

7.9 Contract No 2022/121 Road Resurfacing and Associated Services Contract No. 2022/121, Road Resurfacing and Associated Services - Regional Procurement Eastern Network

Executive Summary

Purpose

The purpose of this report is for Council to consider the award of Contract 2022/121, Road Resurfacing and Associated Services - Regional Procurement Eastern Network (Procurement Australia Contract 2507/0335).

Background

Council requires a panel of suitably qualified contractors to provide road resurfacing and associated services. Council's current annual supply contract, Contract No. 2017/172 Asphalt and Resealing Works, expired on 30 September 2022.

As part of our continuing collaborations with Councils within the Eastern Metropolitan Procurement Network, Procurement Australia (PA) approached the Councils that formed part of the current Contract to initiate a new Contract for Asphalt and Resealing Services. Boroondara, together with four other Councils, supported Procurement Australia in initiating a tender process for these services on behalf of five (5) Councils. It was considered that instead of each Council individually approaching the market for road resurfacing and associated services, more competitive rates could be achieved as a group.

In March 2022, Procurement Australia was appointed as tendering agent by the City of Boroondara and four other Councils in the Regional Procurement Eastern Network (Knox City Council, Monash City Council, Stonnington City Council and Whitehorse City Council) to evaluate public tenders for the Road Resurfacing and Associated Services (PA Contract No. 2507/0335), in accordance with the Local Government Act 2020, Section 108(c) and Section 109.

PA advised all member Councils to conduct their own individual evaluations, specifically in relation to the schedule of rates to select the most appropriate companies to be appointed by member Councils. Details of the Boroondara's own evaluation is outlined in the **Confidential Attachment 1**.

Key Issues

This Contract for Road Resurfacing and Associated Services is a key enabler to deliver Council's the extensive road renewal program each year.

Next Step

Upon award of the contract, Council will appoint the panel of contractors and oversee the delivery of road resurfacing works based on asset condition and renewal program budget allocation.

Confidentiality

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 Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released.

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:

1. Award Contract No. 2022/121, Road Resurfacing and Associated Services - Regional Procurement Eastern Network (Procurement Australia Contract 2507/0335), to the following companies on the Procurement Australia panel contract:

- The Trustee for The Centofanti Unit Trust T/A Metro Asphalt Pty Ltd
- Prestige Paving Pty Ltd
- Downer EDI Works Pty Ltd
- BA Road Service Pty Ltd
- Fulton Hogan Industries Pty Ltd
- RABS Paving Services Pty Ltd
- The Trustee for SuperSealing Unit Trust (Trading as Super Sealing)
- Tiber Bond Pty Ltd
- Omnigrip Direct Pty Ltd
- Road Maintenance Pty Ltd

at their tendered Schedule of Rates for an initial contract term of three years with possible extensions to a maximum contract term of five years. The estimated contract cost for the maximum term is approximately \$34,211,100 (including GST). The cost to Council after the return of the GST Tax Input Credits is approximately \$31,101,000.

2. Authorise the Director of Places and Spaces to execute the contract agreements with the above contractors.
3. Authorise the Director Places and Spaces to negotiate extensions to Contract No. 2022/121 Road Resurfacing and Associated Services (Procurement Australia Contract No. 2507/0335), with the above contractors to the maximum contract term.
4. Note that expenditure under this contract in 2022-23 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 to seek Council approval to award Contract 2022/121, Road Resurfacing and Associated Services - Regional Procurement Eastern Network (Procurement Australia Contract 2507/0335).

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

The Boroondara Community Plan (2021-31) is structured around the following seven priority themes:

- Community, Services and Facilities
- Parks and Green Spaces
- The Environment
- Neighbourhood Character and Heritage
- Moving Around
- Local Economy
- Leadership and Governance

The proposed panel contract for Road Resurfacing and associated Services aligns with:

Theme 5: Moving Around

Strategy 5.1 - Safe roads are provided through proactive maintenance, renewal and community education

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.

3. Background

Council requires a panel of suitably qualified contractors to provide road resurfacing and associated services. Council's current annual supply contract, Contract No. 2017/172 Asphalt and Resealing Works, expired on 30 September 2022.

As part of our continuing collaborations with Councils within the Eastern Metropolitan Procurement Network, Procurement Australia (PA) approached the Councils that formed part of the former Contract to initiate a new Contract for Asphalt and Resealing Services. Boroondara, together with four other Councils, supported Procurement Australia in initiating a tender process for these services on behalf of the five (5) Councils. It was considered that instead of each Council individually approaching the market for road resurfacing and associated services, more competitive rates could be achieved as a group.

In March 2022, Procurement Australia was appointed as tendering agent by the City of Boroondara and four other Councils in the Regional Procurement Eastern Network (Knox City Council, Monash City Council, Stonnington City Council and Whitehorse City Council) to all and evaluate public tenders for the new Contract for Road Resurfacing and Associated Services (PA Contract No. 2507/0335), in accordance with the Local Government Act 2020, Section 108(c) and Section 109.

PA advised all member Councils to conduct their own individual evaluations, specifically in relation to the schedule of rates to select the most appropriate companies to be appointed by member Councils. Details of the Boroondara's own evaluation is outlined in the **Confidential Attachment 1**.

Invitation to tender

Procurement Australia (PA) advertised tenders in the Melbourne Herald Sun on Wednesday, 6 April 2022. The closing date for submissions was 15:00, Wednesday, 4 May 2022. In response to the advertisement, PA received eighteen tender submissions.

- Alex Fraser Asphalt Pty Ltd.
- Asphalt & Civil Construction Pty Ltd.
- BA Road Service Pty Ltd
- Blue Peak Constructions Pty Ltd ATF Blue Peak Constructions Family Trust
- Downer EDI Works Pty Ltd.
- Fulton Hogan Industries Pty Ltd.
- Omnigrip Direct Pty Ltd
- Prestige Paving Pty Ltd.
- Pro Pave Asphalt Services
- RABS Paving Services Pty Ltd.
- Road Maintenance Pty Ltd
- Roadsafes Asphalt Vic Pty Ltd
- RPQ Spray Seal Pty Ltd
- Silman Bros Asphalting Pty Ltd
- The Trustee for SuperSealing Unit Trust (Trading as Supersealing)
- The Trustee for The Centofanti Unit Trust T/A Metro Asphalt Pty Ltd
- Tiber Bond Pty Ltd
- Victoria Asphalt Pty Ltd ATF The Centofanti Families Unit Trust

17 companies submitted specifically for Boroondara, as Pro Pave Asphalt Service did not submit a tender for Boroondara and Stonnington City Council.

4. Outline of key issues/options

This Contract for Road Resurfacing and Associated Services is a key enabler to deliver Council's extensive road renewal program each year.

5. Collaborative Procurement Opportunities

In accordance with Council's tendering procedures and Section 108 and 109 of the Local Government Act 2020, Council appointed Procurement Australia (PA) as tendering agent to call and evaluate public tenders from suitably qualified organisations to be part of a panel of providers for the supply and delivery of a range of services associated with road resurfacing, road maintenance, road rejuvenation and road resealing.

6. Consultation/communication

Consultation and communication with residents regarding works under this Contract are carried out for each individual road project as required.

7. Financial and resource implications

Council's 2022-23 adopted budget provides the following allocations which will be delivered through this contract:

Operating

Account No. 21401 Rejuvenation Roadworks	\$ 870,000
Total Operating	\$ 870,000

Capital

Account No. 71636 -Road Resheeting	\$ 3,912,000
Account No. 71637-Full Road reconstruction& kerb replacement (part of budget is used for this contract)	\$1,200,000
Account No. 71755 - Resurfacing of condition 4 car parks	\$400,000
Total Capital	\$ 5,512,000
TOTAL (Operating and Capital)	\$ 6,382,000

Council will commence utilising the products and services offered under this Contract from 19 December 2022.

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

8. 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.

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 general or material interests requiring disclosure.

This tender process has been carried out in accordance with the requirements of Council's Procurement Policy 2021-25.

9. Social and environmental issues

The road network provides essential links to enable a mobile community. High quality road surfaces reduce noise, vibration and improve vehicle fuel economy and are visually more attractive than a deteriorated surface. Many of the resurfacing products to be used in this Contract include recycled products while a number of the tenderers have offered an environmentally sustainable Warm Asphalt which can be used for Council's Asphalt resurfacing program.

The benefits of Warm Asphalt include lower CO2 emissions, reduced energy consumption and ability to use a greater quantity of recycled asphalt product in the asphalt mix.

10. Evaluation and review

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

As a result of the tender evaluation, the tender evaluation panel recommends that Council award Contract No. 2022/121, Road Resurfacing and Associated Services - Regional Procurement Eastern Network (PA Contract No. 2507/0335) to the following Panel of suppliers:

1. The Trustee for The Centofanti Unit Trust T/A Metro Asphalt Pty Ltd
2. Prestige Paving Pty Ltd
3. Downer EDI Works Pty Ltd
4. BA Road Service Pty Ltd
5. Fulton Hogan Industries Pty Ltd
6. RABS Paving Services Pty Ltd
7. The Trustee for SuperSealing Unit Trust (Trading as Super Sealing)
8. Tiber Bond Pty Ltd
9. Omnigrip Direct Pty Ltd
10. Road Maintenance Pty Ltd

at their tendered schedule of rates. The estimated contract cost for all contracts for a maximum term of five years is \$34,211,000 (including GST). The cost to Council after the return of the GST Tax Input Credits is approximately \$31,101,000.

Manager:	Christine White, Manager Capital Projects
Report officer:	Cid Mariani, Coordinator Civil Projects, Capital Projects