

7.2 Contract 2020/233 - Asphalt Maintenance Services

Abstract

This report seeks Council endorsement for the award of Contract No. 2020/233, Asphalt Maintenance Services. This contract will provide Council with a panel of contractors that will provide asphalt repair and maintenance services for an initial term of three years with one possible extension of two years for a maximum contract term of five years. This is a replacement for an existing contract which is approaching the end of its contract term. Expenditure for these services will be in accordance with Council's 2020-21 budget. Expenditure in future years will be in accordance with approved budget allocations.

Confidential information is contained in **Attachment 1**, as circulated in the confidential section of the agenda attachments, in accordance with Section 66(2)(a) and the definitions of 'confidential information' in Section 3(1) of the Local Government Act 2020. The information relates to private commercial information, being information provided by a business or commercial undertaking that if released, would unreasonably expose the business or commercial undertaking to disadvantage. The 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. 2020/233, Asphalt Maintenance Services, to the following three recommended Tenderers that collectively will constitute a supply panel ('Panel'):

- Dakye Pty Ltd (ACN 068 489 896) as trustee for Dakye Family Trust (ABN 72 759 037 049) trading as Betta Asphalt;
- Fulton Hogan Industries Pty Ltd (ACN 000 538 689); and
- Prestige Paving Pty Ltd (ACN 140 970 912).

at their tendered Schedule of Rates for an initial contract term of three (3) years with one possible extension of up to two years, with a maximum contract term of five years. Based on Council's 2020-21 September Amended budget, the estimated contract cost for the maximum term is \$2,794,726 including Goods and Services Tax (GST). The estimated cost to Council, after the return of the GST tax Input Credits, is \$2,540,660 (ex GST).

2. To authorise the Director Places and Spaces to execute the contract agreements with the above contractors.
3. To authorise the Director Places and Spaces 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 2020- 21 is in accordance with Council's adopted budget and expenditure in future years will be in accordance with the approved budget allocations.

Responsible director: Daniel Freer, Director Places and Spaces

1. Purpose

The purpose of this report is for Council to give consideration to the awarding of Contract No. 2020/233, Asphalt 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 One - "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; and

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

Council requires suitably qualified organisations to provide flexibility and reactivity in the delivery of Asphalt Maintenance Services as and when required. The Services comprise Asphalt Maintenance Services for road and footpath infrastructure assets in accordance with the requirements of the specification.

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 asphalt maintenance services. An invitation to tender was advertised in the local government tenders section of "The Age" newspaper on Saturday 7 November 2020 and on Council's website. The closing date for submissions was 4pm, Friday 4 December 2020.

In response to the advertisement, Council received 12 submissions:

- Blue Peak Constructions Pty Ltd as trustee for Blue Peak Constructions Family Trust;
- BOSCO Civil Pty Ltd;
- DAKYE Pty Ltd as trustee for Dakye Family Trust trading as Betta Asphalt;
- Fulton Hogan Industries Pty Ltd;
- MCM Asphalt Services Pty Ltd;
- Paper Street Pty Ltd trading as Metroplant & Civil Services;
- Novacon Group Pty Ltd;
- Prestige Paving Pty Ltd;

- Plumbtrax Infrastructure Services;
- Roadsafes Asphalt Vic Pty Ltd;
- Victoria Asphalt Pty Ltd as trustee for Certofanti Families Unit Trust; and
- Acetop Constructions Pty Ltd trading as Truck & Barrow.

4. Outline of key issues/options

It is envisaged that there are no issues.

5. Consultation/communication

Internal consultation across the appropriate team within the Places and Spaces departments informed the development of the specification and associated tender documents.

6. Financial and resource implications

Council's 2020-21 September Amended budget provides an annual budget allocation of \$508,132, (as presented in table 6.1 excluding GST) and is indexed annually for this service in accordance with the consumer price index (CPI).

This Contract provides for a Contract Price of \$2,540,660 (excluding GST) over five years and is in accordance with Council's Long Term Financial Strategy.

Council does not guarantee the contractors a quantity of work in any of the contract. The amount of performed will be with the need and allocations each year.	Accounts	Budget Amount	Table 6.1 not guarantee the contractors a quantity of work in any of the contract. The amount of performed will be with the need and allocations each year.
	GL23351-54013 Footpaths	\$367,132	
	GL23352-54013 Roads	\$120,000	
	GL23353-54013 Reinstatements	\$20,000	
	GL23354-54013	\$1,000	
	Grand Totals	\$508,132	

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 asphalt works undertaken under this contract will consist of 30% of recycled asphalt material, reflecting industry practice to ensure binding and longevity in small batch applications.

All waste materials, litter and debris arising from the provision of the Services is to be collected, transported and disposed of at an accredited facility on a daily basis. No waste materials, litter or debris shall be left at a Work Site overnight.

All recycle materials shall be disposed of at an appropriate recycling facility and shall be reported to Council Officers. No recycle materials shall be disposed of as landfill.

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. 2020/233, Asphalt Maintenance Services:

- Dakye Pty Ltd (ACN 068 489 896) as trustee for Dakye Family Trust (ABN 72 759 037 049) trading as Betta Asphalt;
- Fulton Hogan Industries Pty Ltd (ACN 000 538 689); and
- Prestige Paving Pty Ltd (ACN 140 970 912).

at their tendered schedule of rates. The estimated contract cost for a maximum term of five years is \$2,794,726 (including GST). The cost to Council after the return of the GST Tax Input Credits is \$2,540,660.

This is a Schedule of Rates contract and no guarantee of a minimum quantity of work in relation to any of the contract components has been made. Payment will be made in line with the respective tenderer's Schedule of Rates.

Manager: **George Batsakis, Manager Facilities, Waste and Infrastructure**

Report officer: Rodney Lewis, Coordinator Road and Path Maintenance