

6.4.2 Contract 23-008 - Supply of Asphalt and Asphalt Paving Services 2023 - 2026

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Recommendation(s)

That Council accept the tenders submitted by A1 Asphaltting Pty Ltd, Boral Resources (VIC) Pty Ltd, Downer EDI Works, Fowlers Asphaltting Pty Ltd, Prestige Paving Pty Ltd and R&C Asphalt Paving Pty Ltd for RFT 23-008 - Supply of Asphalt and Asphalt Paving Services 2023-26. The Contracts will be for an initial term of three years, with an option to extend for a further two years.

Attachments

1. CONFIDENTIAL REDACTED - Confidential Memorandum - Contract 23-008 - Supply of Asphalt _ Asphalt Paving Services 2023-26 [6.4.2.1 - 3 pages]

Executive Summary

The current Supply of Asphalt & Asphalt Paving Services Contract (CT18-07) expired 17 July 2023. This contract has been used to complete a significant amount of the Shires Road Renewal program which includes asphalt patching and resurfacing works allowing Council to meet its requirements under its 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 23-008 - Supply of Asphalt and Asphalt Paving Services 2023-26. The contract is for an initial period of three (3) years, with the option for a two (2) year extension.

Tenders were advertised in Council's website on 20 May 2023 and closed at 2.00pm on 13 June 2023. Tenders were received from seven (7) 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 six (6) contractors are considered to be the most advantageous to Council:

- A1 Asphaltting Pty Ltd
- Boral Resources (VIC) Pty Ltd
- Downer EDI Works
- Fowlers Asphaltting Pty Ltd
- Prestige Paving Pty Ltd
- R&C Asphalt Paving Pty Ltd

It is therefore recommended that Contract 23-008 for the supply of asphalt and asphalt paving services within Cardinia Shire be awarded accordingly.

Background

The existing asphalt annual supply contract (Contract 18-07) has expired on 17 July 2023. That 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 23-008 for the Supply of Asphalt and Asphalt Paving Services 2023-26 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 seven tenders that were received for this contract were evaluated against the stipulated criteria of pricing and value for money, conditions of contract, 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 six (6) contractors recommended for the supply of asphalt and asphalt paving services as detailed in the tender documents. It is considered that the six (6) 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.

According to Council's Procurement policy, it 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

Nil

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 2023/24 Capital Works and Operational Budgets, it is estimated that there will be approximately \$2,500,000 associated with works to be allocated under this contract which will provide for renewal works over 75+ sites across the Shire.

Conclusion

It is recommended that the tenders submitted by A1 Asphaltting Pty Ltd, Boral Resources (VIC) Pty Ltd, Downer EDI Works, Fowlers Asphaltting Pty Ltd, Prestige Paving Pty Ltd and R&C Asphalt Paving Pty Ltd will provide best value for Council and that they should be accepted for Contract 23-008 - Supply of Asphalt & Paving Services 2023-26. The Contracts will be for an initial term of three years, with an option to extend for a further two years.