

9 CONTRACT 20/01 - ANNUAL SERVICES FOR SPRAY-SEALING OF ROADS

FILE REFERENCE INT2027520

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RECOMMENDATION

That Council:

1. Accept the tender submitted by Downer EDI Works Pty Ltd and Primal Surfacing Pty Ltd to undertake the works associated with Contract 20-01 - Annual Services for Spray-sealing of Roads for the initial three (3) year period, with the option of a two (2) year extension as tendered in accordance with the submitted schedule of rates.
2. Advise the remaining tenderers be advised accordingly.
3. Affix the Common Seal of the Council to the contract documents

Attachments

- 1 Confidential Memorandum - Circulated to Councillors only 3 Pages

EXECUTIVE SUMMARY

This report considers tenders received for the supply of Spray Sealing services within Cardinia Shire for the three year period, as detailed in Contract No. 20-01 - Annual Services for Spray-sealing of Roads. The contract is for an initial period of three (3) years, with the option for a two (2) year extension.

Tenders were advertised on 01 February 2020 and closed at 2.00pm on 25 February 2020. Following an assessment of the tenders taking into consideration the tenderer's experience and capacity to undertake the required works, the quality of workmanship and the tendered prices, the tenders submitted by the following contractors are considered to be the most advantageous to Council:

- Downer EDI Works Pty Ltd
- Primal Surfacing Pty Ltd

It is therefore recommended that Contract No. 20-01 - Annual Services for Spray-sealing of Roads within Cardinia Shire be awarded accordingly.

BACKGROUND

Existing sealed roads requiring resurfacing are being identified based on Councils' Asset Management System, which is based on the age and condition of the existing seals, road classification and traffic volumes. This contract will be used to complete a significant amount of the road renewal program which includes spray seal resurfacing works allowing Council to meet its requirements under the Road Management Plan.

Previous years Council engaged contractors annually to undertake the resealing works, through a public tendering process. As this is an annual process, it was decided to create a panel of contractors to deliver spay sealing services, which is more efficient, productive and more advantageous to Council.

The tender documents provide for most of the services related to spray seals with different types of seal design requirements. Works are to be carried out on a schedule of rates basis with varying rates depending on the quantities of work involved, the specified spray seal type, timing of works (day or night) and various other attributes of the works. Suppliers are also required to comply with the Occupational Health and Safety legislation particularly with respect to plant and equipment safety, maintenance systems and traffic management to ensure their activities do not pose a health and safety risk to those carrying out the works or the general public.

The tender is structured to enable Council to engage several contractors for supply of the service to ensure a contractor is available when required. This contract does not require the contractor to be available to Council at all times to the exclusion of other customers, as costs would become prohibitive through contractors having limited opportunity to fully utilise their equipment.

Where several suppliers are contracted, Council may select a preferred supplier from those under contract for each particular job based on the hire rate and contractor availability.

The tenders that were received for this contract were evaluated against the stipulated criteria of pricing and value for money, conditions of contract, location, risk, insurance, environmental commitments, OHS and compliance to the conditions of contract, conflict of interest, capability and capacity, relevant experience and past performance, quality system and compliance with the specifications

Prices were assessed by developing different types of seal designs in various quantities and inserting the relevant prices from the contractor's schedule of rates. The contractors were then rated according to their prices, and this was then compared to their overall weighted score.

In summary, there are two (2) contractors recommended to supply Annual Services for Spray-sealing of Roads as detailed in the tender documents. It is considered that the two (2) individual companies will provide Council the resources required to undertake the spray seal works.

POLICY IMPLICATIONS

The works have been developed in accordance with Council's Asset Management Plans.

The Local Government Act requires Council to call tenders by public notice prior to entering into any contract valued in excess of \$200,000 for the carrying out of works. The creation of this panel of contractors assists Council officers in adhering with this requirement.

RELEVANCE TO COUNCIL PLAN

The Council Plan provides for Council to “maintain all Council roads in a safe and functional condition in accordance with the Road Management Act 2004” and “upgrade local roads to improve safety” as established in the Council Plan, 2017-2021.

CONSULTATION/COMMUNICATION

Residents and commuters directly affected by the works under this contract will be notified of programmed works prior to works being undertaken.

FINANCIAL AND RESOURCE IMPLICATIONS

Annually, there are significant funds within Council budget that are associated with works under this contract. In the 2020/21 Capital Works and Operational Budgets, it is estimated that there will be approximately over \$1,000,000 associated with works to be allocated under this contract which will provide for renewal works at over 80+ sites across the shire.

CONCLUSION

It is recommended that the tender submitted by Downer EDI Works Pty Ltd and Primal Surfacing Pty Ltd will provide best value for Council and that they should be accepted for Contract 20-01 - Annual Services for spray-sealing of Roads.