

**5.1: CONTRACT C11010 - SUPPLY AND APPLICATION OF BITUMEN**

**Proponent** : City of Albany  
**Owner** : City of Albany  
**Responsible Officer(s)** : Chief Executive Officer (F James)

**IN BRIEF**

- Contract C11010 – Supply and application of bitumen be AWARDED to Fulton Hogan Industries for a one year period, following which period the contract will be retendered.

**ITEM 5.1 RESPONSIBLE OFFICER RECOMMENDATION  
VOTING REQUIREMENT: SIMPLE MAJORITY**

**THAT Council:**

**ACCEPT the Tender from Fulton Hogan Industries and award contract C11010 for the supply and application of bitumen for a period of one year, following which period the contract will be retendered.**

**CEO:**

**RESPONSIBLE OFFICER:**

**BACKGROUND**

1. Due to an expiry of the current bitumen supply and application contract, tenders were called for the provision of bitumen supply and application for a period of one year. The tender is for all services necessary to satisfactorily perform the City of Albany's annual reseal program.

**DISCUSSION**

2. A total of seven tender documents were downloaded from the City of Albany website.
3. Three completed tender document were submitted on or before the stipulated closing date and time. The following table summarises the tenderers and overall evaluation scores applicable to each submission.

<b>Tenderer</b>	<b>Total Evaluation Score</b>
Boral Asphalt	469.588
RNR	488.399
Fulton Hogan Industries	677.013

4. 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. The criteria are tabled below:

<b>Criteria</b>	<b>% Weight</b>
Cost	55
Technical Compliance and Experience	15
Reliability	15
Quality Accreditation	15
<b>Total</b>	<b>100</b>

5. On the basis of the total evaluation score which considers cost, technical compliance and experience, reliability and quality the most suitable company is considered Fulton Hogan Industries.

**GOVERNMENT CONSULTATION**

Nil.

**PUBLIC CONSULTATION / ENGAGEMENT**

6. A request for tenders was published in the West Australian on 5 October 2011 and the Great Southern Weekender on 6 October 2011.

**STATUTORY IMPLICATIONS**

7. 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 \$250,000.

8. 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.
9. Regulation 19 of the Regulations requires Council to advise each tenderer in writing the result of Council's decision.

**STRATEGIC IMPLICATIONS**

10. This item directly relates to the following elements of the 2011 City of Albany Strategic Plan:

**Key Focus Area**

*Lifestyle and Environment*

**Community Priority**

*A built environment for active lifestyles*

**Key Focus Area**

*Lifestyle and Environment*

**Community Priority**

*Road improvements*

**POLICY IMPLICATIONS**

11. The City of Albany Tender Policy and Regional Price Preference Policy are applicable to this item.

**RISK IDENTIFICATION & MITIGATION**

12. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Non compliance with contract or business failure	Unlikely	Medium	Medium	General conditions of contract allow for contract termination on the basis of failure to supply goods & services
A vehicle accident occurs due to an unsafe environment for road users	Possible	Medium	High	The Contractor is required to submit a Traffic Management Plan prepared by an accredited person for each site of works

**FINANCIAL IMPLICATIONS**

13. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.
14. The cost per job will be included in the specific budget line item.

**LEGAL IMPLICATIONS**

Nil.

**ALTERNATE OPTIONS**

15. Council can accept or reject the tenders as submitted.

**SUMMARY CONCLUSION**

16. On reviewing the one submission, the evaluation team assessed Fulton Hogan Industries as being the most suitable tenderer across the evaluation criteria in terms of cost, technical compliance and experience, reliability and quality. Fulton Hogan Industries is recommended to be awarded the supply and application of bitumen contract.

<b>Consulted References</b>	Local Government (Functions and General) Regulations 1995 Council Policy – Purchasing (Tenders & Quotes) Council Policy – Buy Local (Regional Price Preference)
<b>File Number (Name of Ward)</b>	C11010
<b>Previous Reference</b>	