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16.1 PLANT REPLACEMENT PROGRAM - TRUCK TENDER

Responsible officer: Matthew Sherman, Manager Infrastructure Services

- Attachments:**
1. **Tipper truck - Bid comparison summary**
 2. **Tipper truck - Detailed tender assessment**

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

Council allocated funding in the 2020/21 budget for the replacement of P319 Volvo FM Tipper truck /interchange combination as part of its ongoing plant replacement program. The budget allocation for this truck is \$250,000.

Council advertised tenders for the truck replacement via SA Tenders website which opened on 14 August 2020 and closed 5pm 18 September 2020. A total of five companies submitted tenders and only one of the five tendered on the trade in of the truck being replaced.

The tenders were evaluated against the tender assessment criteria included in the tender documentation. The successful tender is South Central Trucks.

RECOMMENDATION
 That Council purchases one new UD GW26 460 6x4 (Stock Special) Tip truck/interchange configuration (JG Schulz) from South Central Trucks for the price of \$228,355 Ex GST, plus registration costs.

**MOVED COUNCILLOR PAUL IRELAND
 SECONDED COUNCILLOR TREVOR HANCOCK**

That Council purchases one new UD GW26 460 6x4 (Stock Special) Tip truck/interchange configuration (JG Schulz) from South Central Trucks for the price of \$228,355 Ex GST, plus registration costs.

CARRIED.

Background

Council’s plant replacement program is documented and used to form part of the budget development each year. It clearly sets out which plant is due to be replaced each financial year. Council has allocated \$250,000 for the replacement of P319 Volvo FM Tipper truck /interchange combination.

Context

Council called for tenders via SA Tenders website. The tender period opened on 14 August 2020 and closed 5pm 18 September 2020. Five tenders were submitted.

Four companies tendered for the new Tipper truck / interchange configuration. All tenders were conforming.

Companies that tendered were Northeast Isuzu, Mars Transport, South Central Trucks (3 options) and CMV Truck Centre. PVT Sales tendered for the trade only.

Tenders were evaluated in accordance with the plant purchase tender scoring form that was included in the tender as well as assessment on price, availability/delivery, quality and adherence to safety.

Tender prices provided by each company are all GST exclusive.

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

A bid comparison summary and detailed tender evaluation are provided as attachments to this report.

Alternate options

This is planned and budgeted plant replacement and other options, such as delaying plant replacement, are considered inferior options. It is noted that the replacement of this specific plant has already been delayed by a year.

Financial implications

The total budget allocation for this financial year for this plant replacement is \$250,000.

Two companies that tendered come in under budget that being South Central Trucks (with options 1 and 2 on UD models) and Northeast Isuzu.

Two companies that tendered come in over budget that being Mars Transport and CMV Truck Centre as well as option 3 from South Central Trucks (Volvo model) and therefore these were no competitive on price.

Work Health and Safety and Risk implications

The submitted tenders included work health and safety components. There are no risk implications.

Consultation

Council included this capital allocation for plant replacement in the 2020/21 Annual Business Plan and Budget which was the subject of community consultation.

Council staff were given the option to test drive trucks on Tuesday 25 September 2020 in Adelaide. Their views were considered in the tender evaluation. Staff indicated that any of the trucks could undertake the specific work required by the organisation, however the UD Model supplied by South Central Trucks were considered marginally the best choice for Council.

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BID COMPARISON DETAILS

Description of Goods or Service	Quantity required	Isuzu [GIGA]		South Central Trucks [UD GW26 460] Option 1		Mars Transport [Isuzu GIGA]		CMV [DAF]		South Central Trucks [Volvo FM11]	
		Unit/s	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	Cost per Unit Quantity
Tipper Truck with Interchange			\$ 236,478.00	\$ 236,478.00	\$ 228,355.00	\$ 252,643.00	\$ 262,509.00	\$ 262,509.00	\$ 262,509.00	\$ 267,342.00	\$ 267,342.00
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Item Sub Total			\$ 236,478.00	\$ 236,478.00	\$ 228,355.00	\$ 252,643.00	\$ 262,509.00	\$ 262,509.00	\$ 262,509.00	\$ 267,342.00	\$ 267,342.00
Contingencies (%)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Item & Contingencies Sub Total			\$ 236,478.00	\$ 236,478.00	\$ 228,355.00	\$ 252,643.00	\$ 262,509.00	\$ 262,509.00	\$ 262,509.00	\$ 267,342.00	\$ 267,342.00
GST (10%)	10%		\$ 23,647.80	\$ 23,647.80	\$ 22,835.50	\$ 25,264.30	\$ 26,250.90	\$ 26,250.90	\$ 26,250.90	\$ 26,734.20	\$ 26,734.20
GRAND TOTAL			\$ 260,125.80	\$ 260,125.80	\$ 251,190.50	\$ 277,907.30	\$ 288,759.90	\$ 288,759.90	\$ 288,759.90	\$ 283,076.20	\$ 283,076.20

Trade \$65,545 Trade \$40,909 Trade \$34,545 Trade \$54,545 Trade \$32,727

PVT Sales put in trade price of \$32727 and did not tender on new vehicle

Budget allocation \$250,000 Ex GST

BID COMPARISON SUMMARY

Cell 'F1' requires project name / bid description details >>>>>>>>>>>>>>

Vendors Name	BID COMPARISON SUMMARY											
	Isuzu [GIGA]		South Central Trucks [UD GW26 460] Option 1		Mars Transport [Isuzu GIGA]		CMV [DAF]		South Central Trucks [Volvo FM11]		Tendered Price	
	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	Point Score (out of 5)	Weighted Score
Price	4.8	57.9	5.0	60.0	4.5	54.2	4.3	52.2	4.4	53.2	5283,076.20	
Availability / Delivery	3.0	3.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0		
Quality/Staff evaluation	2.5	10.0	3.0	12.0	2.5	10.0	2.5	10.0	3.0	12.0		
Adherence to Safety	4.0	12.0	4.0	12.0	4.0	12.0	4.0	12.0	4.0	12.0		
TOTAL (out of 100%)		82.9		88.0		78.2		76.2		79.2		

Recommendation: Median Price = \$277,907.30

Council has a budget allocation of \$250,000 ex GST for the acquisition of a new Tipper truck with interchange. There were 5 trucks offered from 4 different companies South Central Trucks [Volvo FM 11], Mars Transport [Isuzu GIGA] and CMV [DAF] were all above the budgeted price of \$250,000 Ex GST and were therefore ruled out. This left South Central Trucks [UD GW26 460] and Isuzu [GIGA] as the trucks that were to be assessed. A Council staff member undertook driver appraisal of both trucks with the UD Truck being the preferred option. Therefore the recommendation is

That the Council purchase from South Central trucks 1 X UD GW26 460 Tipper truck with interchange for the price of \$228,355 Ex GST

Evaluator's Names: Matthew Sherman, John Woolford , Neil Steer
Date: 23-Sep-20

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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CONFIDENTIAL - TENDER EVALUATION**COUNCIL PLANT REPLACEMENT PROGRAM**

The specific allocations in the budget \$250,000 for 1 x New Tipper Truck interchange configuration

Council advertised tenders for the replacement trucks via SA Tenders website which opened on 14 August 2020 and closed 18 September 2020. There were a total of 5 companies that tendered.

An evaluation of the tenders was completed by the Manager Infrastructure Services, and Councils 2 x Infrastructure Coordinators John Woolford and Neil Steer. Staff member Lyall Ribbons test drove the Isuzu GIGA [offered by Isuzu] and UD model [offered by South Central Trucks] which were the two trucks under budget. South Central Trucks and Isuzu dealerships are with in South Australia

Tenders supplied by Mars Transport and CMV Truck Centre were ruled out as they came in over budget. Also ruled out was South Central Trucks option 3 Volvo FM1 which was also over budget. PVT Sales only tendered for the trade and this was also ruled out as this was the lowest trade in offer.

The remaining trucks under consideration were the Isuzu GIGA offered by Isuzu and the UD truck option 1 and 2 offered by South Central Trucks. Of the two options offered by South Central Trucks option 1 was preferred

Both trucks had 36 month 500,000km warranty

UD trucks had disc brakes whereas Isuzu had drum brakes

Option 1 UD truck delivery time of 6-8 weeks, Isuzu 8-12 weeks delivery time

Direct purchase figure favours UD Truck option 1 by \$8,123

Change over figure favours the Isuzu by \$16,513

The ride and ergonomics in the UD truck was considered superior than the Isuzu as per Council staff

The table below provided price details from the five companies. The recommendation to Council will be:

That Council purchase 1 x New UD GW26 460 6x4 [Stock Special] truck tip Truck interchange configuration [JG Schulz] from South Central Trucks.

PRICE COMPARISONS

The table below has a figure for the purchases from each company that supplied a tender. An attached document with assessment on price, availability/delivery, quality and adherence to safety can also be viewed.

All trucks tendered would suit council and after being assessed by staff the UD Truck Option 1 was deemed the preferred option.

Truck Tenders	Price New	Trade	Budget \$250,000 EX GST Body/Interchange Builder
Isuzu			
GIGA CXY 240-260 AMT 6x4	236,478	65,545	AJ Stock Body
CMV Truck Centre			
DAF CF450 FTT	262,509	54,545	Combo Industries Body
South Central Trucks]			
Option 1 -UD GW26 460 6x4[Stock Special]	228,355 226,967 234,305	40,909	JG Schulz Combo Industries AJ Stock Body
Option 2 -UD GW26 460 6x4 [EX Factory Build]	236,355 234,967 242,305		JG Schulz Combo Industries AJ Stock Body
Option 3 - VOLVO FM11 HA 6x4	257,342 255,954 263,292		JG Schulz Combo Industries AJ Stock Body
MARS Transport			
Isuzu GIGA	252,643	\$34,545	Own Body
PVT Sale		\$32,727	Trade only

