

**5.1: CONTRACT C11024 – PANEL OF SUPPLIERS – CONSTRUCTION
PLANT & EQUIPMENT**

Proponent : City of Albany
Responsible Officer(s) : Executive Director Works & Services (S Grimmer)

Maps and Diagrams:

Nil

IN BRIEF

- Tender to appoint preferred contractors to “wet” hire construction plant and equipment;
- For each item the highest weighted tenderer will be the default contractor with subsequent tenderers (in order) approached when default contractor not available.

RECOMMENDATION

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

THAT Council:

1. **AWARD the Panel of Suppliers – Construction Plant & Equipment, Contract C11024 to the following Suppliers:**
 - Albany Industrial Services for acceptance of the tendered rates
 - AD Contractors 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
 - Grocott Transport for acceptance of the tendered rates
 - Albany Bobcat Services for acceptance of the tendered rates
2. **Condition:**
Allocations of work are assigned to the highest weighted tenderer in each equipment classification, and should the equipment not be available as required, the next highest weighted tenderer be approached.

BACKGROUND

1. The City of Albany is seeking to establish a “Panel of Suppliers” for the supply of construction plant and equipment to augment the City of Albany’s current machinery base during peak construction and maintenance periods.
2. This Panel of Suppliers shall consist of Contractors prepared to “wet” hire construction plant and equipment to the City of Albany. The term “wet” hire refers to the hire of equipment with an operator - all daily operational and maintenance costs are the contractor’s responsibility.
3. This Panel shall be Council’s preferred suppliers and requests for hire of equipment and operators shall be directed to members of this Panel before all others.

DISCUSSION

4. A total of twenty four tender documents were downloaded from the City of Albany website.
5. 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' required basis with no guarantee of the amount of work required by the City of Albany
6. 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:

Criteria	% Weight
Cost	60
Technical Compliance & Experience	10
Age of Equipment	5
Mechanical Condition of Equipment	5
Reliability of Contractor & Resources	20
Total	100

7. Tenderers were required to submit rates per hour, as well as standby rates and mobilisation/demobilisation rates.
8. For the purposes of the cost 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/demobilisation
9. Six completed tender documents were submitted on or before the stipulated closing date and time. The following table summarises the tenderers and overall evaluation scores applicable to each category of plant. The hourly rates for the hire, stand by and mobilisation have not been included in the table as these are "commercial in confidence", and will not be made publically available.

Small Excavator

TENDERER	EQUIPMENT	SCORE
Great Southern Sands	Komatsu PC 30-2	583.60
AD Contractors	Cat 3	476.40

Medium Excavator – CCF Class 15

TENDERER	EQUIPMENT	SCORE
Great Southern Sands	Volvo ECR88	634.40
Palmer Earthmoving	Cat 318B	415.60

Medium Excavator – CCF Class 20

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	Hitachi ZX230/Komatsu PC220	621.40
Great Southern Sands	Volvo EC210C	564.40
AD Contractors	CAT 320L/320D	529.20
Palmer Earthmoving	CAT 322CL	339.40

REFER DISCLAIMER

Dozer – CCF Class 25

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	KomatsuD85	662.20
Great Southern Sands	Volvo EC240B	611.60
AD Contractors	CAT D6D	311.80

Dozer – CCF Class 30

TENDERER	EQUIPMENT	SCORE
Great Southern Sands	CAT D7R	602.00
AD Contractors	CAT D7H	521.80
Palmer Earthmoving	CAT D8R	461.20

Dozer – CCF Class 40

TENDERER	EQUIPMENT	SCORE
AD Contractors	CAT D8N	611.20
Great Southern Sands	Komatsu 275	538.40
Palmer Earthmoving	CAT D9R	435.40

Wheel Loader

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	Komatsu WA 180	683.20
AD Contractors	CAT 924	530.40
Great Southern Sands	CAT 924G	491.60
Palmer Earthmoving	CAT 930H	424.20

Backhoe Loader

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	JCB 3CX	636.40
AD Contractors	CAT 432	433.60

Grader

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	CAT 12G/Cat 130G	659.80
Great Southern Sands	CAT 12M	549.20
AD Contractors	CAT 12H	537.40
Great Southern Sands	CAT 12H	486.40
Palmer Earthmoving	CAT 12M	287.40

Vibrating Roller

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	Ingersoll Rand/Hamm HD12	630.40
Great Southern Sands	Bomag BW211-4	578.00
AD Contractors	CAT 563C/CAT 563D	490.20
Palmer Earthmoving	CAT CS56	386.40

REFER DISCLAIMER

Multi Tyre Roller

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	Dynapac CP132	620.80
Great Southern Sands	Multipac VP200	596.60
Palmer Earthmoving	Multipac VP2400	367.60

Padfoot Roller

TENDERER	EQUIPMENT	SCORE
Great Southern Sands	CAT 563	629.80
AD Contractors	CAT 563E	546.60
Palmer Earthmoving	Dynapac CA252	418.60

Skid Steer

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	CAT226B/Ingersoll Rand	646.60
Albany Bobcat Services	Toyota SDK8	547.60
Palmer Earthmoving	CAT 257B3	456.00
AD Contractors	CAT 247B	418.80

Low Loader

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	Truck/Trailer	668.80
AD Contractors	Nissan Prime Mover/Trailer	600.60
Palmer Earthmoving	Scania Prime Mover/Low Loader	345.60

Truck – Semi Tipper

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	Nissan UD	651.60
AD Contractors	Nissan CW445 – several	562.80
Great Southern Sands	Nissan UD	536.60
Palmer Earthmoving	Volvo FM12	467.80
Grocott Transport	Volvo FH	446.20

Truck - Tandem

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	Nissan UD	667.60
Great Southern Sands	Nissan UD	530.00
AD Contractors	Nissan 6 Wheelers – several	463.00
Palmer Earthmoving	Nissan UD	459.40

Water Truck

TENDERER	EQUIPMENT	SCORE
Albany Industrial Services	International – 12,000ltrs	650.80
Great Southern Sands	Mercedes	556.40
AD Contractors	Nissan/Stirling – several	520.00
Palmer Earthmoving	Iveco – 13,000ltrs	392.80

****REFER DISCLAIMER****

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 highest weighted 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 highest weighted tenderer would be the default contractor, with subsequent contractors being approached only if the required equipment is not available from the highest tenderer when required

GOVERNMENT CONSULTATION

13. Nil.

PUBLIC CONSULTATION / ENGAGEMENT

14. A request for tenders was published in the West Australian on 25 July 2012 and the Great Southern Weekender on 26 July 2012

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 in writing the result of Council's decision

STRATEGIC IMPLICATIONS

18. 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 improvement

POLICY IMPLICATIONS

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

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<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

21. The expected value of plant hire in the 2012/13 financial year could be in excess of \$250,000 and therefore the approval is referred to Council for consideration.
22. 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.

LEGAL IMPLICATIONS

23. Nil

ALTERNATE OPTIONS

24. Council is not bound to accept the lowest or any tender and can accept or reject the tenders as submitted.

SUMMARY CONCLUSION

25. 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 1995 Council Policy – Purchasing (Tenders & Quotes) Council Policy – Buy Local (Regional Price Preference)
File Number (Name of Ward)	:	C11024
Previous Reference	:	