

15 CONTRACT 19/32 - SUPPLY DELIVERY QUARRY AND CIVIL PRODUCTS

FILE REFERENCE INT1993913

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RECOMMENDATION

That Council:

1. Award Contract CT 19/32 to Fulton Hogan Quarries Pty Ltd and Holcim Australia Pty Ltd for a up to a 3-year period for the Supply Delivery Quarry & Civil Products from 1 January 2020, in accordance with the General Conditions of Contract; and
2. Advise all Tenders accordingly;
3. Affix the Common seal of the Council to the Contract documents

Attachments

- 1 Confidential Memorandum - Circulated to Councillors only 4 Pages
- 2 Confidential Attachment - Circulated to Councillors only 1 Page

EXECUTIVE SUMMARY

This report provides consideration for the appointment of two (2) contractors to supply and when required deliver quarry products for up to a 3-year period from 1 January 2020 as detailed in Contract No. CT 19/32 – Supply Delivery Quarry & Civil Products. This is primarily used to maintain and renew our roads.

Tenders were advertised on 29 June 2019 and closed at 3.00pm on 24 July 2019.

Tenders were received from nine (9) Tenderers.

The tenders submitted by Fulton Hogan Quarries Pty Ltd and Holcim Australia Pty Ltd are considered to be the most advantageous to Council. The appointment of two suppliers provides for differing products that cannot all be supplied by one quarry operator. It also provides flexibility and ability to use the cheapest material taking into account project location and the cost of haulage as well as material price. Both of these suppliers are incumbent providers to Council with a strong track record for delivering best-value products. It is therefore recommended that Contract No. CT 19/32 for the Supply Delivery Quarry & Civil Products be awarded accordingly.

BACKGROUND

Led by the City of Casey, a collaborative tender for the Supply Delivery Quarry & Civil Products was developed and included participation from the City of Greater Dandenong Council, Knox City Council, Manningham City Council and Cardinia Shire Council.

City of Casey was appointed by the participating Councils to act as their agent (and on its own behalf) for the purposes of conducting this tender. Each participating Council are responsible to enter into an individual contract for the provision of the services on its own behalf.

This tender provides a range of materials suitable to Council's needs. These include fine crushed rock, asphalt, recycled asphalt, crushed concrete, sand, soil and other quarry products including aggregates and rock spalls.

Council purchases approximately 100,000 tonnes of crushed rock and associated quarry products annually, primarily for use in maintaining its gravel roads, footpaths and shoulders of the sealed road network. In addition to this, Council purchase approximately 400 tonne of asphalt annually for sealed road maintenance. Council operates a fleet of trucks to service its road maintenance activities which includes haulage of most of this material. These trucks are required to enter the supplier's premises and be loaded by the supplier's staff and equipment. Occupational health and safety systems and risk management are therefore very important considerations from a Council perspective. The option for haulage was included in this tender to enable Council to accelerate supply of these materials should the need arise.

The tender was structured to enable Council to enter into multiple contracts with a range of suppliers for supply of the material to optimise the value considering the type of material required, location of works and total cost of supply including purchase price and haulage.

Each contractor was evaluated in accordance with the assessment criteria and accepting the offers from both Fulton Hogan Quarries Pty Ltd and Holcim Australia Pty Ltd was the outcome that offers the best value to Council. This approach provides multiple locations from which product can be sourced to minimise haulage, and gives access to the range of products required by Council from within the Shire.

POLICY IMPLICATIONS

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. This requirement has been complied with.

RELEVANCE TO COUNCIL PLAN

The Council Plan requires that Council maintain and develop its infrastructure including roads, buildings and facilities. Materials are essential resources required for Council to construct and maintain this infrastructure which align with the following council plan items:

3.1.1 Maintain all Council roads and supporting infrastructure in accordance with the *Road Management Act 2004*.

3.1.4 Manage Council's assets like roads, drainage, footpaths and buildings, etc. in a way that ensures they are adequately maintained over their life.

CONSULTATION/COMMUNICATION

The tender was publicly advertised on the 29 June 2019 and it is intended to notify all tenderers of the outcome following this Council meeting. Further community consultation will occur as

appropriate for the works in which these materials are to be utilised. No specific community consultation is involved for periodic supply contracts.

FINANCIAL AND RESOURCE IMPLICATIONS

Council typically expends up to \$2.1 million per annum on crushed rock and other quarry products. The expenditure for this material is spread over several areas including shoulder maintenance, gravel and sealed road maintenance, unsealed road resheeting, and footpath and drainage maintenance.

Expenditure shall be managed within approved annual operational and capital budgets.

CONCLUSION

That Council accept the tenders submitted by Fulton Hogan Quarries Pty Ltd and Holcim Australia Pty Ltd for the schedule of rates based Supply Delivery Quarry & Civil Products will provide best value to Council for up to the next 3-years.