

5.1: CONTRACT C12024 – SUPPLY OF GRAVEL - CRUSHING

Proponent : City of Albany
Responsible Officer : Executive Director Works & Services (M Thomson)

Maps and Diagrams:

Nil

IN BRIEF

- Contract C12024 – Supply of Gravel - Crushing be AWARDED to AD Contractors and Palmer Earthmoving for the various gravel pits during 2013/2014.

RECOMMENDATION

ITEM 5.1: RESPONSIBLE OFFICER RECOMMENDATION VOTING REQUIREMENT: ABSOLUTE MAJORITY

THAT Council:

1. **ACCEPT** the Tender from AD Contractors and **AWARD** contract C12024 for the Supply of Gravel – Crushing for the following gravel pits:
 - S007 - Kuch Road;
 - S016 - Takenup Road;
 - S022 - South Coast Highway;
 - S023 - Wilcox Road;
 - S039 - Redhen Road
2. **ACCEPT** the Tender from Palmer Earthmoving and **AWARD** contract C12024 for the Supply of Gravel – Crushing for the following pits:
 - S008 - Chillinup Road,;
 - S019 - Lilydale Road;
 - S021 - Gnowellen Road;
 - S034 - Hunwick Road;
 - S036 - Old Boundary Road;
 - S037 - Redmond Hay/Davy Road

BACKGROUND

1. As part of the Works & Services construction and maintenance programs, it is necessary to source gravel for use in construction and routine maintenance of existing roads. A number of strategic gravel sources have been identified and Council will operate these pits within the conditions and guidelines of the Extractive Industry Licence. Contractors are now required to extract, crush and stockpile the gravel for Council's use.

DISCUSSION

2. A total of twelve tender documents were issued for this Contract.
3. Four submissions and one alternative submission were received on or before the stipulated closing date and time. Of these five submissions, the alternative submission received from Palmer Earthmoving was removed from final evaluation because this submission was based on Palmer Earthmoving being awarded the tender for all of the gravel pits.
4. The tender submissions from Great Southern Sands and Peel Resource Recovery Pty Ltd have been excluded as they were considered not to be advantageous due to the large price deviation, and the cost evaluations unreasonably skewed the weightings for the rest of the evaluation process (as can be seen on Table 1).

16/07/2013

REFER DISCLAIMER

Table 1

Tenderer	Total Evaluation Score
Great Southern Sands	300.00
AD Contractors	791.95
Palmer Earthmoving	786.89
Peel Resource Recovery Pty Ltd	360.57

5. The following tables summarise the two tender submissions that were evaluated and the overall evaluation scores applicable to their submissions.

PIT LOCATION	WEIGHTED SCORE
KUCH ROAD PIT – S007	
AD Contractors	557.00
Palmer Earthmoving	543.00
CHILLINUP ROAD PIT – S008	
Palmer Earthmoving	550.50
AD Contractors	549.50
TAKENUP ROAD PIT - S016	
AD Contractors	576.50
Palmer Earthmoving	523.50
LILYDALE ROAD PIT – S019	
Palmer Earthmoving	565.00
AD Contractors	535.00
GNOWELLEN ROAD PIT – S021	
Palmer Earthmoving	570.00
AD Contractors	530.00
SOUTH COAST HIGHWAY ROAD PIT – S022	
AD Contractors	566.00
Palmer Earthmoving	534.00
WILCOX ROAD PIT – S023	
AD Contractors	576.50
Palmer Earthmoving	523.50
HUNWICK ROAD PIT – S034	
Palmer Earthmoving	551.00
AD Contractors	549.00
OLD BOUNDARY ROAD PIT – S036	
Palmer Earthmoving	572.00
AD Contractors	528.00
REDMOND HAY RIVER ROAD PIT – S037	
Palmer Earthmoving	554.50
AD Contractors	545.50
REDHEN ROAD PIT – S039	
AD Contractors	562.50
Palmer Earthmoving	537.50

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	50
Relevant Skills & Experience	20
Tenderer's Resources	20
Demonstrated Understanding	10
Total	100

7. Each of the pits were individually evaluated and awarded to the contractor that represented the highest weighted score and is considered to be the most advantageous option to Council.
8. All of the tenderers have performed this type of work for Council over preceding years.
9. On the basis of the total evaluation score which considers cost, technical compliance, relevant skills and experience, resources and management systems, this contract will be divided between two local contractors.

GOVERNMENT CONSULTATION

10. Nil.

PUBLIC CONSULTATION / ENGAGEMENT

11. A request for tenders was published in the West Australian on 27 March 2013 and the Great Southern Weekender on 28 March 2013

STATUTORY IMPLICATIONS

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

STRATEGIC IMPLICATIONS

15. 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

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

RISK IDENTIFICATION & MITIGATION

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

17. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.
18. The cost for these works is factored into the current price that Council charges to the construction and maintenance teams for their gravel supplies. This price is reviewed annually and includes the cost of the gravel crushing, a royalty payment to the land owner and a contribution towards rehabilitation of the extraction area.

LEGAL IMPLICATIONS

19. Nil

ALTERNATE OPTIONS

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

SUMMARY CONCLUSION

21. On reviewing the submissions, the evaluation team determined that splitting this tender across two local contractors would be the most advantageous. AD Contractors and Palmer Earthmoving are recommended to be awarded the supply of gravel crushing for the various pits as detailed.

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)	:	C12024