

5.4: CONTRACT C12013 – SUPPLY AND APPLICATION OF BITUMEN

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

Maps and Diagrams:

Nil

IN BRIEF

- Contract C12013 – Supply and application of bitumen be AWARDED to Fulton Hogan Industries for a period up to 28 February 2013, with a clause to allow a negotiated monthly extension.

RECOMMENDATION

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

THAT Council:

1. **ACCEPT** the Tender from Fulton Hogan Industries and award contract C12013 for the supply and application of bitumen for a period up to 28 February 2013.
2. **INCLUDE** a clause in the contract C12013 which allows the City of Albany to negotiate a monthly extension if required.

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 with works to be completed by 28 February 2013. The tender is for all services necessary to satisfactorily perform the City of Albany's annual reseal program.

DISCUSSION

2. A total of nine tender documents were downloaded from the City of Albany website.

REFER DISCLAIMER

3. Five 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 submission.

Tenderer	Total Evaluation Score
Fulton Hogan Industries	616.43
RnR Contracting – Option 1	573.62
RnR Contracting – Option 2	564.68
Bitumen Surfacing	556.01
Boral Asphalt	552.77
Bitutek	466.49

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:

Criteria	% Weight
Cost	55
Relevant Experience	15
Reliability	15
Quality Accreditation	15
Total	100

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.
6. To ensure that the annual capital works program is completed in a timely manner, it is recommended that the deadline of 28 February 2013 (as per the special conditions of contract) be amended to include a negotiated monthly extension to address any potential extenuating circumstances.

GOVERNMENT CONSULTATION

7. Nil.

PUBLIC CONSULTATION / ENGAGEMENT

8. A request for tenders was published in the West Australian on 18 July 2012 and the Great Southern Weekender on 19 July 2012

STATUTORY IMPLICATIONS

9. 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.
10. 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.
11. Regulation 19 of the Regulations requires Council to advise each tenderer in writing the result of Council's decision

STRATEGIC IMPLICATIONS

12. 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

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

RISK IDENTIFICATION & MITIGATION

14. 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>
<i>A vehicle accident occurs due to an unsafe environment for road users</i>	<i>Possible</i>	<i>Medium</i>	<i>High</i>	<i>The Contractor is required to submit a Traffic Management Plan prepared by an accredited person for each site of works</i>

FINANCIAL IMPLICATIONS

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

16. The cost per job will be included in the specific budget line item.

LEGAL IMPLICATIONS

17. Nil

ALTERNATE OPTIONS

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

SUMMARY CONCLUSION

19. 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.

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)	:	C12013
Previous Reference	:	