

6.22. 2025/2026 FAR NORTH QUEENSLAND REGIONAL ORGANISATION OF COUNCILS REGIONAL BITUMEN RESEAL - CONTRACT EXTENSION

REPORT AUTHOR Coordinator Civil Operations

MANAGER Manager Infrastructure

DEPARTMENT Infrastructure and Recovery

RECOMMENDATION

That Council:

- 1. Resolves to award the extension of contract WO6433, the 2024-2025 Regional Bitumen Reseal Program to FGF Bitumen Pty Ltd based on the scope to be varied to include the resealing required during 2025-2026; and**
- 2. Delegates authority under s257 of the Local Government Act 2009 to the Chief Executive Officer to negotiate, finalise and execute any and all matters associated with or in relation to this contract.**

EXECUTIVE SUMMARY

Council undertakes an annual bitumen reseal program in order to maintain the road network. Previous programs have successfully been delivered under collective procurement arrangements with our neighboring councils. The Far North Queensland Regional Organisation of Councils (FNQROC) was tasked with inviting tenders for the 2023-2024 Regional Bitumen Reseal Program with the option of two extensions with 2025-2026 financial year being the final extension under the current contract.

Six (6) conforming submissions were received, and these were evaluated by the Project Steering Committee which included officers from each of the participating Councils.

FGF Bitumen Pty Ltd (FGF) was recommended as they provided a competitive submission, had the required capability, and were highly regarded in their previous engagements with several participating councils.

The arrangement offered fair value and significant cost benefits were also gained for the other councils.

Whilst there were several councils involved in the collective procurement arrangement; each council had an individual contract with the supplier as FNQROC does not have formal delegated authority to contract on behalf of councils.

Douglas Shire Council joined the 2024-2025 program as adopted at the Ordinary Meeting held 27 August 2024.

FNQROC has approached Douglas Shire Council with the option to extend the 2024-2025 Regional Bitumen Reseal Program contract through to 2025-2026, based on the conditions and specifications of the 2023-2024 program.

The proposal to extend the current program was workshopped with the Councillors on 18 February 2025.

BACKGROUND

Council undertakes an annual bitumen reseal program to maintain its road network to a suitable standard.

This process is required to prevent moisture from penetrating through deteriorated bitumen seals into the underlying pavement which causes damage such as rutting and potholes.

The collective arrangements have enabled the participating member councils to achieve economies of scale in pricing and eliminated the risk of individual councils competing against each other for limited supplier resources.

The collective arrangements also include the provision of performance bonds to ensure the works are completed within the agreed timeframes.

COMMENTS

Advice was requested from our internal procurement team to ensure the proposed extension was in accordance with the current procurement policy.

PROPOSAL

That Council:

1. Resolves to award the extension of contract WO6433, the 2024-2025 Regional Bitumen Reseal Program to FGF Bitumen Pty Ltd based on the scope to be varied to include the resealing required during 2025-2026; and
2. Delegates authority under s257 of the Local Government Act 2009 to the Chief Executive Officer to negotiate, finalise and execute any and all matters associated with or in relation to this contract.

FINANCIAL/RESOURCE IMPLICATIONS

The contract value will be negotiated once the 2025-2026 budget has been approved by Council and will be funded from the Capital Expenditure budget allocated to the Road Reseal/AC Overlay Renewal Program 2025-2026.

RISK MANAGEMENT IMPLICATIONS

Failure to accept the recommendation may lead to council failing to deliver the Road Reseal Program because of Contractor availability and potential weather delays.

SUSTAINABILITY IMPLICATIONS

Economic: The contract value is expected to be within the CAPEX budget allocated to the Road Reseal/Asphaltic Concrete Overlay Renewal Program 2025-2026.

Environmental: The project has minimal impact on the natural environment as the works are fully contained within the existing road corridor.

Social: The project will benefit the local community by providing improved transport infrastructure enabling safer active travel opportunities.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 1 - Celebrating Our Communities

Douglas Shire Council embraces the diversity of our communities and values the contribution that all people make to the Shire. We recognise that it is a core strength of the region. We acknowledge our past so that it may guide us in the future. We recognise the wrongs done to our Indigenous community and we actively seek to reconcile so that we may all benefit from and enjoy our Shire. We acknowledge early European settlers who forged an agricultural base for our economy, and we welcome all new arrivals as part of our broader community.

Goal 2 - We will deliver programs and services that protect and enhance the liveability of our beautiful Shire.

Theme 2 - Fostering Sustainable Economic Growth

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector. Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

Goal 1 - We will build appropriate infrastructure and deliver services that connect and support businesses.

Operational Plan 2024-2025 Actions:

Legislative requirement.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Builder/Owner	Council makes a significant investment every year in the infrastructure that underpins the Shire through its capital works program. Council will manage its assets with appropriate frameworks and deliver its projects through robust project management.
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CONSULTATION

Internal: Infrastructure Department

External: Far North Queensland Regional Organisation of Councils (FNQROC)

COMMUNITY ENGAGEMENT

Not required at this stage.

ATTACHMENTS

Nil