table 3** below.

A non-price score will be determined by the Evaluation Team for each non-price criterion based on the extent to which the Tender meets or does not meet VicForests preferences for that criterion. Each criterion element will have further sub-criteria which the Evaluation Team will use to objectively guide their assessment. Supporting documentation provided by the Tenderer will be taken into consideration when non-price scores are determined. When evaluating Alternative Tenders, the cost-benefit to VicForests criterion will be also used.

Lower non-price scores will be attributed to Tenders that better meet the non-price criteria.

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For example: A Tenderer who has worked in similar forest types at the same contract level as the quantity submitted in the Tender, has a moderate performance record, proposes all new equipment that is highly suitable, has good suitable experience, agreement is combined harvest and haul, commits to putting on trainees and is positively engaged in achieving Social Procurement objectives may receive an indicative non-price score of:

| <i>Criteria/ Element</i> | <i>Non-Price Score</i> |
|----------------------------------------------|------------------------|
| <i>Experience Business</i> | <i>0.00</i> |
| <i>Performance Safety</i> | <i>0.50</i> |
| <i>Performance Production</i> | <i>0.25</i> |
| <i>Performance Quality</i> | <i>0.25</i> |
| <i>Combined Harvest & Haul agreement</i> | <i>0.00</i> |
| <i>System of Work Suitability</i> | <i>0.00</i> |
| <i>System of Work Reliability</i> | <i>0.25</i> |
| <i>Social Procurement</i> : | <i>0.25</i> |
| <i>Industry Development</i> | <i>0.05</i> |
| <i>Job Outcomes</i> | <i>0.25</i> |
| Total | 1.80 |

Table 3. – Non-Price Criteria and Non-Price Score Ranges

| Criteria | Element | Score Range | Non-price score – General Considerations | Sub-Element |
|-------------------------|---------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 1.Experience | | 0 to 2.00 | Tenderers who have operated under similar forest types, conditions and on a similar scale to those being proposed will receive lower non-price scores | Type of Experience |
| | | | | Scale |
| 2.Performance | Safety | 0 to 2.71 | Tenderers who can demonstrate that they have performed significantly above the minimum required standards will receive lower non-price scores. Tenderers who achieve better monthly production targets will receive lower non-price scores. Tenderers who display professional and ethical behaviours and have positive working relationships with partnered contractors and VicForests or other customers of their service will receive lower non-price scores. | System Audit |
| | | | | Field Audit |
| | Extent of Incident Reporting | | | |
| | Incidents with injuries, Breaches & Notices | | | |
| | Production | 0 to 1.00 | Incident Response | |
| | Quality | 0 to 1.50 | Monthly Production Record | |
| | | | Log Quality Performance | |
| | | | Environmental Performance | |
| | | | Working relationship with partnered contractors and VicForests | |
| 3.System of Work | Suitability | 0 to 1.50 | Re harvest, Tenderers whose equipment and harvesting system has the ability to access all areas and harvest all log types in the most efficient and safe manner will receive lower non-price scores Suitability means the size, number and design of equipment to match forest slope, yield class, piece size and quantity proposed. Re haulage, Tenderers who coordinate haul configurations and personnel to match: haul routes; the range in log lengths; the regulatory environment including but not limited to demonstration of accreditation under National Heavy Vehicle Accreditation Scheme, in particular for Mass Management, Fatigue Management and Maintenance Management, in the most efficient and safe manner will receive lower non price cost scores. | Suitability of Proposed System |

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| Criteria | Element | Score Range | Non-price score – General Considerations | Sub-Element |
|--------------------------------------|-------------------------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| | Reliability | 0 to 1.00 | Tenderers whose primary equipment has lower operating hours for harvest and who can demonstrate a strong service record for equipment will receive lower non-price costs. Tenderers who can demonstrate machine availability at agreement commencement will receive a lower non-price score. Tenderers who can provide any supporting documentation in regard to their financial position or construction of their submitted prices will receive lower non-price scores. | Average Age of Key Equipment |
| | | | | Maintenance Record |
| | | | | Supporting Documentation on Pricing |
| Agreement Type | | 0 to 1.00 | VicForests preferences in agreement type (in order of preference) are: <ul style="list-style-type: none"> combined harvest and haul agreement. linked harvest agreement and linked haul agreement. Individual harvest or individual haulage agreement. Proposals which include more preferred agreement types will receive lower non-price scores. | na |
| 4.Social Procurement Outcomes | Social Outcomes | 0 to 1.50 | Tenderers who can demonstrate significant steps to improving social procurement outcomes in line with the Victorian governments Social Procurement Framework will receive lower non-priced scores. VicForests will recognise beneficially through non -price scoring tenderers who can demonstrate: <ul style="list-style-type: none"> Engagement with or use of Social Enterprises, ADE's and Aboriginal Businesses. gender equitable employment policies & practices: family violence leave policies & practices development of environmentally sustainable practices. Tenderers who participate in and have a high level of community involvement will receive lower non-price scores. | Social Enterprises, ADE's and Aboriginal Businesses. |
| | | | | Gender equitable employment policies & practices |
| | | | | Family violence leave policies & practices |
| | | | | Development of environmentally sustainable practices |
| 5.Industry Development | % Local Content | 0 to 1.35 | Tenderers that propose to have a higher level of Australian or New Zealand content will receive lower non price scores (based on LID Plan) | |
| 6.Job Outcomes | Employment | 0 to 0.84 | Tenderers who have a higher level of employment will receive lower non-price scores | |
| | Traineeships & Apprenticeships | 0 to 0.25 | Tenderers who have a higher level of commitment to traineeships and apprenticeships will receive lower no price scores. | |
| | Job development and training | 0 to 0.25 | Tenderers who commit to a higher level of job development and provide higher level of training opportunities will receive lower no price scores | |
| Total | | 0 to 15.30 | | |

To proceed to the next Steps in evaluation Tenders must receive a combined score of less than 5.00 from across Criteria 1, 2 and 3. Tenders with a non-price score over 5.00 for these criteria will not be considered beyond Step Three.

Step Four: Tender Weighted Average Comparison Rate

All compliant Tenders will have a Weighted Average Comparison Rate (WACR) calculated based on the Tender Reference Rate submitted by the Tenderer.

In calculating the WACR the following parameters will be used:

For harvest:

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- assuming 65%% Ash, 35 % Mixed Species
- grade recoveries and average yield classes as referenced WACR calculator for harvest, **Attachment C4**.

For haulage:

- nominal haulage task as per WACR calculator for haulage, **Attachment C5**.

VicForests will compare the Weighted Average Comparison Rate calculated for each Tender to a predetermined minimum rate for each Lot or combination of Lots. If the Weighted Average Comparison Rate for a Lot or combination of Lots is deemed unsustainable VicForests may request projected financial analysis from the Tenderer to demonstrate the financial viability of their Tender. VicForests reserves the right to disqualify Tenders deemed unsustainable.

Tenderers are reminded that the Weighted Average Comparison Rate is calculated by VicForests for the purpose of tender evaluation only!

The Weighted Average Comparison Rate will not be the contract rate of Successful Tenderers or the average rate paid. Rates paid to Successful Tenderers will be based on:

For harvest - the Tender Reference Rate, product and yield class differentials and the applicable add-ons for each Harvest Site; and

For Haulage – the tender Reference Rate, product, distance by road class and total distance not the Weighted Average Comparison Rate calculated by VicForests.

The Weighted Average Comparison Rate Calculator for Harvest is included as **Attachment C4** and Haulage **Attachment C5**.

Step Five: Determining Total Unit Costs for each Tender

The non-price cost score and Weighted Average Comparison Rate will be added together for each Lot in a Tender to establish a Total Unit Cost for each Lot in a Tender.

For example: If the non-price cost score from Step Three and Average rate from Step Four is applied then the Total Unit Cost for individual or combined harvest and haul Tenders would be:

| | <i>Individual Harvest</i> | <i>Individual Haul</i> | <i>Combined Harv. & Haul</i> |
|-----------------------------------------------|-------------------------------|----------------------------|--------------------------------------|
| <i>Non-price Score, e.g.</i> | <i>\$1.80</i> | <i>\$2.30</i> | <i>\$4.10</i> |
| <i>Weighted Average Comparison Rate, e.g.</i> | <i>\$26.00</i> | <i>\$29.00</i> | <i>\$55.00</i> |
| <i>Total Unit Cost</i> | <i>\$27.80</i> | <i>\$31.30</i> | <i>\$59.10</i> |

Government legislation and policy require that the criteria of Social Procurement, Industry Development and Local Jobs Outcome each have an overall weighting of 10%. Re-weighting of non-price score elements individually or against the Weighted Average Comparison Rate may be required to achieve this.

Step Six: Calculation of Best Value Total Cost for each Lot

The Total Unit Cost of each Tender will be compared to the Total Unit Costs of other Tenders for each Lot or combination of Lots and to Comparative Total Costs predetermined by VicForests. An analysis will be conducted to determine the combination of all Tenders offering the best overall value for money outcome to VicForests. The Comparative Total Cost for each Lot will not be disclosed to Tenderers.

Step Seven. Selection of Best Commercial Value Tenders

VicForests will select the tenders for each lot which provide the best overall commercial value for VicForests considering Total Unit Costs and any other relevant commercial matters at the time.

VicForests reserves the right to negotiate any elements of a tender with the lead candidate prior to award.

Step Eight: Validation of Tender Submission

VicForests will notify potential Successful Tenderers by e-mail of the Lot they are intended for award so that a suitable time and date can be arranged for information submitted by the Tenderer to be validated by VicForests, or its agents, prior to final selection and endorsement by the Project Sponsor and CEO to approve the award of the Tender.

The following information will require validation:

- commitments on investments in machinery, systems or employees; and
- other information provided by the Tenderer in their Tender submission.

If information cannot be suitably validated, then that Tenderer may be disqualified and VicForests may return to Step Six in the Evaluation Process.

Step Nine: Notification of Award and Contract Execution

VicForests will notify Successful Tenderers by e-mail, and the relevant Agreement and completed Schedules will be delivered to the Successful Tenderer. The Agreement must be executed by the Successful Tenderer and returned to VicForests within three business days, failing which the Agreement offer will be deemed to have been rejected. In such circumstances the relevant Lot(s) may be offered to another Tenderer or not awarded.

-----End of Section-----

10. RFT Attachments

The following attachments form part of this RFT:

Attachment A1 Local Jobs First Policy

Attachment A2 Local Industry Development Plan template

Attachment A3 Local Jobs First Policy Supplier Guidelines

Attachment A4 Supplier Code of Conduct

Attachment B1 Harvest Agreement (Draft)

Attachment B2 Haulage Agreement (Draft)

Attachment B3 Linked Harvest Agreement (Draft)

Attachment B4 Linked Haulage Agreement (Draft)

Attachment B5 Harvest and Haulage Agreement (Draft)

Attachment B6 Harvesting and Regeneration Systems

Attachment B7 Interim Variable Retention Harvest Add on Rates

Attachment B8 Utilisation Procedures

Attachment C1: Response Forms 1 to 11

Attachment C2: Response Form 12 - Supplier Code of Conduct

Attachment C3: Grievance Process

Attachment C4: Weighted Average Comparison Rate Calculator Harvest

Attachment C5 Weighted Average Comparison Rate Calculator – Haulage