

 Adelaide Plains Council	21.1 Confidential Item
25 February 2019	

21.1 Barossa Regional Procurement Group – Tender – Provision of New Surfacing Works and Resurfacing of Sealed Roads – BRPG 006-2018

RECOMMENDATION

“that:-

- 1. Pursuant to section 90(2) of the *Local Government Act 1999*, the Council orders that all members of the public, except Chief Executive Officer, General Manger – Governance and Communications, General Manager – Development and Community, General Manager – Finance and Economic Development, Acting General Manager – Infrastructure and Environment, Governance Officer and Executive Assistant be excluded from attendance at the meeting of the Council for Agenda Item 21.1 – *Barossa Regional Procurement Group – Tender – Provision of New Surfacing Works and Resurfacing of Sealed Roads – BRPG 006-2018*;**
- 2. Council is satisfied that pursuant to section 90(3)(k) of the *Local Government Act 1999*, Item 21.1 – *Barossa Regional Procurement Group – Tender – Provision of New Surfacing Works and Resurfacing of Sealed Roads – BRPG 006-2018* concerns information of a confidential nature concerning a tender for the provision of services; and**
- 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.”**

 Adelaide Plains Council	21.1	Barossa Regional Procurement Group – Tender – Provision of New Surfacing Works and Resurfacing of Sealed Roads – BRPG 006-2018
	Department:	Infrastructure and Environment
	Report Author:	Acting General Manager - Infrastructure and Environment
Date: 25 February 2019	Document No:	D19/6019

EXECUTIVE SUMMARY

- Council currently has an Agreement with Downer EDI Works for the surfacing and resurfacing of sealed roads, which will expire on 30 June 2019.
- A tender process was recently undertaken in relation to the surfacing and resurfacing of sealed roads, through an initiative of the Barossa Regional Procurement Group, which aims to achieve efficiencies and savings via collaborative procurement.
- Following a thorough tender evaluation process, it is recommended that the Agreement be awarded to Downer EDI Works.

RECOMMENDATION

“that Council, having considered Item 21.1 – Barossa Regional Procurement Group – Tender – Provision of New Surfacing Works and Resurfacing of Sealed Roads – BRPG 006/2018, dated 25 February 2018, receives and notes the report and in doing so, The Agreement for New Surfacing Works and Resurfacing of Sealed Roads be awarded to Downer EDI Works for a three (3) year period, commencing 1 July 2019, in accordance with the schedule of rates, with an option for one (1) extension of three (3) years.”

BUDGET IMPACT

Estimated Cost:	\$1,425,000 predicted average spend over 3 year period.
Future ongoing operating costs:	Nil
Is this Budgeted?	Yes

RISK ASSESSMENT

Nil

Attachments

1. Tender Evaluation Panel Report

DETAILED REPORT

Purpose

The purpose of this report is for Council to consider the awarding of the tender for the delivery of new surfacing works and resurfacing of sealed roads.

Background/History

In 2018, the Barossa Regional Procurement Group (comprising The Barossa Council, Light Regional Council, Adelaide Plains Council, Town of Gawler and Mid Murray Council), invited tenders for the provision of new surfacing works and resurfacing of sealed roads.

The objective of the Request for Tender was to engage the services of a single supplier to provide the nominated Services to the Councils as per the specifications and timeframes provided.

The scope of works sought was for supply and lay of asphalt and spray seal roads within the Councils' areas. The contracted Works may also include additional works such as new construction, sealed path maintenance, crack sealing, deep lift road patching and reinstatement of line marking. A Major Works Agreement will be executed between the successful tenderer and each Council. The term of the contract will be for a three (3) year period, commencing on 1 July 2019 with an option for one (1) extension of three (3) years which may be executed at the sole discretion of the Councils.

Discussion

The tender was released on 11 October 2018 via an online open tender process on SA Tenders and Contracts. Tenders closed at 10:00am Friday 23 November 2018.

Three (3) tenders, all of which nominated to provide the tendered services within the Adelaide Plains Council area, were received and assessed by a Tender Evaluation Panel consisting of:

- Director, Works & Engineering - The Barossa Council;
- Acting General Manager, Infrastructure & Environment - Adelaide Plains Council;
- Infrastructure Project Manager - Mid Murray Council;
- Operations, Projects & Contracts Officer - Town of Gawler; and
- Operations Manager - Light Regional Council.

The Barossa Council's Procurement Advisor and Manager - Strategic Projects were nominated to assess the prequalification criteria prior to the tender being evaluated by the tender evaluation panel:-

- Local Economic Benefit & Social inclusion (Schedule 7) – 10 %
- Organisational Structure, Facilities & Resources (Schedule 11) – 30 %
- Experience & Timeframe (Schedule 12) – 30 %
- Customer Service Plan (Schedule 13) – 10 %
- Value Added Service and Improvement & Innovation (Schedule 17) – 20 %
- Value for Money Score

Detailed analysis of the Evaluation Team's assessment of Tenderers against the above criteria and justification for the allocation of scores is provided within the Tender Evaluation Panel Report presented as **Attachment 1** to this report.

Based on the technical score, value for money score and final pricing, Downer EDI Works was considered the overall final preferred supplier for all five (5) Councils. The below table summarises the final discounted price and associated estimated and forecast savings achieved based on all five (5) Council's engaging Downer EDI Works

Council	% Saving
Adelaide Plains Council	12%

The budget figure extrapolated across the potential three (3) years of the contract equates to a total contract saving as follows:

Council	18/19 – 21/22	% Saving over 3 years *
Adelaide Plains Council	\$1,425,000	\$171,000

The estimates (*in today's dollars) tabled above were calculated comparing existing contract rates for a current project against the new rates provided by Downer EDI Works in their submission. The savings vary depending on volumes, haulage distances and pavement type.

The forecast savings will allow Council to deliver greater resurfacing scope region wide, that is, it is not proposed to reduce the Long Term Financial plan for road renewal but rather gives Council greater budget to deliver more works.

Conclusion

With the results of the evaluation indicating that the technical score, value for money score and final pricing from Downer EDI Works considered the overall final preferred supplier for all five (5) Councils it is recommended that Council engage Downer EDI Works for the provision of surfacing works and resurfacing of sealed roads for a term of three (3) years with one (1) right of renewal of three (3) years.

References

Legislation

Local Government Act 1999

Council Policies

Procurement Policy

RECOMMENDATION

“that Council, having considered the matter of Agenda Item 21.1 – *Barossa Regional Procurement Group – Tender – Provision of New Surfacing Works and Resurfacing of Sealed Roads – BRPG 006-2018* in confidence under sections 90(2) and 90(3)(k) of the *Local Government Act 1999*, resolves that:-

- 1. The agenda item, report, and the minutes of this meeting pertaining to Agenda Item 21.1 *Barossa Regional Procurement Group – Tender – Provision of New Surfacing Works and Resurfacing of Sealed Roads – BRPG 006-2018* remain confidential and not available for public inspection until the contract is executed by all parties to the contract;**
- 2. Attachment 1 to Agenda Item 21.1 *Barossa Regional Procurement Group – Tender – Provision of New Surfacing Works and Resurfacing of Sealed Roads – BRPG 006-2018* remain confidential and not available for public inspection until the end of the New Surfacing Works and Resurfacing of Sealed Roads Agreement (30 June 2025);**
- 3. Pursuant to section 91(9)(a) of the *Local Government Act 1999*, the confidentiality of the matter will be reviewed every 12 months; and**
- 4. Pursuant to section 91(9)(c) of the *Local Government Act 1999*, Council delegates the power to revoke this confidentiality order to the Chief Executive Officer.”**