

5 CONTRACT 18/07 - SUPPLY OF ASPHALT & ASPHALT PAVING SERVICES 2018-2021

FILE REFERENCE INT1838672

RESPONSIBLE GENERAL MANAGER Michael Ellis

AUTHOR Kurt Pitts

RECOMMENDATION

That

- The tender submitted by A1 Asphalting Pty Ltd, Boral Resources (Vic) Pty Ltd (Trading as Boral Asphalt), Meggetto Asphalting & Civil Construction Pty Ltd and R&C Asphalt Paving Pty Ltd to undertake the works associated with Contract 18/07 - Supply of Asphalt and Asphalt Paving Services 2018-2021 be accepted 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;
- The remaining tenderers be advised accordingly;
- The common seal of the Council be affixed to the contract documents

Attachments

1 [↓](#) Confidential memorandum detailing tenders received circulated to councillors only 4 Pages

EXECUTIVE SUMMARY

The current Supply of Asphalt & Asphalt Paving Services Contract (CT13/17) expires 30 August 2018. This contract has been used to complete a significant amount of the road renewal program which includes asphalt patching and resurfacing works allowing Council to meet its requirements under the Road Management Plan.

This report considers tenders received for the supply of asphalt and asphalt paving services within Cardinia Shire for the three year period, as detailed in Contract No. 18/07 - Supply of Asphalt and Asphalt Paving Services 2018-2021. The contract is for an initial period of three (3) years, with the option for a two (2) year extension.

Tenders were advertised on 24 March 2018 and closed at 2.00pm on 24 April 2018. Tenders were received from eight (8) Tenderers. 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:

- A1 Asphalting Pty Ltd
- Boral Resources (Vic)
- Meggetto Asphalting Pty Ltd
- R&C Asphalt Paving Pty Ltd

It is therefore recommended that Contract No. 18/07 for the supply of asphalt and asphalt paving services within Cardinia Shire be awarded accordingly.

BACKGROUND

The existing asphalt annual supply contract (Contract 13/17) is due to expire on 30 August 2018. This contract has been used to complete a significant amount of the road renewal program which includes asphalt patching and resurfacing allowing Council to meet its requirements under the Road Management Plan.

Contract 18/07 for the Supply of Asphalt and Asphalt Paving Services 2018-2021 is similar to the previous contract. The Contracts will be for an initial term of three years, with an option to extend for a further two years. It is subject to a CPI indexed price increase for year two and three and any additional extension period.

The tender documents provide for profiling services, supply of asphalt, asphalt paving and traffic management. Works are to be carried out on a schedule of rates basis with varying rates depending on the quantities of work involved, the specified asphalt 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 ten 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, quality of previous works, capability and capacity, relevant experience and past performance, quality system and compliance with the specifications

Prices were assessed by developing mock job sheets 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 four (4) contractors recommended to supplying asphalt and asphalt paving services as detailed in the tender documents. It is considered that the four (4) individual companies will provide Council the resources required to undertake the asphalt paving 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 \$150,000 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

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

Community consultation will occur as appropriate as the works under these contracts are implemented. No specific community consultation is involved for periodic supply contracts.

FINANCIAL AND RESOURCE IMPLICATIONS

Annually, there are significant funds within Council budget that are associated with works under this contract. In the 2018/19 Capital Works and Operational Budgets, it is estimated that there will be approximately \$1,800,000 associated with works to be allocated under this contract which will provide for renewal works over 50+ sites across the shire

CONCLUSION

It is recommended that the tenders submitted by A1 Asphalt Pty Ltd, Boral Resources (Vic) Pty Ltd (Trading as Boral Asphalt), Meggetto Asphalt & Civil Construction Pty Ltd and R&C Asphalt Paving Pty Ltd will provide best value for Council and that they should be accepted for CT18/07 - Supply of Asphalt & Paving Services.