

19 CONFIDENTIAL ITEMS**19.2 AWARDING OF CONTRACT - SHOULDER WIDENING AT KULKAMI ROAD****RECOMMENDATION****That:**

1. Pursuant to Section 90(2) & (3) of the Local Government Act 1999 the Council orders that the public, with the exception of the Acting Chief Executive Officer, Manager Corporate Services, Acting Manager Infrastructure Services, Manager Property and Development Services, Coordinator Executive Services and the Minute Secretary be excluded from attendance at the meeting held on Wednesday 23 November 2022 for Agenda Item 19.2 Awarding of Contract - Shoulder Widening at Kulkami Road;
2. The Council is satisfied that pursuant to section 90 (3) (k) of the Local Government Act 1999, the information to be received, discussed or considered in relation to the Agenda Item 19.2 Awarding of Contract - Shoulder Widening at Kulkami Road is:
tenders for the supply of goods, the provision of services or the carrying out of works.
3. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to discuss this Agenda Item 19.2 in confidence.

**MOVED COUNCILLOR NEVILLE PFEIFFER
SECONDED COUNCILLOR RON VALENTINE**

That:

1. Pursuant to Section 90(2) & (3) of the Local Government Act 1999 the Council orders that the public, with the exception of the Acting Chief Executive Officer, Manager Corporate Services, Acting Manager Infrastructure Services, Manager Property and Development Services, Coordinator Executive Services and the Minute Secretary be excluded from attendance at the meeting held on Wednesday 23 November 2022 for Agenda Item 19.2 Awarding of Contract - Shoulder Widening at Kulkami Road;
2. The Council is satisfied that pursuant to section 90 (3) (k) of the Local Government Act 1999, the information to be received, discussed or considered in relation to the Agenda Item 19.2 Awarding of Contract - Shoulder Widening at Kulkami Road is:
tenders for the supply of goods, the provision of services or the carrying out of works.
3. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed by the need to discuss this Agenda Item 19.2 in confidence.

CARRIED.

19.2 AWARDING OF CONTRACT - SHOULDER WIDENING AT KULKAMI ROAD

Responsible officer: Neil Steer, Acting Manager Infrastructure Services

Attachments: 1. Bid Comparison

Section under the Act	The grounds on which part of the Council or Committee may be closed to the public are listed in Section 90(2) & (3) of the <i>Local Government Act 1999</i> .
Sub-clause and Reason:	(k) - tenders for the supply of goods, the provision of services or the carrying out of works.

Executive Summary

The purpose of this report is to enable Council to consider entering into a contract for the delivery of shoulder widening works on Kulkami Road.

<p>RECOMMENDATION</p> <p>That Council awards the contract for 10 kilometres of shoulder widening on Kulkami Road to P.D. Excavations Pty Ltd</p>

**MOVED COUNCILLOR RON VALENTINE
SECONDED COUNCILLOR NEVILLE PFEIFFER**

That Council awards the contract for 10 kilometres of shoulder widening on Kulkami Road for up to \$1,000,000 to P.D. Excavations Pty Ltd

CARRIED.

Background

Council allocated funding of \$334,000 in the 2021/2022 budget for Kulkami Road shoulder works. This was a 1/3 contribution to the project with an additional 2/3 contribution of \$666,000 funding from the Special Local Roads Program for which Council was successful in obtaining.

The total budget figure for the project in the annual business plan and budget is \$1,000,000.00.

Context

Council advertised for tenders via the SA Tenders website. Tenders closed Wednesday 2 November 2022 at 5.00pm.

The tender specification provided for shoulder widening and sealing of 10 kilometres of Kulkami Road.

Council received a total of four tender submissions. The companies that made submissions were P.D. Excavations, Southern Contracting Group, Jakelco Contracting and Remco Contractors.

Tenders were assessed on Thursday 28 October 2021 by Matthew Sherman [Acting CEO] and Neil Steer [Acting manager Infrastructure Services].

Policy and statutory implications

Council has a procurement policy and the tender process has been undertaken in accordance with the policy.

All Council purchases must be carried out in compliance with the Local Government Act 1999 (the Act). Section 49 (a1) of the Act requires Council to develop and maintain procurement policies, practices and procedures directed towards:

- Obtaining value in the expenditure of public money, and
- Providing for ethical and fair treatment of participants, and
- Ensuring probity, accountability and transparency in the procurement process.

Council is not obliged to accept the lowest tender or any tender.

Issues

The submitted tenders were varied with some tenders submitting different methodologies to provide options for council to consider. For comparison all tenders submitted the methodology presented as below which has been used on the previous 22km of shoulder works kulkami Road

topping up existing shoulder with imported PM2/20mm product to match existing road level and grades and mixing the Pm2/20mm product with existing shoulder while adding moisture [i.e. wet mixing] to achieve a uniform and homogenous layer of new shoulder coarse and then 2 coat sealing of 14 and 7.

P.D. Excavations

Kulkami Road - 10 kilometres of shoulder works - \$77,065 ex GST per km [total \$770,650]

Jakelco Constructions

Kulkami Road - 10 kilometres of shoulder works- \$124,804 ex GST per km [Total \$1,248,040]

Southern Contracting Group

Kulkami Road - 10 kilometres of shoulder works - \$80,400 ex GST per km [Total \$804,000]

Remco Contractors

Kulkami Road - 10 kilometres of shoulder works - \$142,598 ex GST per km [\$1,425,980]

Jakelco Constructions and Remco Contractors were ruled out as their prices were extensively above the budget allocated

PD Excavations and Southern Contracting Group both submitted construction programs identify they can deliver the project within the timeframes required although it was noted that Southern

Contracting Group are undertaking works of somewhat of a similar nature which have been awarded and haven't commenced yet. PD Excavations is DIT [Department Transport and Infrastructure] accredited and has done this type of work for DIT consistently on an annual basis over a long period of time. PD Excavations have also previously undertaken the 22km of shoulder widening works on Kulkami Road in 2020/21 & 2021/22 budget years. PD Excavations also had the lowest price per KM

It is also plausible that given the price received from PD Excavations there is potential to widen the shoulders by a further half meter and re line Kulkami Road [Shoulder widening and line marking already part of the works] from the start of the project giving further safety outcomes for traffic users that will be achieved. This should be considered by Council as part of the Kulkami works.

Alternate options

Council could decide not to proceed with the works; however, this is not recommended given that this project is reliant on substantial Commonwealth Government funding.

Financial implications

Council has approved \$1,000,000 through the 2022/2023 budget process. Works can be undertaken up to this allocated figure and there will be no additional financial implications unless Council decided to allocate more funding to the project.

Work Health and Safety and Risk implications

A general work, health and safety management system was included in the P.D. Excavations tender submission to council.

Council could experience a challenge in attracting future commonwealth grant funding if it is unable to deliver this grant funded project within agreed timelines.

Consultation

The tender process was publicly advertised in SA Tenders.

BID COMPARISON DETAILS

Description of Goods or Service	Quantity required	Units	Southern Contracting Group		PD Excavations		Remco contractors		Jakelco Contracting	
			Cost per Unit Quantity	Cost per Item	Cost per Unit Quantity	Cost per Item	Cost per Unit Quantity	Cost per Item	Cost per Unit Quantity	Cost per Item
10km shoulder widening/cost per km Top up and mix method			\$	80,400.00	\$	77,065.00	\$	124,804.00	\$	142,598.00
Item Sub Total			\$	80,400.00	\$	77,065.00	\$	124,804.00	\$	142,598.00
Contingencies (%)	10%		\$	8,040.00	\$	7,706.50	\$	12,480.40	\$	14,259.80
Item & Contingencies Sub Total			\$	88,440.00	\$	84,771.50	\$	137,284.40	\$	156,857.80
GST (10%)	10%		\$	8,844.00	\$	8,477.15	\$	13,728.44	\$	15,685.78
GRAND TOTAL			\$	97,284.00	\$	93,248.65	\$	151,012.84	\$	172,543.58

There were other alternative methodologies supplied from the companies that tendered being as below. The prices above are for the same methodology which has been used previously on the 22km of shoulder works undertaken on Kulakmi Road

PD Excavations- Shoulder profiled to depth of 150mm with 1.5% cement mixed \$97,215 per Km

Jakelco Contracting- 150mm box out method (as per tender) \$199,140 per Km

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BID COMPARISON SUMMARY

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Vendors Name	Southern Contracting Group		PD Excavations		Remco contractors		Jakelco Contracting		0	
	Point Score (out of 5)	Weighted Score	Point Score (out of 5)	Weighted Score	Point Score (out of 5)	Weighted Score	Point Score (out of 5)	Weighted Score	Point Score (out of 5)	Weighted Score
Tendered Price	\$97,284.00		\$93,248.65		\$151,012.84		\$172,543.58		N/A	
WEIGHTING (%)										
Price	4.8	67.1	5.0	70.0	3.1	43.2	2.7	37.8	#VALUE!	#VALUE!
Availability / Delivery	2.0	4.0	3.5	7.0	3.5	7.0	3.5	7.0		0.0
Quality	2.0	6.0	4.5	13.5	2.5	7.5	2.5	7.5		0.0
Adherence to Safety	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5		0.0
TOTAL (out of 100%)		80.6		94.0		61.2		55.8		N/A

Recommendation:

Median Price = \$124,148.42

Having undertaken an extensive review of the tender, Jakelco and Remco have been ruled out on price. Southern Contracting Group [SCG] have supplied a competitive price which is within budget. SCG have undertaken various works for Council as well as currently undertaking rubble crushing and carting services for Council. The evaluation panel have concerns with the capacity to deliver the project on time given they have works for another council to complete before starting our works as well as they have another 8.5km of rubble carting for SMDC to undertake early in the new year. It is also our understanding that they have undertaken this type of work before. PD Excavations have undertaken the previous 22km of shoulder works and have done so to a high standard and on time, their price is the lowest and they are using all new road markers as requested in the tender, they are also DTI accredited. The recommendation is that PD Excavations are awarded the contract for shoulder widening works.

Evaluator's Name: Neil Stear

Date: 4-Nov-22

Approved by Manager: Matthew Sherman

Date: 4-Nov-22

Supplier / Contractor / Consultant Rating:

- 5 = Excellent
- 4 = Very good
- 3 = Good, better than average
- 2 = Acceptable
- 1 = Marginally adequate - success likely but not assured
- 0 = Will fail to satisfy required standards (disqualification)

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19 CONFIDENTIAL ITEMS

19.2 AWARDING OF CONTRACT - SHOULDER WIDENING AT KULKAMI ROAD

RECOMMENDATION

That having considered agenda Item 9.2 (Awarding of Contract – Shoulder Widening at Kulkami Road) in confidence under section 90 (2) and (3) (k) of the Local Government Act 1999, the Council pursuant to section 91 (7) of the Act orders that the documents considered by the Council, including the officer’s report, associated attachments and all minutes be retained in confidence, except for the identity of the successful tenderer and amount payable. This order is to be reviewed at or before the ordinary Council meeting to be held in January 2023, as to if this order is to continue in operation.

MOVED COUNCILLOR RON VALENTINE

SECONDED COUNCILLOR NEVILLE PFEIFFER

That having considered agenda Item 9.2 (Awarding of Contract – Shoulder Widening at Kulkami Road) in confidence under section 90 (2) and (3) (k) of the Local Government Act 1999, the Council pursuant to section 91 (7) of the Act orders that the documents considered by the Council, including the officer’s report, associated attachments and all minutes be retained in confidence, except for the identity of the successful tenderer and amount payable. This order is to be reviewed at or before the ordinary Council meeting to be held in January 2023, as to if this order is to continue in operation.

CARRIED.