

### 5.3. CONTRACT WO5964.1 RESEAL PROGRAM

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<b>DEPARTMENT</b>	Infrastructure

#### RECOMMENDATION

That Council resolves to:

1. Enter into contract WO5964.1 with Pioneer North Queensland Pty (Ltd) ABN 80 068 203 734 to the value of \$419,344.20 (GST exclusive)
2. Delegates authority under Section 257(1) b of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters associated with the contract.

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#### EXECUTIVE SUMMARY

Council undertakes an annual Road Reseal/AC Overlay Renewal Program to maintain its road network to an acceptable standard. Council has an approved budget for this work as part of the 2022/23 Capex program.

Council released a Tender to the Open Market to undertake the resurfacing works. The Tender closed on Monday 26 September 2022. All submissions were accepted and evaluated by Douglas Shire Council officers. After evaluation, Pioneer North Queensland Pty Ltd. was the highest scoring tenderer. The tender price of \$419,344.20 (GST exclusive) submitted was the cheapest of all the conforming tenders and their submission scored above average across all the assessment criteria. Pioneer North Queensland Pty (Ltd) has been operating as a Principal Contractor successfully delivering similar projects for Council as well as other Councils in the region.

The evaluation and recommendations were workshopped with the Councillors on 8 November 2022.

#### BACKGROUND

Council manages a total of approximately 216km of sealed roads, 54km of concrete floodways and 156km of gravel roads throughout the Douglas Shire. The scope of the resurfacing/renewal program is developed via road inspections and prioritisation of the work.

Deficits in the road network include:

- Cracking
- Stripping
- Rutting – sunken tracks/grooves
- Localised failures

This data provides a condition rating for each road segment used to develop a prioritised program of works. The report recommended that Council need to monitor the depreciation of roads with an estimated annual depreciation of approximately \$1,300,000.

The National Average Intervention level for surfacing defects is approximately 60%. Council has 4% of the network above this level and the RACAS reseal model predicts a three-year annual average expenditure of \$1,152,742 to continue at the recommended 60% defect intervention level.

## COMMENT

The program is developed and prioritised based on a condition assessment of the network. The issues identified provide the framework for the annual program subject to available budget.

The *Local Government Act 2009* Qld (the Act) and the *Local Government Regulation 2012* (Qld), (the Regulation) provide the legislative framework for local government procurement in Queensland. More specifically, s 104 of the Act states that when entering a contract, the local government must have regard to sound contracting principles.

Chapter 4 - 6, Part 3 of the Regulation outlines the process for tendering to enter a large- sized contract (i.e. \$200,000 or more). Council must invite written tenders before making a contract for the carrying out of work, or the supply of goods or services with a contract sum greater than \$200,000 (excluding GST) or another amount as set out in the Act or Regulation.

The evaluation and recommendations were workshopped with the Councillors on 8 November 2022.

Council invited contractors to participate in the request for tender (RFT) process through the market via Vendor Panel, which closed on 26 September 2022.

At tender close, six (6) submissions received were accepted and evaluated:

1. Pioneer North Queensland Pty Ltd	\$419,344.20 AUD (GST Excl);
2. Proposal #2	\$432,872.10 AUD (GST Excl);
3. Proposal #3	\$484,128.98 AUD (GST Excl);
4. Proposal #4	\$595,805.04 AUD (GST Excl);
5. Proposal #5	\$649,687.11 AUD (GST Excl);
6. Proposal #6	\$1,095,395.41 AUD (GST Excl);

The evaluation methodology defined criteria and weightings applied in the assessment of tenders is detailed below. Council officers formed the evaluation panel to administer, facilitate and assess RFT submissions.

Technical Capacity – 10%  
 Business Profile (Local, Social, Sustainability) – 20%  
 Program of Works – 10%  
 Works Procedure & Methodology – 10%  
 Price – 50%

Pioneer North Queensland Pty Ltd was the highest scoring tenderer. They have completed similar projects as the Principal Contractor throughout the shire meeting the required standard, submitted the lowest price, and indicated they can complete the works within the desired timeframe. The tender evaluation recommends them as the preferred supplier.

## PROPOSAL

That Council resolves to:

1. Enter into contract WO5964.1 with Pioneer North Queensland Pty (Ltd) ABN 80 068 203 734 to the value of \$419,344.20 (GST exclusive)
2. Delegates authority under Section 257(1) b of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise and execute any and all matters associated with the contract.

## FINANCIAL/RESOURCE IMPLICATIONS

Council allocated \$900,000 in the 2022/2023 CAPEX budget for the Reseal Program. Officers recommend that the project be awarded to Pioneer North Queensland Pty Ltd for \$419,344.20 AUD (GST exclusive). The remaining portion of the budget has been utilized for defect logging, asphalt overlays, crack-sealing and pavement rehabilitation which is outside this contract. It is anticipated that the entire project will be delivered on budget.

## RISK MANAGEMENT IMPLICATIONS

If Council do not resolve to enter into a contract with Pioneer North Queensland the major risk is that the required annual surfacing works will not be able to be completed within the required timeframe and the acceptable level of service would be compromised. Failure to continue with the recommended surfacing renewal may lead to expensive repairs or road reconstruction projects.

## SUSTAINABILITY IMPLICATIONS

- Economic:** Pioneer North Queensland provided the most value for money submission. The project will improve safety and provide robust assets that reduces maintenance costs for Council. The proposed use of local contractors in the supply of goods and services for the construction of essential public assets provides economic opportunities within the Shire.
- Environmental:** Nil.
- Social:** The project will improve the safety and level of service provided for Council's road network.

## 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 2022-2023 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:

<b>Builder/Owner</b>	Council makes a significant investment every year for 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**

<b>Internal:</b>	Infrastructure Department. Discussed with Councillors on 8 November
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<b>External:</b>	Shepherd Services for the RACAS capture
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### **COMMUNITY ENGAGEMENT**

Will commence after the Contract is awarded.

### **ATTACHMENTS**

Nil