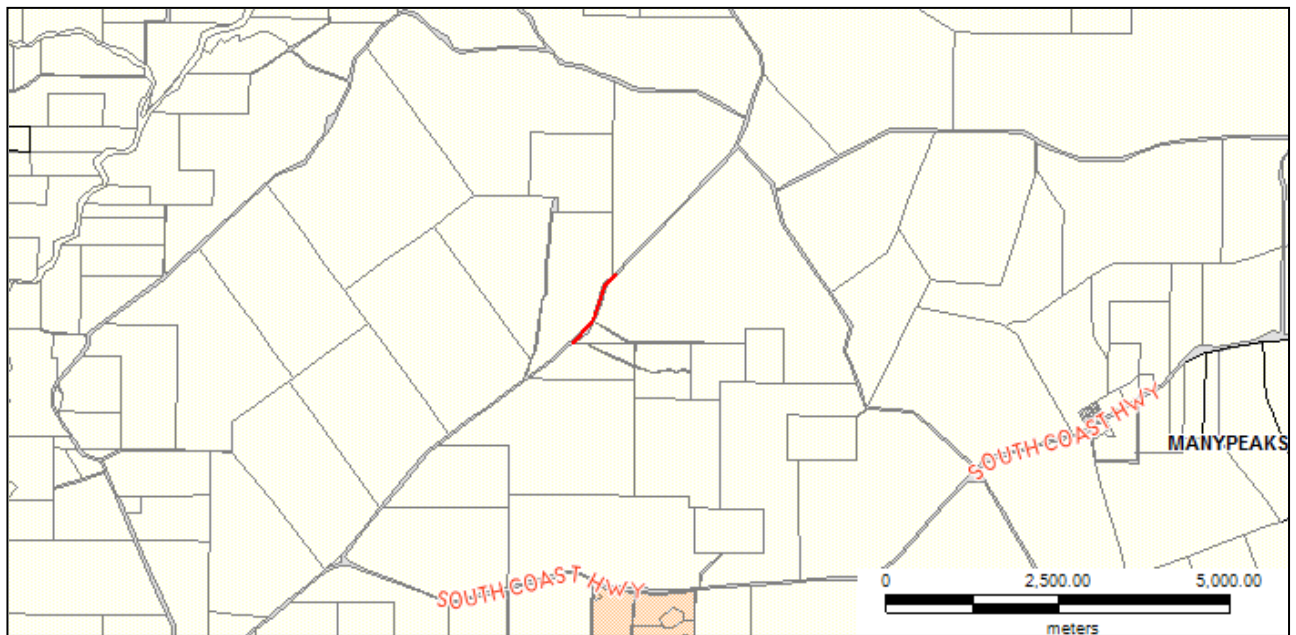


5.3: CONTRACT C11020-PALMDALE ROAD UPGRADE

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

Maps and Diagrams:



IN BRIEF

- To award Contract C11020 – Palmdale Road Upgrade (SLK 4.80 – 6.00) to Palmer Earthmoving.

RECOMMENDATION

ITEM 5.3: RESOLUTION

VOTING REQUIREMENT: ABSOLUTE MAJORITY

MOVED: COUNCILLOR HOLDEN

SECONDED: COUNCILLOR GREGSON

That Council:

ACCEPT the Tender from Palmer Earthmoving and award contract C11020 Palmdale Road Upgrade (SLK 4.80 – 6.00)

**CARRIED 12-0
ABSOLUTE MAJORITY**

BACKGROUND

1. Palmdale Road is located approximately 22 kilometres northeast of Albany off South Coast Highway and is an important timber haulage route providing access to a number of timber plantations. Palmdale Road has been upgraded in stages over previous years. This is one of the remaining sections still to be addressed. The upgrading of this section of Palmdale road includes the widening and reconstruction of 1.2 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 8th December 2011 and closed on 22nd December 2011.
3. The City of Albany will act in the role of Principal, and Wood and Grieve Engineers have been engaged to act in the role of Superintendent for the project.

DISCUSSION

4. A total of 16 of tender documents were downloaded from the City of Albany website
5. Three completed tender documents were submitted on or before the stipulated closing date and time. One submission by Albany Industrial Services was non-conforming as they provided only a price to undertake the work. No supportive information was provided as part of their submissions which was a requirement of the process. 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
Technical Compliance & Methodology	30
Reliability & Experience	20
Safety Management	10
Total	100

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

Tenderer	Total Evaluation Score
Palmer Earthmoving	733.75
APH Contractors	626.25
Albany Industrial Services	N/C

N/C = Non-conforming

8. On the basis of the total evaluation score which considers cost, technical compliance & methodology, reliability & experience and safety the most suitable company is considered to be Palmer Earthmoving.

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 West Australian on 10th December 2011 and the Great Southern Weekender on 8th December 2011.

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.

18. Funding for the project has been received from the Timber Industry Roding 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	\$280,000.00
City of Albany (after second quarter adjustment)	\$190,000.00
Total	\$470,000.00

LEGAL IMPLICATIONS

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

ALTERNATE OPTIONS

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

SUMMARY CONCLUSION

21. On reviewing the submissions, the evaluation team assessed Palmer Earthmoving as being the most suitable tenderer across the evaluation criteria in terms of cost, technical compliance & methodology, reliability & experience and safety. Palmer Earthmoving are recommended to be awarded the Palmdale Road Upgrade 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)	C11020