

**16 CONFIDENTIAL ITEMS****16.1 ROAD RESEALING AND ROAD SEALING WORKS – AWARDING OF CONTRACT**

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**RECOMMENDATION TO EXCLUDE THE PUBLIC**

Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all persons, except Jason Taylor (Chief Executive Officer), Matthew Sherman (Manager Infrastructure Services), Tony Secomb (Manager Corporate Services), Shilo Wyatt ( Manager Planning and Development Services) and Shona Hyde (Minute Secretary) be excluded from attendance at the meeting held on 19 December 2018 for agenda item 16.1 . Road resealing and road sealing works – awarding of contract.

This 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 agenda item 16.1 is:information the disclosure of which would involve the unreasonable disclosure of tenders for the supply of goods, the provision of services or the carrying out of works.

**MOVED COUNCILLOR NEVILLE PFEIFFER**

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**SECONDED COUNCILLOR PAUL IRELAND****CARRIED.**

**16 CONFIDENTIAL ITEMS****16.1 ROAD RESEALING AND ROAD SEALING WORKS – AWARDING OF CONTRACT**

**Responsible officer:** Manager Infrastructure Services

**Attachments**

Bid Comparison Summary Reseal Works

**Executive summary**

Council allocated funding in the 2018-19 capital works budget for resealing of Billiat Road and for the sealing of Lovers Lane.

Three quotations for these works have now been obtained and assessed. This report recommends the awarding of the contract to Boral.

**RECOMMENDATION**

**That Council award the contract for road resealing at Billiat Road and road sealing at Lovers Lane to Boral for a contract price of \$266,800 (excluding GST).**

**MOVED COUNCILLOR TREVOR HANCOCK**

That Council award the contract for road resealing at Billiat Road and road sealing at Lovers Lane to Boral for a contract price of \$266,800 (excluding GST).

**SECONDED COUNCILLOR REBECCA BOSELEY**

**CARRIED.**

**Background**

Council's capital program includes a budget of \$200,000 for reseal works. Billiat Road, north of Lameroo is identified as the highest priority for reseal works based on its condition.

Council's capital program also included funding for the Lovers Lane bypass road project in Pinnaroo. This project is dealt with in Budget Review 1. The original budget for this project was \$163,750 and Council was seeking matching funding for this project. However Council was successful in its application for Special Local Road Funding which is offered on a two thirds funding for only one third contribution from Council (rather than matching funding). As a result Budget Review 1 increases this budget line expenditure from \$163,750 to \$326,000 and also adds in budget income of \$218,000. This project will be undertaken by Council's Infrastructure Services Team except for the two coat seal of this road. This component of the project has an identified budget of up to \$100,000.

## Context

Council's *Infrastructure Asset Management Plan* outlines its strategic approach to management of road and other infrastructure assets. The plan seeks to provide operation, maintenance, renewal and upgrade of infrastructure assets to meet service levels.

The reseal of Billiat Road is renewal work that will not increase this road's design capacity but will restore the road to its original service potential. While the Lovers Lane project is an upgrade project that will increase the design capacity of this road and offer increased service levels.

Council selected three companies to provide quotations for the identified works, including 1 kilometre of new seal works (Lovers Lane) and 6 kilometres of reseal work (Billiat Road). The companies were, Boral, Fulton Hogan and Inroads.

The quotation process closed at 5pm 7 December 2018.

## Policy and statutory Implications

Council has a procurement policy and the quotation 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 quotation or any quotation.

## Issues

All three companies that were selected to provide a quote did so. In all quotations the prices are ex GST. The quotation prices include delivery of aggregate as well as traffic control. The Boral and Inroads quotes include a binder rate variation which may be used after assessment of the road and formulated seal design. The three companies did not assess the roads individually.

An evaluation was undertaken on the received quotations against predetermined criteria. Council's assessment criteria and weighting for this project is: price 80%; project capacity/delivery 10%; experience 5%; and safety 5%.

A full assessment of the three quotations is included as an attachment to this report. The quotations included considerable price differences with Boral being the most competitive. Boral also satisfies the other criteria well. All quotations were under the budget amount for Lovers lane, however Inroads and Fulton Hogan were well over the budget allocation of \$200,000 for reseal works.

**Alternate options**

This is planned and budgeted capital expenditure and other options, such as delaying the works, are considered inferior options.

**Financial implications**

Council has undertaken a quotation process and received three quotations from Boral, Fulton Hogan and Inroads. The preferred firm is within the total budget for the overall program of work of \$300,000.

The budget allocation for reseal works at Billiat Road is \$200,000 and there is a budget of \$100,000 for the two coat seal component of the Lovers Lane project.

**Work health and safety implications**

Work, health safety is one of the assessment criterion and each quotation has addressed this issue.

**Consultation**

Council included this capital works expenditure in the 2018/2019 Annual Business Plan and Budget which was the subject of community consultation.

Description of Goods or Service	Quantity required	Unit/s	Boral		Fulton Hogan		Inroads		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		
Lovers Lane 14/7 2 coat seal	8000	m2	\$ 8.45	\$ 67,600.00	\$ 9.95	\$ 79,600.00	\$ 10.23	\$ 81,840.00		\$ -
Billiatt Road 6km reseal	48000	m2	\$ 4.15	\$ 199,200.00	\$ 6.49	\$ 311,520.00	\$ 5.14	\$ 246,720.00		\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
<b>Item Sub Total</b>			\$	<b>266,800.00</b>	\$	<b>391,120.00</b>	\$	<b>328,560.00</b>	\$	<b>-</b>
Contingencies (%)			\$	-	\$	-	\$	-	\$	-
<b>Item &amp; Contingencies Sub Total</b>			\$	<b>266,800.00</b>	\$	<b>391,120.00</b>	\$	<b>328,560.00</b>	\$	<b>-</b>
GST (10%)		10%	\$	26,680.00	\$	39,112.00	\$	32,856.00	\$	-
<b>GRAND TOTAL</b>			\$	<b>293,480.00</b>	\$	<b>430,232.00</b>	\$	<b>361,416.00</b>	\$	<b>-</b>

BID COMPARISON SUMMARY											
Vendors Name	Boral		Fulton Hogan		Inroads		0		0		
Tendered Price	\$293,480.00		\$430,232.00		\$361,416.00		N/A		N/A		
	WEIGHTING (%)	Point Score (out of 5)	Weighted Score (out of 5)	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	80	5.0	3.4	54.6	4.1	65.0	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Availability / Delivery experience	10	4.0	4.0	8.0	4.0	8.0					0.0
Adherence to Safety	5	5.0	5.0	5.0	5.0	5.0					0.0
<b>TOTAL (out of 100%)</b>	<b>100</b>			<b>72.6</b>		<b>83.0</b>					<b>N/A</b>
<b>Recommendation:</b>	<b>Median Price = \$361,416.00</b>										
Inroads have been engaged to undertake resealing work for the poast 3 years, however given the difference in the cost and that Boral is a well renowned company the recommendation is that Council use Boral to undertake the sealing work											
<p><b>Evaluator's Name:</b> Matthew Sherman</p> <p><b>Date:</b> 11-Dec-18</p> <p><b>Approved by Manager:</b></p> <p><b>Date:</b></p>											
<p><b>Supplier / Contractor / Consultant Rating:</b></p> <p>5 = Excellent</p> <p>4 = Very good</p> <p>3 = Good, better than average</p> <p>2 = Acceptable</p> <p>1 = Marginally adequate - success likely but not assured</p> <p>0 = Will fail to satisfy required standards (disqualification)</p>											

**RECOMMENDATION**

Having considered agenda Item 16.1 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 item and the minutes, reports and all other records, relating to the matter be retained in confidence. This order is to be reviewed at or before the Ordinary Council Meeting to be held in January 2019, as to if this order is to continue in operation.

**MOVED COUNCILLOR NEVILLE PFEIFFER**

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**SECONDED COUNCILLOR MICK SPARNON**

**CARRIED.**