

6.4.2 Contract Extension - Provision of Plant Tools Equipment and Traffic Management Hire Services (2019 - 2022) (Contract 19/02)

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Recommendation(s)

That Council supports the:

Extension of Contracts 19/02 for the Provision of Plant Tools Equipment and Traffic Management Hire Services for a further and final two-year period commencing 1 April 2022 and held with:

- Accomplished Plumbing Services t/a APS Drainage and Civil
- L&R Ashley Cartage
- Australian Traffic Control
- Comar Constructions
- Kennards Hire
- Kent Environmental
- LincRoads (Linct Group Pty Ltd)
- Momentum Traffic Control
- Pipeline Services
- Porter Excavations
- Sherrin Rentals
- TFH Hire Services
- Traffic Control Victoria
- Tutt Bryant Hire

Attachments

Nil

Executive Summary

Council's fourteen contracts for the Provision of Plant Tools Equipment and Traffic Management Hire Services expired on the 31 March 2022. This report seek support to exercise the option within this contract to extend them for a further and final two-year period from 1 April 2022 to 31 March 2024.

These contracts are held by Accomplished Plumbing Services t/a APS Drainage and Civil, L&R Ashley Cartage, Australian Traffic Control, Comar Constructions, Kennards Hire, Kent Environmental, LincRoads (Linct Group Pty Ltd), Momentum Traffic Control, Pipeline Services, Porter Excavations, Sherrin Rentals, TFH Hire Services, Traffic Control Victoria and Tutt Bryant Hire. These contractors have performed very satisfactorily since the commencement of this contract on the 1 April 2019, with some of these contractors being long-term suppliers to the Shire under previous contracts.

Council typically expends approximately \$1.5M per annum on plant, tools, equipment, and traffic management hire services. There is no opportunity under the current conditions of contract for a rate increase.

It is in Council's best interests and is therefore recommended Council exercise the two-year extension option in this contract, rather than retendering the contracts at this time.

Background

On the 19 January 2019, Council advertised tenders for a schedule of rates contract for the Provision of Plant Tools Equipment and Traffic Management Hire Services for a three-year period with an option for a two-year extension. Council subsequently resolved on the 17 June 2019 to enter into contracts with Accomplished Plumbing Services t/a APS Drainage and Civil, L&R Ashley Cartage, Australian Traffic Control, Comar Constructions, Kennards Hire, Kent Environmental, LincRoads (Linct Group Pty Ltd), Momentum Traffic Control, Pipeline Services, Porter Excavations, Sherrin Rentals, TFH Hire Services, Traffic Control Victoria and Tutt Bryant Hire for the three year period 1 April 2019 to 31 March 2022. These contracts contain an option for Council to extend them for a further and final two-year period.

Contractor performance over the past three years has met Council's minimum standards. During the current period of this contract, these contractors have provided various services to support Council's internal workforce, including responding to natural disasters and emergency works requests.

Policy Implications

Council's procurement policy indicates that the purchase of all goods and services for which the estimated total expenditure exceeds \$150,000 excluding GST over a year period..., shall be undertaken by public tender as per the thresholds contained in the Local Government Act.

Relevance to Council Plan

2.1 We support the creation of liveable spaces and places

2.1.5 Upgrade Council's road network to improve safety and connectivity while considering traffic demand and freight transport needs.

Climate Emergency Consideration

Not considered to be applicable in this circumstance.

Consultation/Communication

An internal assessment was undertaken to identify the services required to supplement Council's internal resources.

Community consultation will occur as appropriate for the works in which these services are used. No specific community consultation was required for this periodic supply contract extension.

Letters will be forwarded to each contractor advising of Council's decision regarding this option.

Financial and Resource Implications

Council typically expends approximately \$1.5M per annum on the hire of plant, equipment and traffic management hire services to assist in delivering its minor construction and maintenance programs. The budget for this hire is spread over a wide range of individual activities including shoulder maintenance, gravel road maintenance, and footpath and drainage maintenance and parks maintenance as well as smaller construction projects managed in-house. Plant and equipment hire comprises one of a range of elements including quarry products, labour and other materials associated with these maintenance activities that are managed to meet the overall annual demand within the available budget. In short there is not a specific budget set aside exclusively for plant and equipment hire however the various budgets provide for approximately \$1,5M to be expended on the items annually.

Prices are on a schedule of rates basis. This contract does not guarantee work or prevent Council from engaging contractors outside of the contract. There is no fixed financial implication resulting from the award of these contracts.

Conclusion

It is concluded to be most advantageous to Council to exercise the two-year options to extend the contracts held by Accomplished Plumbing Services t/a APS Drainage and Civil, L&R Ashley Cartage, Australian Traffic Control, Comar Constructions, Kennards Hire, Kent Environmental, LincRoads (Linct Group Pty Ltd), Momentum Traffic Control, Pipeline Services, Porter Excavations, Sherrin Rentals, TFH Hire Services, Traffic Control Victoria and Tutt Bryant Hire, for schedule of rates based Provision of Plant Tools Equipment and Traffic Management Hire Services (Contract 19/02) from 1 April 2022 to 31 March 2024.