

7.3 Contract 2019-120 - Concrete & Miscellaneous Maintenance Services

Abstract

This report seeks Council endorsement for the award of Contract No. 2019/120, Concrete and Miscellaneous Maintenance Services. This Contract involves the provision of Concrete and Miscellaneous Maintenance Services for footpath infrastructure assets throughout the Municipality.

The estimated annual cost of this Contract for year one is \$1,347,390 (excluding GST).

Council does not guarantee the appointed contractors a minimum quantity of work in relation to any of the contract components. Expenditure in future years will vary depending on the number of defects identified to meet the Road Management Plan requirements.

Due to the value of the contract it was publicly advertised in accordance with the requirements of section 186 of the *Local Government Act 1989*.

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 89(2) of the *Local Government Act 1989*, as the information relates to contractual matters and premature disclosure of the information could be prejudicial to the interests of Council or other persons. This item has been included in the public agenda to facilitate transparency and accountability in Council's decision making.

If discussion of the confidential information in the attachments to this report is required in order for Council to make a decision, this item will be deferred to the confidential section of the agenda.

Officers' recommendation

That Council resolve:

1. To award Contract No. 2019/120, Concrete and Miscellaneous Maintenance Services, to the following panels of Contractors:
 - **Panel A - Concrete Replacement Services**
 - Primary Contractors
 - A Frame Construction and Paving Pty Ltd (ACN 635 595 238) as Trustee for Golotta Family Discretionary Trust (ABN 36 210 923 803);
 - Prestige Paving Pty Ltd (ACN 140 970 912);
 - Reserve Contractors
 - Rabcon Paving Pty Ltd (ACN 144 675 329);
 - Southern Concreting Services Pty Ltd (ACN 162 658 791);
 - **Panel B - Concrete Grinding Services**
 - McDonough Contracting Pty Limited (ACN 005 576 376) as Trustee for the McDonough Family Trust (ABN 40 476 183 863);

- **Panel C - Miscellaneous Services**

- Primary Contractor

- A Frame Construction and Paving Pty Ltd (ACN 635 595 238) as Trustee for Golotta Family Discretionary Trust (ABN 36 210 923 803);

- Secondary Contractor

- Southern Concreting Services Pty Ltd (ACN 162 658 791);

at their respective tendered schedule of rates for an initial period of two years, with a possible further extension of one period of two years and one further period of one year to a maximum contract term of up to five years. The estimated contract cost for the maximum term is \$7,410,643 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$6,736,948.

2. To authorise the Director Environment and Infrastructure to execute the contract agreements with the above contractors.
3. To authorise the Director Environment and Infrastructure to negotiate extensions to the contract with the above contractors to the maximum five year contract term.
4. To note that expenditure under this contract in 2019-20 is in accordance with Council's adopted budget and expenditure in future years will be in accordance with the approved budget allocations.

Responsible director: Charles Turner
Acting Director Environment and Infrastructure

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2019/120, Concrete and Miscellaneous Maintenance Services.

2. Policy implications and relevance to community plan and council plan

This Contract aligns with the following themes and strategies in the Boroondara Community Plan (2017-27) and Council Plan (2017-21):

Theme 1 - Your Community, Services and Facilities

Strategy 1.6: Create and maintain public areas, facilities, amenities, footpaths and spaces that are inviting, clean and appropriately lit to increase social connection and improve perceptions of safety.

Strategy 1.11: Ensure Council's assets are suitable for community use through proactive asset inspections, maintenance of asset data in the corporate asset system and development of Asset Management Plans.

This procurement process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy.

3. Background

This contract is a replacement for the following contracts:

- Contract 2014/1, Concrete Maintenance Services, which has been terminated due to contractors not being able to sufficiently resource the contract; and
- Contract 2017/24, Concrete Maintenance Services, which expires 1 February 2020.

Council requires suitably experienced and qualified providers to undertake Concrete and Miscellaneous Maintenance Services on one or more of three panels of contractors in accordance with the requirements of the tender documentation.

The purpose of the contract panels is to provide flexibility and reactivity in the delivery of concrete and miscellaneous maintenance services as required throughout the Municipality. The contract structure for concrete replacement services differs from standard panel contracts as Council will establish a service continuity panel ("reserve panel"). This panel will not be issued works but will have pre-qualified through this process for possible future engagement over the life of the contract should a situation arise where the appointed contractors are not in a position to service the contract.

The contractors shall provide the services designated according to the panel or panels to which it is appointed and as directed by the Contract Supervisor.

Panel A - Concrete Replacement Services

Services under this panel typically include, but are not limited to, the following:

- the replacement of footpath bays of concrete and associated works;
- the replacement of existing failed or deteriorated footpaths, vehicle crossings, pram crossings and the like;
- the replacement of vehicle crossings following development works at private or commercial sites;
- concrete kerb and channel works; and
- minor drainage works.

Panel B - Concrete Grinding Services

Services under this panel typically include, but are not limited to, the following:

- the repair of change of level displacements of adjacent concrete slabs by grinding a slab edge to achieve a smooth and gradual transition from one slab to the next.

Panel C - Miscellaneous Services

Services under this panel typically include, but are not limited to, the following:

- the repair of cracks, depressions, or holes in footpaths using an epoxy;
- the reconstruction or renewal of existing bluestone kerbs or kerbs and channels;
- the reconstruction of existing bluestone and brick paving; and
- tactile ground surface indicators.

Other related services may also be directed by the Contract Supervisor, including concrete maintenance works associated with utility services or other third parties assets, Emergency Services, and other general services similar to the services described in the tender documentation.

The Tender Evaluation Panel determined that a contractor may be appointed to one or more of the three panels according to its experience, capability and performance in the provision of relevant panel services.

The tender documentation was prepared with a view to delivering a range of services that:

- are of high quality;
- are cost effective, reliable and efficient; and
- comply with Government Acts and regulations, and Council's local laws and policies.

Invitation to tender

In accordance with Council's procurement procedures and Section 186 of the *Local Government Act 1989*, Council invited public tenders from suitably qualified organisations to provide Concrete and Miscellaneous Maintenance Services for footpath infrastructure assets throughout the Municipality.

An Invitation to Tender was advertised in the local government tenders section of "The Age" on Saturday, 23 March 2019 and on Council's website. The closing date for submissions was 4:00pm, Tuesday 30 April 2019.

Tenderers had the opportunity to provide submissions for one or more of the panels.

In response to the advertisement, Council received the following 7 submissions for Panel A, Concrete Replacement Services:

- A Frame Construction and Paving Pty Ltd;
- MACA Infrastructure Pty Ltd;
- Multipro Group Pty Ltd;
- Novacon Group Pty Ltd;
- Prestige Paving Pty Ltd;
- Rabcon Paving Pty Ltd; and
- Southern Concreting Services Pty Ltd.

In response to the advertisement, Council received the following 6 submissions for Panel B, Concrete Grinding Services:

- MACA Infrastructure Pty Ltd;
- McDonough Contracting Pty Ltd;
- Novacon Group Pty Ltd;
- Prestige Paving Pty Ltd;
- Rabcon Paving Pty Ltd; and
- Southern Concreting Services Pty Ltd.

In response to the advertisement, Council received the following 5 submissions for Panel C, Miscellaneous Services:

- A Frame Construction and Paving Pty Ltd;
- MACA Infrastructure Pty Ltd;
- McDonough Contracting Pty Ltd;
- Novacon Group Pty Ltd; and
- Southern Concreting Services Pty Ltd.

4. Outline of key issues/options

Council's Road Management Plan has strict timelines to repair defects and this requires contractors who are well resourced to meet compliance.

The engagement of concreters is challenging in the current environment due to high volume of works carried out by State Government and the construction industry.

5. Consultation/communication

Internal consultation across the appropriate teams within the Parks and Infrastructure Department and Projects and Strategy informed the development of the specification and associated tender documents.

6. Financial and resource implications

Council's 2019-20 adopted budget contains the following allocations:

Panel A - Concrete Replacement Services

Total Budget Allocation FY 2019-20	\$696,270
Expenditure and Commitments to Date	\$153,986
<u>Total Available Budget 2019-20</u>	<u>\$542,284</u>

Panel B - Concrete Grinding Services

Total Budget Allocation FY 2019-20	\$145,000
Expenditure and Commitments to Date	\$ 50,304
<u>Total Available Budget 2019-20</u>	<u>\$ 94,696</u>

Panel C - Miscellaneous Services

Total Budget Allocation FY 2019-20	\$ 74,605
Expenditure and Commitments to Date	\$ 32,503
<u>Total Available Budget 2019-20</u>	<u>\$ 42,102</u>

Total Remaining Adopted Budget 2019-20: \$679,082

Council does not guarantee the appointed contractors a minimum quantity of work in relation to any of the contract components. The amount of services performed will be in accordance with need and budgetary allocations each year.

The budget expenditure each financial year varies depending on the number of defects identified to meet the Road Management Plan requirements. Any additional funding required will be referred to the March forecast budget.

Payment will be made in line with the respective tenderer's schedule of rates.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Contracts and Tendering Probity Policy and Council's Procurement Policy.

8. Social and environmental issues

The recommendation contained in this report is consistent with Council's desire to enhance community well-being through improvements to urban amenity and sound financial management. A properly maintained Footpath and Road Network will provide a positive amenity and social impacts within Boroondara.

9. Evaluation and review

The tender evaluation report is provided as **Confidential Attachment 1**.

As a result of the tender evaluation, the evaluation panel recommends that Council award Contract No. 2019/120, Concrete and Miscellaneous Maintenance Services to the following Contractors:

- **Panel A - Concrete Replacement Services**
Primary Contractors
 - A Frame Construction and Paving Pty Ltd (ACN 635 595 238) as Trustee for Golotta Family Discretionary Trust (ABN 36 210 923 803);
 - Prestige Paving Pty Ltd (ACN 140 970 912);

Reserve Contractors

- Rabcon Paving Pty Ltd (ACN 144 675 329);
- Southern Concreting Services Pty Ltd (ACN 162 658 791);

- **Panel B - Concrete Grinding Services**

- McDonough Contracting Pty Limited (ACN 005 576 376) as Trustee for the McDonough Family Trust (ABN 40 476 183 863);

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at their respective tendered schedule of rates for an initial period of two years, with a possible further extension of one period of two years and one further period of one year to a maximum contract term of up to five years. The estimated contract cost for the maximum term is \$7,410,643 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$6,736,948.

Manager: Andrew Mackinnon, Group Manager Parks & Infrastructure

Report officer: Rodney Lewis, Coordinator Roads and Footpath Assets