

## 6.2.4 Contract 23-014 Supply Delivery Quarry & Civil Products 2024 - 2027

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### Recommendation(s)

That Council

A) award contract 23-014 to Holcim (Australia) Pty Ltd and Fulton Hogan Quarries Pty Ltd for a three-year (3) period for the Supply Delivery of Quarry Products commencing 1 January 2024, including an option for Council to extend for a further two (2) year period in accordance with the General Conditions of Contract; and

B) advise all contractors accordingly.

### Attachments

1. Confidential Memorandum Contract 23 014 Supply Delivery Quarry Civil Pro [6.2.4.1 - 3 pages]

### Executive Summary

The current *Supply Delivery Quarry & Civil Products* Contract (CT 19-032) expires on 31 December 2023. This contract allows for the supply and delivery of quarry products for the maintenance and renewal of Council's unsealed roads, gravel footpaths, unsealed shoulders, and drainage networks.

This report provides consideration for the appointment of two (2) companies to supply and deliver quarry products within Cardinia Shire for a three-year (3) period, as detailed in Contract 23-014 Supply Delivery Quarry & Civil Products. This contract is for an initial period of three (3) years, with the option for a two (2) year extension.

Tenders were advertised on 23 September 2023 and closed at 2.00pm on 24 October 2023. Tenders were received from two (2) Tenderers. Following an assessment of the tenders taking into consideration the assessment criteria, the tenders submitted by the following contractors are considered to be the most advantageous to Council are.

- Holcim (Australia) Pty Ltd
- Fulton Hogan Quarries Pty Ltd

It is therefore recommended that Contract No. 23-014 for the Supply and Delivery Quarry & Civil Products 2024 to 2027 within Cardinia Shire be awarded accordingly.

### Background

The current *Supply Delivery Quarry & Civil Products* Contract (CT 19-032) expires on 31 December 2023. This contract allows for the supply and delivery of quarry products for the maintenance and renewal of Council's unsealed roads, gravel footpaths, unsealed shoulders, and drainage network.

Contract 23-014 Supply Delivery Quarry & Civil Products 2024 - 2027 is fundamentally the same as the current contract. The Contract will be for an initial term of three years commencing 1 January

2024, with an option to extend for a further two (2) years. This contract is subject to payment adjustments from the 1 January 2025.

Council purchases approximately 100,000 tonnes of crushed rock and associated quarry products annually, for the maintenance and renewal of its unsealed roads, gravel footpaths, unsealed shoulders, and drainage networks. Products range from fine crush rock, aggregates, cement treated crushed rock and drainage specific materials such as rock spalls.

Council operates its own fleet of trucks to service its road and drainage maintenance activities, which includes haulage of most of this material. The option for haulage by the quarry was included in this tender to enable Council to accelerate supply of these materials should the need arise. However, haulage forms only a very minor part of this contract.

Where several suppliers are contracted, Council may select a preferred supplier from those under contract for each job based on the schedule of rates.

The two (2) tenders that were received for this contract were evaluated against the weighted and non-weighted criteria of Capability, Customer Service, Compliance with Specifications, Relevant Experience and past performance of tenderer, Quality & OH&S Systems, Insurance and Location.

In summary, there are two (2) suppliers recommended to Supply Delivery Quarry & Civil Products as detailed in the tender documents. It is considered that these two (2) individual suppliers will provide Council the materials required to undertake maintenance and renewal of its unsealed roads, gravel footpaths, unsealed shoulders, and drainage networks.

### **Policy Implications**

The Local Government Act requires Council to call tenders by public notice prior to entering into any contract valued in excess of \$300,000 for the supply of services and materials. The creation of this panel of contractors assists Council officers in adhering with this requirement.

### **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**

The tender specification requested rates for recycled crushed rock products. Although requested, none of the tenders submitted rates for these products.

### **Consultation/Communication**

Consultation with the internal stakeholders who use these materials was completed during the planning phase of this tender. No specific community consultation is involved for periodic supply contracts.

### **Financial and Resource Implications**

Council typically expends between \$1.4 to \$2 million per annum on crushed rock and other quarry products for the maintenance and renewal of its unsealed roads and gravel footpath programs and the maintenance of its unsealed shoulders and drainage network. The budget for this material is spread over several capital and operational budget activities.

Prices have been sought on a schedule of rates basis. There is no fixed financial implication resulting from the award of these contracts.

**Conclusion**

It is recommended that the tenders submitted by Holcim (Australia) Pty Ltd and Fulton Hogan Quarries Pty Ltd be accepted as they will provide the best value for Council to undertake the works associated with Contract 23-014 Supply and Delivery Quarry & Civil Products 2024 – 2027.