

3.4: PANEL OF SUPPLIERS CONSTRUCTION EQUIPMENT – CONTRACT C10027

Proponent : City of Albany
Business Entity Name : Various, detailed at Paragraph 5.
Responsible Officer : Executive Director Works and Services (K Ketterer)

IN BRIEF

- Tender C10027 – Panel of Suppliers Construction Equipment - be AWARDED to various suppliers.

ITEM 3.4: RESPONSIBLE OFFICER RECOMMENDATION

The Panel of Suppliers Construction Equipment Tender (C10027) – be AWARDED in the following suppliers :

- **Albany Industrial Services for acceptance of the tendered rates.**
- **Bill Gibbs Excavations for acceptance of the tendered rates.**
- **Palmer Earthmoving Pty Ltd for acceptance of the tendered rates.**
- **Great Southern Sands for acceptance of the tendered rates.**

Condition:

Allocations of work be assigned to the lowest tenderer in each equipment classification, and should the equipment not be available as required, the next lowest tenderer be approached.

(ABSOLUTE MAJORITY)

BACKGROUND

1. The City of Albany is seeking to establish a Panel of Suppliers for the supply of construction plant and equipment for a twelve month term. The availability of this type of equipment will be accessed to augment the City of Albany's own resources during peak construction and maintenance periods. The City of Albany's current contract for the Panel of Suppliers expired in October 2010.

DISCUSSION

2. Tenders were asked to provide hire rates for items of plant, with an operator supplied. These preferred suppliers will be used on an 'as and when' basis with no guarantee of the amount of work required by the City of Albany.

CEO:

RESPONSIBLE OFFICER:

3. The tender documents included tender evaluation criteria using the weighted attribute method. This method scores the evaluation criteria and weights their importance to determine an overall point score for each tender.
4. The tenders were assessed in two stages.
 - **Stage 1** – Compulsory Compliance – provide evidence of current insurances and evidence of an In House Safety Management Plan.
Tenders must comply with the Compulsory Stage 1 before further evaluation is carried out. In the case of this tender, all tenderers were compliant with Stage 1 of the assessment.
 - **Stage 2** – Assessment of Cost, Technical Compliance and Reliability of Contractor
5. The criteria used for this stage of the assessment is documented below

Criteria	% Weight
Cost	60%
Technical Compliance & Experience	20%
Reliability of Contractor	20%
TOTAL	100%

6. Tenderers were required to submit rates per hour, as well as standby rates and mobilisation/demobilisation rates.
7. For the purposes of the assessment, the allocations of working and standby times comprising the standard 40 hour evaluation week, have been set at 38hrs working and 2 hours stand-by, with 2 occurrences of mobilisation/remobilisation.
8. Tenders from a total of four suppliers were received. These suppliers are listed below

Tenderer	Abbreviation for Evaluation Purposes	Local Preference Qualification
Bill Gibbs Excavations	Bill Gibbs	Yes
Palmer Earthmoving Pty Ltd	Palmer	Yes
Great Southern Sands	GSS	Yes
Albany Industrial Services Pty Ltd	AIS	Yes

9. The following tables summarize the tender evaluation scores.. The hourly rates for the hire, stand by and mobilisation have not been included in the table as these are “commercial in confidence”, and should not be made publically available.

Excavator 18 Ton

Tender	Equipment	Score
Bill Gibbs	Kobelco SK200	503.37
Palmer	Cat 318BL	416.8

Excavator 20 Ton

Tender	Equipment	Score
AIS	Hitachi ZX230	465.60
Bill Gibbs	Komatsu PC220	421.00
Palmer	Cat 318BL	383.20
GSS	Volvo EC 210C	530.20

Excavator 25 Ton

Tender	Equipment	Score
Palmer	Cat 322CL	360.40
GSS	Volvo EC 240B	559.60

Excavator 30 Ton

Tender	Equipment	Score
GSS	Volvo EC 290C	602.20
Bill Gibbs	Hyundai 290	501.40
Palmer	Volvo EC360CL	277.00

Bulldozer 8.6 Ton

Tender	Equipment	Score
AIS	Komatsu D53	420.00

Bulldozer 22 Ton

Tender	Equipment	Score
AIS	Komatsu D85	420.00

Bulldozer 37 Ton

Tender	Equipment	Score
GSS	Cat D7R	526.00
Palmer	Komatsu D85A-21	394.00

Bulldozer 45 Ton

Tender	Equipment	Alt A Score
GSS	Cat D9R	506.20
Palmer	Komatsu D155A-2	469.00
Palmer	Cat D9N	404.80

Padfoot Roller

Tender	Equipment	Alt A Score
GSS	Cat CP563	587.20
Palmer	Dynapac	332.80

Loader

Tender	Equipment	Alt A Score
AIS	Komatsu WA250	498.00
GSS	Volvo 150F	433.00
Bill Gibbs	Hyundi 760-7	409.00

Truck (Semi Tipper)

Tender	Equipment	Alt A Score
GSS	Nissan UD 445	506.80
AIS	Nissan UD 400	459.60
Palmer	FH12	431.80
Bill Gibbs	Iveco Powerstar	401.80

Truck (Tandem)

Tender	Equipment	Alt A Score
GSS	Nissan UD 385	513.40
AIS	Nissan UD 300	496.20
Palmer	Nissan UD	395.80
Bill Gibbs	Iveco 4300	394.00

10. Should there be a requirement for other equipment not on the preferred supplier listing, then the normal procedure for quoting out for these services will apply.
11. In practice it is often the case that equipment ordered from a recommended successful supplier is often not available due to it being allocated to another contractor or is working on another site. It is then standard practice to approach another supplier who has the same or equivalent equipment to supply the equipment, even though this second supplier is not the lowest tenderer. It would therefore be recommended that more than one tenderer be approved per item of equipment in order to satisfy the operational requirements of the Works Department.
12. In these cases, the lowest tenderer would be the default contractor, with the second and third contractors being approached only if the required equipment is not available from the lowest tenderer when required.

PUBLIC CONSULTATION/ENGAGEMENT

13. A request for tenders was published in the West Australian on 9 October 2010 and the Albany Weekender on 7 October 2010.

GOVERNMENT CONSULTATION

14. Nil

STATUTORY IMPLICATIONS

15. Regulation 11 of the *Local Government (Functions and General) Regulations 1996 (Regulations)* requires Council to publicly tender if the contract is, or is expected to be, more, or worth more, than \$100,000.
16. Regulation 18 of the Regulations outlines a number of requirements relating to choice of tender. Council is to decide which of the acceptable tenders is the most advantageous to Council. It may also decline to accept any tender.
17. Regulation 19 of the Regulations requires Council to advise each tenderer is writing the result of Council's decision:

FINANCIAL IMPLICATIONS

18. The expected value of plant hire in the 2011/12 financial year is expected to be in excess of \$250 000. The approval of this tender is therefore referred to Council for consideration and award.
19. Tenderers were required to provide a schedule of rates for their services, including a standby rate and mobilisation / demobilisation rates. The supply of hire of construction equipment is budgeted for in the capital works and maintenance budgets. The tendered prices are within those allocations.

STRATEGIC IMPLICATIONS & ALIGNMENT TO CORPORATE PLAN

20. This item directly relates to the following elements from the Albany Insight ~ Beyond 2020 Corporate Plan...

“Community Vision: Nil

Priority Goals and Objectives: Goal 4: Governance ... The City of Albany will be an industry leader in good governance and service delivery.

Objective 4.2 The City of Albany will manage our municipal assets to ensure they are capable of supporting our growing community.

City of Albany Mission Statement: At the City of Albany we are results driven and accountable. We provide best value in applying council and community resources, and we apply Council funds carefully.”

POLICY IMPLICATIONS

21. Council Policy – Buy Local (Regional Price Preference) is applicable to this item.
22. This policy has been considered in the evaluation of the weighted scores.

ALTERNATE OPTIONS & LEGAL IMPLICATIONS

23. The City is not bound to accept the lowest or any tender and has the right to accept any tender or part of any tender.

SUMMARY CONCLUSION

24. The City has undergone a competitive process in line with the relevant legislation and established policies. All the contractors that submitted tenders have provided construction plant and equipment to Council previously. To date, the quality of service has been acceptable to Council.

Consulted References	Local Government (Functions and General) Regulations 1996 Council Policy – Purchasing (Tenders & Quotes) Council Policy – Buy Local (Regional Price Preference)
File Number (Name of Ward)	C10027 (All Wards)
Previous Reference	OCM 14/12/10 Item 3.3