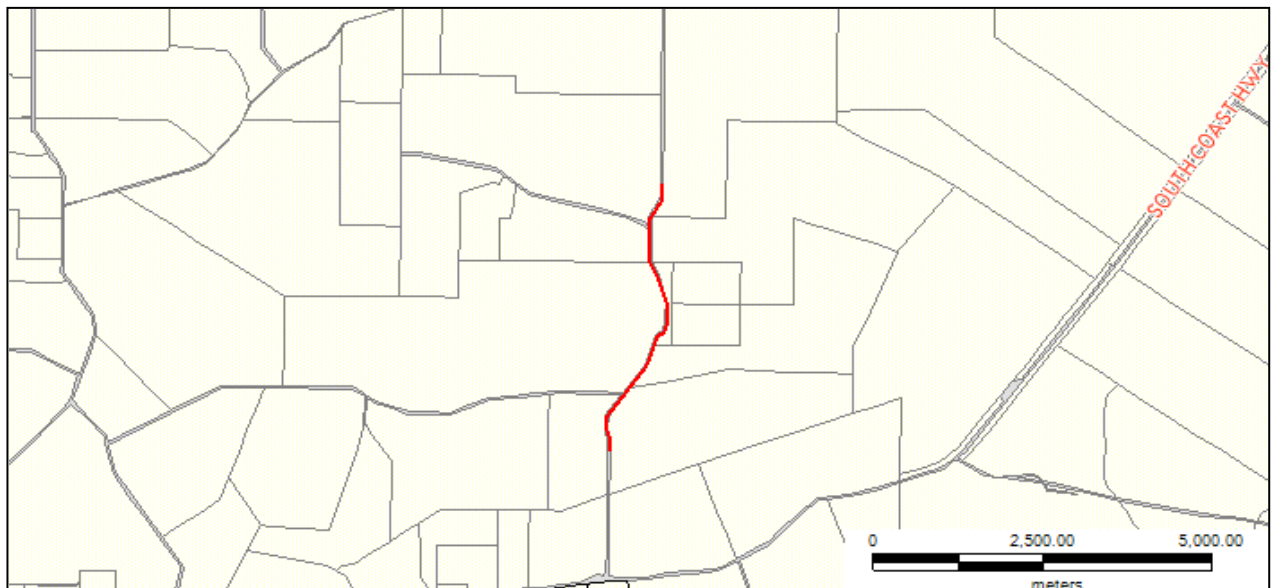


5.4: CONTRACT C12002 – PFEIFFER ROAD UPGRADE, STAGE 1

Land Description : Pfeiffer Road, Kalgan Ward
Proponent : City of Albany
Owner : City of Albany
Responsible Officer(s) : Acting Director Works & Services (S. Grimmer)

Maps and Diagrams:



IN BRIEF

- Contract C12002 – Pfeiffer Road Upgrade, Stage 1 be AWARDED to AD Contractors.
- Additional funds of \$100,000 be allocated to the project to enable its completion.

RECOMMENDATION

ITEM 5.4: RESOLUTION

VOTING REQUIREMENT: ABSOLUTE MAJORITY

MOVED: COUNCILLOR SUTTON

SECONDED: COUNCILLOR HOLDEN

That Council:

- **ACCEPT** the Tender from AD Contractors and award contract C12002 Pfeiffer Road Upgrade, Stage 1; and
- **APPROVE** the reallocation of \$100,000 to the Pfeiffer Road reconstruction project from job number 2849, Bettys Beach Road

**CARRIED 12-0
ABSOLUTE MAJORITY**

BACKGROUND

1. Pfeiffer Road is located approximately 37 kilometres northeast of Albany off South Coast Highway and is an important timber haulage route providing access to a number of timber plantations. Some lengths of Pfeiffer Road have previously been upgraded. This is one of the remaining sections still to be addressed. The upgrading of this section of Pfeiffer Road includes the widening and reconstruction of 1.43 kilometres.
2. Design, specification and contract documentation has been prepared by external consultants to the stage of "Issue for Tender". The tender was advertised from 5th January 2012 and closed on 19th January 2012.
3. The City of Albany will act in the role of Principal, and OPUS have been engaged to act in the role of Superintendent for the project.

DISCUSSION

4. A total of 25 of tender documents were downloaded from the City of Albany website
5. Four completed tender documents were submitted on or before the stipulated closing date and time. The conforming tenders were considered.
6. The tenders were evaluated using the weighted attributes methodology. This method scores the evaluation criteria and weights their importance to determine an overall point score for each tender. The criteria are tabled below:

Criteria	% Weight
Cost	40
Demonstrated Understanding	30
Tenderers Resources	10
Key Personnel (skills & experience)	10
Relevant Experience	10
Total	100

7. The following table summarises the tenders and overall evaluation scores applicable to each submission.

Tenderer	Total Evaluation Score
AD Contractors	601.69
Great Southern Sands	596.36
Nigel Palmer Earthmoving	479.80
Albany Industrial Services	322.15

8. On the basis of the total evaluation score which considers cost, demonstrated understanding, key personnel (skills & experience) and relevant experience the most suitable company is considered AD Contractors.

GOVERNMENT CONSULTATION

9. All relevant Government approvals, including Department of Environment and Conservation, Department of Indigenous Affairs and SWALSC have been received for the project.

PUBLIC CONSULTATION / ENGAGEMENT

10. A request for tenders was published in the Great Southern Weekender on 5th January 2012 and the West Australian on 7th January 2012.

STATUTORY IMPLICATIONS

11. 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.
12. 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.
13. Regulation 19 of the Regulations requires Council to advise each tenderer in writing the result of Council's decision.

STRATEGIC IMPLICATIONS

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

Key Focus Area

Lifestyle and Environment

Community Priority

Road improvements

POLICY IMPLICATIONS

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

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>A vehicle accident occurs due to an unsafe environment for road users</i>	<i>Possible</i>	<i>Medium</i>	<i>High</i>	<i>Ensure upgrade of road is undertaken this financial year</i>
<i>Non compliance with contract or business failure</i>	<i>Unlikely</i>	<i>Medium</i>	<i>Medium</i>	<i>General conditions of contract allow for contract termination on the basis of failure to supply goods & services</i>

FINANCIAL IMPLICATIONS

17. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.

Funding for the project has been received from the Timber Industry Roading Evaluation Study (TIRES). Funds have also been allocated in the 2011-2012 budget, including second quarter review amendments approved by the Audit and Finance Committee in December 2011, the funds available for this project are detailed below.

Funding source	Amount
TIRES	\$120,000.00
City of Albany (after second quarter adjustment)	\$330,000.00
Total	\$450,000.00

The total funds available are insufficient and an additional amount of \$100,000 is required to be reallocated to the project to complete the project.

The additional funds of \$100,000 can be sourced from surpluses on Job 2849, Bettys Beach Road.

Bettys Beach Road has been delayed due to Indigenous approval requirements and current timeframes do not enable its completion within the 2011-2012 financial year. This project will now be proposed for 2012-2013 construction.

LEGAL IMPLICATIONS

18. There are no legal implications associated with this item.

ALTERNATE OPTIONS

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

SUMMARY CONCLUSION

20. On reviewing the submissions, the evaluation team assessed AD Contractors as being the most suitable tenderer across the evaluation criteria in terms of cost, technical compliance & methodology, reliability & experience and safety. AD Contractors are recommended to be awarded the Pfeiffer Road Upgrade, Stage 1 contract.

Consulted References	Local Government (Functions and General) Regulations 1995 Council Policy – Purchasing (Tenders & Quotes) Council Policy – Buy Local (Regional Price Preference)
File Number (Name of Ward)	C12002