

## 6.6. CONTRACT WO6214 PAVEMENT RENEWAL PROGRAM 2023/24

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### RECOMMENDATION

That Council resolves to:

1. Enter into contract WO6214 with FGF Bitumen Pty Ltd ABN 53 108 511 637 to the value of \$635,609.63 (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.

### EXECUTIVE SUMMARY

Council undertakes an annual Pavement Renewal Program to maintain its road network to an acceptable standard. Council has an approved budget for this work as part of the 2023/24 Capex program.

Council released a Tender to the Open Market to undertake the resurfacing works. The Tender closed on Friday 27 October 2023. All submissions were accepted and evaluated by Douglas Shire Council officers. After evaluation, FGF Bitumen Pty Ltd was the highest scoring tenderer. Their submission scored above average across four of the five assessment criteria. FGF Bitumen 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 21 November 2023.

### 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 Pavement 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 21 November 2023.

Council invited contractors to participate in the request for tender (RFT) process through the market via Vendor Panel, which closed on 27 October 2023.

Four (4) submissions were received. Four (4) conforming and zero non-conforming submissions. The relevant companies and their respective lump sum values are listed below in Table 1:

**Table 1. Received conforming submission**

Name of Conforming Tenders	Price Inc Trade-in (excl GST)
FGF Bitumen Pty Ltd	\$635,609.63
Submission 2	\$715,726.49
Submission 3	\$612,934.78
Submission 4	\$581,953.55

Evaluation of the submission received was conducted by the evaluation panel.

Specific criteria were weighted according to their importance in delivering the project successfully and providing the best overall value for money solution in accordance with Council's procurement policies. The weighting attributed to each criterion is outlined in Table 2.

**Table 2: Evaluation Criteria**

Criteria	Weighting
Business Profile (local, social & sustainability)	20%
Technical Capacity & Capability	10%
Program	10%
Methodology	10%
Value for Money (Price)	50%
	<b>100%</b>

FGF Bitumen Pty Ltd was the highest scoring tenderer. They have completed similar projects as the Principal Contractor throughout the Douglas Shire, meeting the required standard; and have indicated they have capacity to complete the works within the desired timeframe. The tender evaluation team therefore recommends FGF Bitumen Pty Ltd as the preferred supplier.

## PROPOSAL

That Council resolves to:

1. Enter into contract WO6214 with FGF Bitumen Pty Ltd ABN 53 108 511 637 to the value of \$635,609.63 (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 has allocated \$1.05 million in the 2023/2024 CAPEX budget for the Pavement Renewal Program. Officers recommend that the project be awarded to FGF Bitumen Pty Ltd for \$635,609.63 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 does not resolve to enter into a contract for the Pavement Renewal program the major risk is that the required annual works will not be able to be completed within the required timeframe and the acceptable level of service would be compromised. Failure to complete this year's Pavement Renewal Program may lead to expensive repairs or road reconstruction projects.

## SUSTAINABILITY IMPLICATIONS

- Economic:** The project is budgeted for in Councils 2023/24 CAPEX budget.
- Environmental:** The preferred supplier operates under an Environmental Management System which complies with the requirements of ISO 14001:2015.
- 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:

**Builder/Owner** 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.

## **CONSULTATION**

**Internal:** Infrastructure Department.  
Discussed with Councillors on 21 November 2023

**External:** Shepherd Services

## **COMMUNITY ENGAGEMENT**

Will commence after the Contract is awarded.

## **ATTACHMENTS**

Nil