
 <p><b>Adelaide Plains Council</b></p>	<b>20.3 Confidential Item</b>
<b>22 August 2022</b>	

20.3      Contract Extension – Provision of Bulk Haulage Services

## **RECOMMENDATION**

**“that:**

- 1. Pursuant to section 90(2) of the *Local Government Act 1999*, Council orders that all members of the public, except Chief Executive Officer, Acting General Manager – Governance and Executive Office, General Manager – Finance and Business, General Manager – Development and Community, General Manager – Infrastructure and Environment, Manager Governance and Administration, Administration and Executive Support Officer/Minute Taker, Administration Support Office – Infrastructure and Environment and Information Technology Support Officer be excluded from attendance at the meeting of Council for Agenda Item 20.3 – *Contract Extension – Provision of Bulk Haulage Services*;**
- 2. Council is satisfied that pursuant to section 90(3)(d)(i) of the *Local Government Act 1999*, Item 20.3 – *Contract Extension – Provision of Bulk Haulage Services* concerns commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party;**
- 3. Council is satisfied that the principle that Council meetings should be conducted in a place open to the public has been outweighed by the need to keep the information, matter and discussion confidential.”**

 <b>Adelaide Plains Council</b>	<b>20.3</b>	<b>Contract Extension – Provision of Bulk Haulage Services</b>
	<b>Department :</b>	<b>Finance and Business</b>
	<b>Report Author:</b>	<b>Procurement Advisor</b>
<b>Date 22 August 2022</b>	<b>Document No:</b>	<b>D22/34635</b>

### **EXECUTIVE SUMMARY**

- The purpose of this report is to seek Council approval to offer extension of bulk haulage services contract.
- Council conducted a tender process in June 2021 for the provision of bulk haulage services for the period 2021 to 2024.
- Following a formal tender assessment process, Quality Construction Services Pty Ltd (QCS) was appointed for one (1) year period, commencing 1 August 2021 to 31 July 2022 with one (1) right of renewal of two (2) years subject to satisfactory performance.
- The estimated two (2) year contract renewal value is likely to exceed \$500,000 for the life of the contract mainly due to the sealing of Aerodrome Road, Glover Road, Buckland Park Road, and Middle Beach Road.
- As per Council Procurement Policy, any procurement over \$500,000 requires a Council resolution.
- Therefore, in order to continue receiving bulk haulage service, Council entered in to a short-term (3 months) contract with QCS from 1 August 2022 to 31 October 2022.
- Given the satisfactory performance of QCS over the last 12 months, Council management recommend to the Elected Members that QCS be appointed for a further period of 2 years from 1 November 2022 to 31 October 2024.

### **RECOMMENDATION**

**“that Council, having considered Item 20.3 – *Contract Extension – Provision of Bulk Haulage Services*, dated 22 August 2022, receives and notes the report and in doing so:-**

- 1. Resolve to appoint Quality Construction Services Pty Ltd for the provision of bulk haulage service for a two (2) year period from 1 November 2022 to 31 October 2024 with the same terms and conditions as contained in Attachment 1; and**
- 2. Authorise the Chief Executive Officer to execute contract extension.”**

## **BUDGET IMPACT**

Estimated Cost:	\$500,000 to \$700,000 over the two (2) year period
Future ongoing operating costs:	Not applicable.
Is this Budgeted?	Adopted budget for 2022/2023 included appropriate allocations for the procurement of haulage services. 2023/2024 budgetary allocations are made in the LTFP.

## **RISK ASSESSMENT**

Extending the contract by further two (2) years will allow the Council to continue delivering its annual roads maintenance and upgrade program on budget and time.

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## **Attachments**

1. Current Services Agreement signed with Quality Construction Services Pty Ltd for the Provision of Bulk Haulage Services for the period 1 August 2021 to 31 July 2022.

## **DETAILED REPORT**

### **Purpose**

The purpose of this report is to seek Council approval to offer extension of bulk haulage services contract.

### **Background/History**

Council conducted a tender process in June 2021 for the provision of bulk haulage services for the period 2021 to 2024.

Following a formal tender assessment process, Quality Construction Services Pty Ltd (QCS) was appointed for one (1) year period, commencing 1 August 2021 to 31 July 2022 with one (1) right of renewal of two (2) years subject to satisfactory performance (**Attachment 1**).

Pending Elected Members consideration of contract extension, Council entered in to a short-term (3 months) contract with QCS from 1 August 2022 to 31 October 2022.

### **Discussion**

The estimated two (2) year contract renewal value is likely to exceed \$500,000 for the life of the contract mainly due to the sealing of Aerodrome Road, Glover Road, Buckland Park Road, and Middle Beach Road.

As per Council Procurement Policy, any procurement over \$500,000 requires a Council resolution. Therefore, given the satisfactory performance of QCS over the last 12 months, Council management recommend to the Elected Members that QCS be appointed for a further period of 2 years from 1 November 2022 to 31 October 2024 with the same terms and conditions as contained in **Attachment 1**.

### **Conclusion**

As Council have various projects and programs requiring rubble, an uninterrupted services of a suitable haulage contractor is required for the cartage of rubble from quarries to various job sites. Accordingly, an open tender process was undertaken in June 2021 through SA Tenders for the provision of bulk haulage services for the period 2021 to 2024.

QCS was initially appointed for a 12 months term and given the satisfactory performance during this period, Council management recommend that QCS be appointed for further two (2) years under the right of renewal.

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## References

### Legislation

*Local Government Act 1999*

### Council Policies/Plans

Procurement Policy

2022/2023 Annual Business Plan and Budget

2023-2032 Long Term Financial Plan