


 <p data-bbox="422 250 612 376">Adelaide Plains Council</p>	<p data-bbox="791 273 1114 304">21. CONFIDENTIAL ITEM</p>
<p data-bbox="667 465 928 497">17 September 2018</p>	

21.1 - Rubble Ripping and Raising

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 Manager – Governance and Communications, General Manager – Development and Community, General Manager – Finance and Economic Development, Acting General Manager – Infrastructure and Environment, Governance Officer/Minute Taker and Executive Assistant be excluded from attendance at the meeting of the Council for Agenda Item 21.1 – *Rubble Ripping and Raising*;**
- 2. Council is satisfied that, pursuant to section 90(3)(k) of the *Local Government Act 1999*, Agenda Item 21.1 – *Rubble Ripping and Raising* concerns a tender for the provision of services and on balance it would be contrary to the public interest;**
- 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	Rubble Ripping and Raising
	Department: Report Author:	Infrastructure and Environment Acting General Manager – Infrastructure and Environment
Date: 17 September 2018	Document No:	D18/37668

EXECUTIVE SUMMARY

- Council, at its Ordinary Meeting on 17 July 2018, considered tender submissions in relation to the ripping and raising of rubble at Council’s Carslake Road quarry sites. As per resolution 2018/227, Council resolved to reject all tenders.
- Council, as part of its 2018-2019 Annual Business Plan and Budget process, resolved to formally dispose of the D6 Dozer and D9 Dozer and in doing so effectively ensured the outsourcing associated with the ripping and raising of rubble.
- Council, as part of its 2018-2019 Works Program, is required to rip and raise 60,000 tonne of rubble. This amount is expected to increase by 26,000 tonne if Council is successful in the Shannon Road upgrade grant application.
- A tender process was recently undertaken in relation to the sourcing of contact ripping and raising service and to that end, following a thorough tender evaluation process, it is recommended that the contract be awarded to SC Heinrich & Co Pty Ltd.

RECOMMENDATION

“That Council, having considered Item 21.1 – *Rubble Ripping and Raising*, dated 17 September 2018, receives and notes the report and in doing so resolves to award the contract for rubble ripping and raising service to SC Heinrich & Co Pty Ltd in accordance with the schedule of rates included in Tender No: RFT 01-2018-2022.”

BUDGET IMPACT

Future ongoing operating costs: \$1.80/tonne plus mobilisation/demobilisation
Is this Budgeted? No

RISK ASSESSMENT

By contracting out ripping and raising of rubble services, Council addresses significant financial risk associated with continuing to operate a dozer that has, and continues to, break down due to age and fatigue. Contracting out this service also sees Council mitigate the risk associated with ensuring that adequate staff are available with the necessary skills to carry out the task.

There are risks that the prices quoted won't hold, or may vary from current tender prices. A variance from the 2017 to 2018 tenders show an increase of 0.49c (\$1.31 in 2017 compared to \$1.80 in 2018). This equates to an increase of \$29,400 to carry out ripping and raising for 60,000 tonnes.

Attachments

1. Tender Evaluation Panel Report.

DETAILED REPORT

Purpose

The purpose of this report is to present to Council the outcomes of the recent tender process for the ripping and raising of rubble services at the Carslake Road quarry sites, and to seek Council's instruction in relation to awarding the tender.

Background/History

Council has historically raised and crushed its own rubble for road making and repair purposes utilising plant and equipment that it owns. While this process has served Council well in the past it is prudent to examine whether this methodology will suit Council's needs in the future.

On 10 May 2017, the Barossa Regional Procurement Group released a Request for Tenders for Rubble Raising and Crushing Services on behalf of two constituent councils, being Barossa Council and Adelaide Plains Council. Five (5) tenders were received by the closing time/date of 3:00pm on Wednesday 24 May 2017.

Council, at its Ordinary Meeting on 17 July 2018, considered tender submissions for the ripping and raising of rubble at Council's Carslake Road quarry sites. As per resolution 2018/227, Council resolved to reject all tenders.

On 26 June 2018, Council placed a Request for Tenders for Rubble Raising and Crushing Services on SA Tenders.

Five (5) tenders were received by the closing time/date of 3:00 pm Tuesday 17 July 2018. The term of the contract is intended to be for a period of three (3) years, commencing 1 November 2018 and concluding 31 October 2021. Council may exercise the right to renew for a further three (3) year term prior to the conclusion of the initial term.

Council, as part of its 2018-2019 Annual Business Plan and Budget process, resolved to formally dispose of the D6 Dozer and D9 Dozer and in doing so effectively ensures the outsourcing associated with the ripping and raising of rubble. It follows that Council must now consider the tenders in order for ripping and raising of rubble to continue.

Discussion

The report to Council dated 21 August 2017 outlined the following costs:

Continue to provide these services in-house utilising existing plant and equipment = \$2.12 per tonne

Council currently owns and operates a 1981 Caterpillar D9L dozer which it uses to rip and raise rubble ready for crushing.

Given the age of this machinery, there have been, understandably, many breakdowns requiring rebuilds of motors and other mechanical components, numerous 'wear parts' have been replaced numerous times. The dozer in particular has required major repairs to be carried out to its motor and is currently having its track rollers repaired and diesel has been detected in the radiator.

It is possible to continue operating the existing machinery but there are some risks, and other issues that need to be considered.

1. The D9L dozer is underutilised and aging. Significant breakdowns are occurring and there may be more problems looming that are not presently known.
2. There is only one dozer operator among Council's staff with the necessary skills to effectively and efficiently raise rubble. The task is considered an art form.

The current cost to continue to provide these services in house, inclusive of labour, fuel, repairs and maintenance is **\$2.12/tonne**

Contract out rubble ripping and raising activities

1. The best price offered through the tender process was **\$1.80/tonne**, by SC Heinrich & Co Pty Ltd, located in Clare. They currently undertake traditional methods for ripping and raising of rubble, similar to the methods used by Council, and their tendered rate, \$1.80 per tonne, plus mobilisation and demobilisation of \$200 provides best value for money compared to other tenders received. They also have the required equipment to deliver the service and are local contractors.
2. If sold in its current condition, Council's D9L dozer is estimated to hold around \$100k in value.
3. Further details are provided in **Attachment 1** – Tender Evaluation Panel Report.

Conclusion

The above analysis identifies that the most cost effective methodology for the ripping and raising of rubble is to engage the services of a contractor. Conservative estimates show that by adopting this methodology Council will realise \$19,200 savings, based on a 60,000 tonne exercise. (This savings comparison is inclusive of labour, 1 staff member will be reallocated to other disciplines within the Infrastructure and Environment department)

References

Legislation

Local Government Act 1999

Council Policies

Procurement Policy

ADELAIDE PLAINS COUNCIL TENDER EVALUATION PANEL REPORT
INTERNAL WORKING DOCUMENT

TENDER NO:	RFT 01-2018-2022
TENDER NAME:	Ripping and Raising of Rubble
TENDER TYPE:	X Open
TENDER RELEASE DATE:	26 June 2018
TENDER CLOSE DATE:	17 July 2018
TENDER CONTACT OFFICER:	Ken Stratton, General Manager, Infrastructure & Environment
TREPORT PREPARED BY:	Debra Scott, Procurement Advisor

1. DESCRIPTION OF TENDER

1.1 Purpose

Tenders were invited for the provision of services to undertake the Ripping and Raising of Rubble Services at Council's Carslake Road quarry sites. The Council will enter into a Contract for Services with the successful Tenderer.

1.2 Scope

Specification sought providing quarry related services which included:

- Mobilisation and Demobilisation;
- Striping and Stock piling top soil;
- Ripping Raising and stockpiling of approximately 60,000 ton of Road Base material ready for crushing per year; and
- Rehabilitation of area mined:

1.3 Type of Contract/Agreement to be Executed

A Minor Works Agreement will be executed with the successful tenderer.

1.4 Term of Contract/Agreement

The term of the contract is for a period of three (3) years, commencing 1 November 2018 and concluding on 31 October 2021. The Council may exercise the right to renew for a further three (3) year term prior to the conclusion of the initial term.

2. EVALUATION PANEL

A Tender Evaluation Panel was formed to evaluate submitted tenders. The Panel consisted of:

- Ken Stratton, General Manager, Infrastructure & Environment;
- Tom Jones, Acting Strategic Infrastructure Coordinator;

- Scott Woodcock, Team Leader, Civil Construction & Maintenance

3. TENDERS RECEIVED AND PREQUALIFICATION ASSESSMENT

3.1 Five (5) tenders were received by the closing time/date of 3:00 pm (Adelaide Time) 17 July 2018.

The table below sets out a list of tenders and details whether the tender was conforming.

3.2 Conforming Tender

The Tenderers were assessed for compliance with the following pre-qualification criteria:

1. Tender Form – Formal offer/Declaration (Schedule 1)
2. Tenderers Details (Schedule 2)
3. Licences, Permits & Accreditation (Schedule 4)
4. Insurance (Schedule 5)
5. Industrial Relations Record
6. Conflict of Interest
7. Value Added Services and Improvement & Innovation

Compliance with pre-qualification criteria was assessed on a 'yes/no' basis, with a 'no response' across multiple criteria (or a non-negotiable criteria such as a licence to do the required work) considered a non-conforming tender and excluding the tenderer from further evaluation. However a potential Supplier may still proceed to further evaluation if their non-conformance with only a few criteria is assessed as being insufficient to exclude them at this point of the assessment.

TENDERER	CONFORMING TENDER (YES/NO)
BL Launer	YES
Gaskell Contractors Pty Ltd	YES
Mibus Bros (Aust) Pty Ltd	YES
SC Heinrich & Co Pty Ltd	YES
Trustee for Bastian Family Trust trading as State Septics Pty Ltd	YES
MA Skinner & Co Pty Ltd	NO

3.3 Non-Conforming Tenders

MA Skinner & Co Pty Ltd was deemed as non complying as the tender was received after the closing time.

4 EVALUATION CRITERIA

The tenders were evaluated according to the following qualitative criteria and associated weightings:

- WHS & Risk Management (Schedule 6) – 15%

- Quality (Schedule 8) – 10%
- Organisational Structure, Facilities & Resources (Schedule 13) – 15%
- Experience (Schedule 14) – 15%
- Implementation Schedule and Transition Plan (Schedule 16) – 10%

The criteria were listed and described in the tender documents as the criteria, and weightings, that would be used for tender evaluation purposes.

5. EVALUATION METHODOLOGY

An evaluation of tender responses against the above criteria was conducted based on a weighted scoring system using Council's standard Tender Evaluation Matrix. Point scores were allocated from 0 to 5 on the following basis:

POINTS	DESCRIPTION
5	Excellent
4	Very Good
3	Good or better than average
2	Acceptable
1	Marginally adequate
0	Will fail to satisfy required standards

Allocation of an appropriate score was informed by the tenderers provision of relevant information/evidence in relation to, but not necessarily limited to, the following factors for each of the nominated evaluation criteria:

Work Health & Safety and Risk Management – Commitment, Programmes & Procedures.

Quality of Service – Principles of Quality Assurance, contracts performed under tis QA system.

Organisation Structure, Facilities & Resources – Management Skills, technical Experience, organization structure, plant, equipment, are they using subcontractors and contingency arrangements.

Experience – How many years undertaking this work, any termination of projects, current contracts, other commitments, other Council experience.

Implementation Schedule & Transition Plan – Timeline and activities project plan, minimize disruption, information leaflets.

6. TENDER CLARIFICATIONS SOUGHT

During the registration of the tender responses it was noted that some of the schedules sought had not been provided with the original tender documentation and as such an Addendum was forwarded to all tenderers to complete these additional schedules prior to the evaluation team meeting.

Once the Tender Evaluation Team had shortlisted the tenders further information was sought from the short listed Tenderers regarding the provision of a rate per tonne and detailed completion of the Implementation Schedule.

7. EVALUATION RESULTS SUMMARY

The overall results of the tender evaluation, in terms of ranked order by score, are summarised below.

RANK	TENDERER	SCORE
1	BL Launer	170
2	Gaskell Contractors Pty Ltd	250
3	Mibus Bros (Aust) Pty Ltd	210
4	SC Heinrich & Co Pty Ltd	245
5	Trustee for Bastian Family Trust trading as State Septics Pty Ltd	185

8. SUMMARY ANALYSIS FOR EACH TENDERER

8.1 BL Launer

While the tenderer is not accredited for WHS, they also failed to provide the supporting documentation required to assess their compliance. They are a sole trader located at Robertstown with some 10 years experience and have the required equipment to deliver the services. Hourly rates quoted were very reasonable.

8.2 Gaskell Contractors Pty Ltd

While the tenderer is not accredited for WHS, they provided sound supporting documentation. Tenderer is a South East Company with some 17 employees engaged with over 29 years experience in earthworks and 14 years for rubble raising and crushing. The process outlined to raise the rubble indicated stripping the top soil with their landplanes and stockpiling next to the pit. This process is extremely efficient as it sifts the rocks before digging them out. It then provides for easier rehabilitation as no large rocks are left over the rehabbed area. Process will result in less contamination but will incur additional costs to deliver this outcome.

8.3 Mibus Bros (Aust) Pty Ltd

Tenderer is an interstate family company with some 60 employees that operate Australia wide. While not being accredited for WHS they provided exceptional supporting documentation. They provided evidence of the attainment of a certificate of compliance for *Contractor Management Systems* by an independent auditor (Civil Contractors Federation). The tenderer has a large number of required plant and equipment capable of undertaking the works required and they have 40 years experience within the industry with contracts within local government across Australia, including the Barossa Council. The method of ripping and raising of rubble is by use of a rockbreaker and excavator which may not be as supportive to the location but is still workable. Price per tonne was competitive and had excessive mobilization and demobilization costs.

8.4 SC Heinrich & Co Pty Ltd

The tenderer is located at Stanley Flat and provided extensive supporting documentation for WHS. They indicated, but did not provide, evidence of the attainment of a certificate of compliance for *Contractor Management Systems* by an independent auditor (Civil Contractors Federation). Organisation structure indicates some 23 employees with over 64 years experience in the services being sought. Tenderer undertakes traditional methods for ripping and raising of rubble, similar to the current process undertaken by Council. Their rate per tonne is extremely competitive, including the additional mobilization and demobilization charge that would be applied. Only are that needs to be negotiated would be an agreed method of weighing as they do not have scales to undertake this.

8.5 The Trustee for Bastian Family Trust trading as State Septics Pty Ltd

The tenderer is located in Adelaide and is a family only company only being in operation since last year. Key works undertaken to date revolve around drainage/stormwater works. The company is not accredited and provided limited WHS information.

12. OVERALL FINDING

The Evaluation Team shortlisted Gaskell Contractors Pty Ltd, SC Heinrich & Co Pty Ltd and Mibus Bros (Aust) Pty Ltd. And subsequently resolved that all contractors would deliver a good quality outcome at a cost effective price per tonne.

The Evaluation Team resolved that overall SC Heinrich & Co Pty Ltd are recommended as the preferred supplier due to the following reasons:

- Competitive rates and provides best value for money;
- Local contractor with operation in clare;
- Have a large amount of locally based back up equipment and local staff available to support their operations;

Conservative estimates show that by engaging their services will realize \$19,200 savings based on a 60,000 tonne exercise.

13. RECOMMENDATION OF EVALUATION PANEL

It is recommended that the Tender Evaluation Panel Delegates approve:

The Awarding of a Minor Works Agreement to SC Heinrich & Co Pty Ltd for the provision of Rubble Ripping and Raising Services for a period of three (3) years, commencing on 1 November 2018 in accordance with the tendered rates, with the option to extend the agreement for an additional three (3) years at the discretion of the Council.

EVALUATION PANEL SIGN OFF

Name: Ken Stratton

Title: General Manager, Infrastructure & Environment

Signature:

DATE: 14 August 2018

Name: Tom Jones

Title: Acting Strategic Infrastructure Coordinator

Signature:



DATE: 14 August 2018

Name: Scott Woodcock

Title: Team Leader Civil Construction and Maintenance

Signature:

DATE: 14 August 2018

Delegate Approval/Acceptance of Evaluation Panel Recommendation and Authorisation to Issue Contracts to Successful Tenderers

Recommendation Approved / Not Approved

To be presented to August 2018 Council Meeting for approval.

CONFIDENTIAL

REFERENCE

The purpose of this document in terms akin to Clause 9, Schedule 1 to the FOI Act indicating the intention of the Council is that the Tender Evaluation Panel Report, and associated Evaluation Matrix, is treated as an internal working document.

This results in these documents being exemption from disclosure as they contain matter that relates to:-

- (a) Any opinion, advice or recommendation that has been obtained, prepared or recorded; or
- (b) Any consultation or deliberation that has taken place;

In the course of, or for the purpose of, the decision-making functions of the Government, a Minister or an agency where the disclosure would, on balance, be contrary to the public interest.

CONFIDENTIAL

RECOMMENDATION

“that Council, having considered the matter of Agenda Item 21.1 – *Rubble Ripping and Raising* in confidence under sections 90(2) and 90(3)(k) of the *Local Government Act 1999*, resolves that:-

- 1. The agenda item, report and annexures and any other associated information submitted to this meeting in relation to the matter remain confidential and not available for public inspection until further order of Council;**
- 2. The minutes of this meeting remain in confidential and not available for public inspection until all parties have been notified of Council’s decision in relation to the tender;**
- 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.”**