Confidential Item

CAMPBELLTOWN CITY COUNCIL

Confidential Item

For Council meeting to be held on

Tuesday 20 July 2021 at 7.00 pm

Refer Item 11.2

Confidential Item

11.2 Tender Report – Asphalt Road Resurfacing Services

General Manager Infrastructure Services, Andrian Wiguna's Report

Purpose of Report

To engage a suitable contractor to undertake the asphalt laying and other associated works as part of the Transport Asset Renewal Program.

Strategic Plan Link

Focus Area 3.3.2 Manage long term maintenance regimes to support the durability of our assets

Background

Tenders were called for the provision of the supply of Asphalt Road Resurfacing services.

The contract term is for three (3) years. Subject to satisfactory performance and any other conditions which may prevail at the time, Council may consider one (1) optional right of renewal for two (2) years each, to be exercised at Council's absolute discretion.

The key services to be delivered under this contract comprise the Asphalt Surface Treatment of various roads utilising the Reseal and Rip and Strip method on various roads, including repair of pavement surface failures by planning and reinstatement, application of Strain Alleviating Membrane Interlayers, asphalt overlay, adjustment of services top stones and chambers. Four organisations who submitted a tender for these works are:

- Boral
- Downer Works EDI
- Fulton Hogan
- Topcoat (Colas).

The assumptions used to compare the cost aspect for asphalt reseal tenders were:

1. 1,000 tonnes of AC10 with A10E polymer (asphalt for bus routes/collector roads)
2. 2,500 tonnes of AC10 with Class 320 binder (asphalt for local roads)
3. 500 tonnes Recycled dense graded AC 10 Class 320 with glass recycled
4. 100 square metres of primer
5. 2,000 lineal metres of edge planning
6. 500 sqm of profiling to 30 mm depth
7. 1,000 sqm of profiling to 75 mm depth
8. 2,000 sqm of profiling to 150 mm depth
9. 75 sewer manhole adjustments
10. 75 sewer IP adjustments
11. 75 fire plug adjustments

12. 75 road flaps
13. 1,500 tonnes of disposal
14. 20 days of traffic control.

Further to that, a separate cost analysis was undertaken for the rehabilitation of Silkes Road utilising a 160mm deeplift method.

Discussion

A comparison table with a detailed breakdown of costs using the above assumptions is provided in the attachment for Council's consideration.

The resealing work will need to be coordinated with Council's work as some sections of the road pavements will require reconstruction to be undertaken. Other preliminary works associated with the reseal program such as kerb replacement will also need to be arranged. It is estimated that more than 5,000 lineal metres of kerbing will be replaced as part of the 2021/2022 reseal and reconstruction works. Furthermore, existing road pavements that do not require patch work will be crack filled prior to sealing.

Should Council deliver the reseal program for other Councils, this work will also need to be coordinated. This work will be also undertaken by the successful tenderer at the tendered rates.

The tenders were assessed by a tender evaluation panel with respect to their reliability, business capability, quality of service, environment management system, work health and safety and tendered rates. In considering these areas, the tender evaluation panel either rated previous works undertaken by these companies for Council or obtained feedback from other Councils where they have recently undertaken works. The confidential Tender Evaluation Report is attached for Members' information.

It is noted that all tender submissions were submitted by reputable companies serving various Councils in South Australia and the Department of Infrastructure and Transport. Three of the tenderers have undertaken similar projects for Campbelltown in the past. All tenders met the specifications that Council required through the tender document.

The tender assessment highlighted that most of the tenderers achieved a high score on the majority of the criteria except on the tender rate where the score became varied. Of the four, two tenderers were very competitive with their rates submission.

Staff also investigated the environmental and sustainability aspect from the tenderers and this is outlined in more detail under the environmental / climate change implications section.

The reference check on these two tenderers indicated that Councils believed they could rely on the delivery and a quality outcome from both tenderers. The reference checks also indicated that both tenderers could improve their subcontractors' works, however this was not a major concern. Furthermore, all referees indicated that their final decision would be based upon which tenderer provides the best value for their Council. Furthermore, the contractor being recommended by Staff has also been recently awarded the metro region of the Department for Infrastructure and Transport's resealing program.

Social Implications

Maintaining road assets to the appropriate standards will provide the Community with safe and convenient thoroughfares throughout the City. During the construction phase, residents may be disrupted and inconvenienced by detours, local road closures, dust, noise and heavy equipment for short periods of time. However these disruptions will be minimised through detailed planning and advance notice.

Environmental /Climate Change Implications

All tenderers were required to submit their Environmental Management System as part of the tender criteria which formed an integral part of the assessment process. However, the preferred contractor has received a certification for their environmental product disclosure whilst the remainder of the tenderers haven't acquired the same certification.

The preferred tenderer is also more advanced with their recycled asphalt products, in particular glass asphalt. Furthermore, they source their materials from the NAWMA Recycling Centre and hence will utilise the glass waste produced from this Council area.

The preferred tenderer is also the only company that has received NSW EPA approval for their recycled asphalt products and is currently seeking the same approval from the South Australian EPA.

The use of RAP (Reclaimed Asphalt Pavement) on wearing course are becoming more common, however this product has not been in use long enough to prove its durability. Therefore, Staff recommend that Council continue to trial this product(s) on at least two streets to monitor its performance with a further report being presented to Council. It should be noted that there is an additional cost to apply this product which is in the order of 5% higher than the normal asphalt price.

Asset Management Implications

The reseal program has been based on the Transport Infrastructure Asset Management Plan.

Governance / Risk Management

Due to the nature of the reseal program and the need for roads to be prepared prior to sealing, the importance of good traffic management practices cannot be underestimated. It is believed that with the recommended tenderer's quality management system, work health safety management system and risk management processes, they will provide an excellent service to Council and its residents throughout the entire program.

Community Engagement

There are no Community engagement implications in relation to this report.

Regional Implications

Council will engage the preferred contractor to undertake similar works (as part of Shared Services) within the Eastern Region Alliance, in particular with the Town of Walkerville.

Economic Development Implications

There are no economic development implications in relation to this report.

Financial Implications

Two of the tenderers (Downer and Fulton Hogan) have very competitive rates compared to the other two (Boral and Topcoat).

The preferred tenderer's rate for asphalt and disposal is the lowest, however their rates for other associated work such as pit adjustment, traffic control and profiling are higher. Considering the total cost of the works, the preferred tenderer's rate is the cheapest compared to the other tenderers (refer to the attached Tender Evaluation Report).

Currently, $765,000 has been allocated for asphalt sealing work as part of the 2021/2022 Transport Asset Renewal Program and an additional $660,000 is available for the carry forward Silkes Road rehabilitation work (total $1,425,000).

The anticipated total cost for the 2021/2022 asphalt program and Silkes Road rehabilitation works as per the new rates tendered is in the order of $1,581,000 and therefore, there will be a shortfall of $156,000.

Staff therefore recommend that Council allocate an additional $160,000 toward the Transport Asset Renewal Program funded from the Renewal & Replacement Reserve at the First Budget Review to fund the shortfall to allow Staff to undertake the asphalt sealing program.

Recommendation

That Council:

- **authorise the Chief Executive Officer to engage Downer Works EDI to undertake the asphalt sealing and associated works for a three year term for all streets contained within the Reseal and Roads Reconstruction Program (and other potential streets within the Eastern Region Alliance)**
- **delegate authority to the Chief Executive Officer to exercise up to one, two year extension, subject to satisfactory performance in accordance with Council's specification for the rates tendered**
- **allocate an additional $160,000 from the Renewal and Replacement Reserve toward the Transport Asset Renewal Program at the First Budget Review.**

CAMPBELLTOWN
CITY COUNCIL

Tender Evaluation Report

Asphalt Road Resurfacing 2021

Cost centre Various

Date: 29/6/21

Prepared by: Andrew King

1. Background

The Campbelltown City Council invited tenders from companies the supply of Asphalt Road Resurfacing services, comprising of the Asphalt Surface Treatment of various roads utilising the Reseal and Rip & Strip method on various roads, including repair of pavement surface failures by planing and reinstatement, application of Strain Alleviating Membrane Interlayers, asphalt overlay, adjustment of services top stones and chambers over the contract term accommodating the requirements of Councils Capital Works Program

2. Contract Term

The contract term is for three (3) Years. Subject to satisfactory performance and any other conditions which may prevail at the time the Council may consider one (1) optional right of renewal of two (2) years each to be exercised at Council's absolute discretion.

3. Procurement Process

3.1. Open Tender Process

The Tender was released on the SA Tenders & Contract website. (www.tenders.sa.gov.au).

Tenders Opened: 4/05/21
Tenders Closed: 25/05/21 – 1:00 pm

3.2. Document Issued

The document issued is the standard CCC RFT package, (ECM: 6472752)

3.3. Tender Enquiries

One tender enquiry was received during the procurement process and this was replied to all parties that downloaded the documents from Tenders SA website.

3.4. Tender Briefing & Site Visit

No tender briefing or site visits were conducted.

4. Receipt of Tender & Evaluation

4.1. Receipt of Tenders

Tender submissions were received from the following companies:

- Boral Asphalt
- Downer EDI Works
- Fulton Hogan Industries
- Topcoat Asphalt

No late tenders were received.

Tenders were opened shortly after the Closing Time by three Council staff that signed and documented the receipt of each tender. (ECM: 6494220)

4.2. Evaluation Panel

The evaluation Panel consisted of:

- General Manager Infrastructure Services
- Manager City Operations
- Special Projects and Facilities Coordinator
- Risk Management Coordinator - Management (WHS System & Insurances only)
- Accountant (or nominee) - Management (Financial & Economic Stability only)

Each Members of the Evaluation Panel completed the Tender Declaration Form and declared "No Conflict of Interest" and agreed to keep confidential the contents of each tender. (ECM: 6498936)

4.3. Evaluation Criteria

The evaluation criteria are as follow: (From tender documents)

#	Assessment Criteria	Weighting
1	**Relevant Experience** (Previous work of this type etc.)	10.00%
2	**Track Record** (General reputation for work competence, capacity etc.)	10.00%
3	**Technical Skills** (People, systems, specific abilities etc.)	12.50%
4	**Methodology** (How the project is to be tackled, scope of work, value add, etc.)	12.50%
5	**Management** (Organisation, Environmental, Quality System)	5.00%
6	**Time Performance** (Meeting timeframes)	5.00%
7	**Management** (Insurances & WHS System)	7.50%
8	**Management** (Financial & Economic Stability)	7.50%
9	**Local** (Products, Services & Contractors)	5.0%
10	**Price**	25.00%
	TOTAL	**100.00%**

4.4. Evaluation Selection

The evaluation was individually carried out by the evaluation panel members and then averaged out on (7/6/21) and the full evaluation matrix is in (ECM: 6494348)

Contractor	Price	Total Score	Rank
		100.0%	
Boral Asphalt	$906,130	336.19	3
Downer EDI Works	$839,215	375.22	1
Fulton Hogan Industries	$854,543	372.22	2
Topcoat Asphalt	$940,256	335.95	4

Note: Highest score is best, this cost is exclude cost of deeplift treatment for Silkes Road which provided below.

Silkes Road – Deeplift 160mm fromGorge Road to George Street and 75mm from George Street to RTLP

Downer	Fulton Hogan	Topcoat	Boral
$ 741,957	$ 751,504	$ 794,109	$ 800,803.74

The summary of cost estimation is provided in the appendix.

4.5. Reference Checks

Staff checked the referees of the preferred supplier, who provided positive feedback on their experience with the company.

5. Discussion

That all of the submissions for the Tender were detailed and it was a competitive process. The panel believe all of the tenderers are reputable company and could deliver the work. Therefore, Staff are focusing two main areas which are their rates and sustainability.

Two of the tenderers (Downer and Fulton Hogan) have their rates very competitive compared to the other two. The preferred tenderer (Downer) rate for asphalt and disposal is the lowest, however, their rate for other associated work such as pit adjustment, traffic control and profiling are higher compared to other tenderers. However, considering the total cost of the work, Downer's rate is slightly cheaper compared to Fulton Hogan.

Downer EDI Works stood out from the rest on a number of fronts due to their:

- Understanding of the project
- Well experienced staff
- Quality systems in place
- Project Management Skills
- Competitive rates
- Relevant experience

The preferred tenderer has been undertaking these services for various metropolitan and interstate Councils and for a number of years on time and without any significant issues and have proven to be very flexible in meeting the needs and the requirements of the project.

The preferred tenderer also very advanced with their recycled asphalt products in particularly the glass asphalt. Furthermore, they sourced the glass from NAWMA recycling centre and hence will utilise the glass waste produced by our Council area. The preferred tenderer also the only company that has received NSW EPA approval for the recycled asphalt products and currently seeking the same approval from South Australia EPA approval.

The reference check for the preferred tenderer also positive stated that the preferred contractor is very flexible and they also provide accurate summary of their work prior to invoice Council.

6. Financial Implication

Currently, there is $765,000 has been allocated for asphalt laying as part of 2021/2022 budget and additional $660,000 is available for Silkes Road rehabilitation work (total $1,425,000). The anticipate total cost for the reseal and Silkes Road as per the new tender rate will be $1,581,172 and therefore there will be a shortfall of $156,172.

7. Terms of Payment

The contractor has requested payment of contract sum as highlighted below.

Option 3 (Schedule of Rates)

☐ Where the Contract is a Schedule of Rates the Contractor may at monthly intervals (or as otherwise specified in this agreement) submit a written claim for the works completed / service delivered.

8. Financial Sustainability

The Finance department tender evaluation is part for the final combined assessment.

9. Recommendation

That Downer EDI Works be awarded the contract and recommend Council to allocate additional $ $160,000 (Renewal & Replacement) at the first budget review.

10. Approval

Endorsed by:

Signed: _____ Date:_____

General Manager Infrastructure Services

Endorsed by:

Signed: _____ Date:_____

Chief Executive Officer

Appendix 1: Cost Comparison

			Downer		FH		Topcoat		Boral	
Item	Description	Quantity	Rate	Total	Rate	Total	Rate	Total	Rate	Total
1	AC 10M A5E - depth 40mm	734	176.55	$ 129,508.25	185.47	$ 136,051.52	208.65	$ 153,055.21	200	$ 146,710.00
2	AC 14m C320 - depth 60mm	1074	149.59	$ 160,616.28	167.16	$ 179,481.36	171.02	$ 183,625.88	180	$ 193,267.80
3	AC 14HB C320 - depth 60mm	1074	149.59	$ 160,616.28	167.16	$ 179,481.36	171.02	$ 183,625.88	180	$ 193,267.80
4	AC 10 C320 at dept 35mm	183	149.3	$ 27,362.21	166.05	$ 30,431.98	180.74	$ 33,124.22	181	$ 33,171.87
5	Profiling at dept 160mm	7456	17.89	$ 133,393.21	10.12	$ 75,457.76	11.53	$ 85,971.14	10.55	$ 78,663.97
6	Edge Plane at dept 30mm	1168	7.73	$ 9,028.64	10.01	$ 11,691.68	8.03	$ 9,379.04	10.45	$ 12,205.60
7	Traffic management	8	1534.24	$ 12,273.92	931	$ 7,448.00	1250	$ 10,000.00	1050	$ 8,400.00
8	Service locating	1		$ -		$ -		$ -		$ -
9	VMS board	15	53	$ 795.00	220	$ 3,300.00	60	$ 900.00	98	$ 1,470.00
10	Disposal	2863	2.5	$ 7,158.05	11	$ 31,495.41	11	$ 31,495.41	11.5	$ 32,927.02
11	Reflective road flaps	20	1	$ 20.00	2	$ 40.00	1.5	$ 30.00	1	$ 20.00
12	Adjustment of Sewer Manholes	20	682.51	$ 13,650.20	440	$ 8,800.00	400	$ 8,000.00	390	$ 7,800.00
13	Adjustment of Sewer I.P.	10	490.56	$ 4,905.60	440	$ 4,400.00	400	$ 4,000.00	345	$ 3,450.00
14	Adjustment of Fire Plug Chambers	10	490.56	$ 4,905.60	330	$ 3,300.00	400	$ 4,000.00	315	$ 3,150.00
				$ 664,233.24		**$ 671,379.08**		**$ 707,206.79**		**$ 714,504.06**

2021/2022 Program

				Boral		Downer		Fulton Hogan		Topcoat
Item	Description	Unit	Rate/Unit $	Cost	Rate/Unit $	Cost	Rate/Unit $	Cost	Rate/Unit $	Cost
1	Dense graded AC 10 with A10E Polymer binder Asphalt surfacing	Tonne	200	$ 200,000.00	176.55	$ 176,550.00	185.47	$ 185,470.00	208.65	$ 208,650.00
2	Dense graded AC 10 with Class 320 binder Asphalt surfacing	Tonne	181	$ 452,500.00	149.3	$ 373,250.00	166.05	$ 415,125.00	180.74	$ 451,850.00
3	DIT Mix AC10M Class 320	Tonne	186	$ -	160.5	$ -	175.46	$ -	185.46	$ -
4	DIT Mix AC14M Class 320	Tonne	180	$ -	149.59	$ -	167.16	$ -	171.02	$ -
5	Recycled dense graded AC 10 Class 320 with glass recycled as per AAPA specification	Tonne	182	$ 91,000.00	156.99	$ 78,495.00	168.75	$ 84,375.00	204.97	$ 102,485.00
6	10mm Primer Seal	m2	6.8	$ 680.00	7.73	$ 773.00	6.28	$ 628.00	8.55	$ 855.00
7	10mm SAMI Seal S 25E	m2	7	$ 700.00	9.7	$ 970.00	6.25	$ 625.00	8.88	$ 888.00
8	Area Profiling to 30 mm depth	m2	2.75	$ 1,375.00	3.51	$ 1,755.00	2.64	$ 1,320.00	2.83	$ 1,415.00
9	Area Profiling to 75 mm depth	m2	6.7	$ 6,700.00	8.82	$ 8,820.00	6.44	$ 6,440.00	6.86	$ 6,860.00
10	Area Profiling to 100 mm depth	m2	7.6	$ 15,200.00	11.93	$ 23,860.00	7.26	$ 14,520.00	9.79	$ 19,580.00
11	Area Profiling to 150mm depth	m2	10.55	$ -	17.89	$ -	10.12	$ -	11.53	$ -
12	Disposal of Profilings	Tonne	11.5	$ 17,250.00	2.5	$ 3,750.00	11	$ 16,500.00	11	$ 16,500.00
13	Edge Planing	l/m	10.45	$ 20,900.00	7.73	$ 15,460.00	10.01	$ 20,020.00	8.03	$ 16,060.00
14	Reflective road flaps	Each	1	$ 75.00	1	$ 75.00	2	$ 150.00	1.5	$ 112.50
15	Adjustment of Sewer Manholes	Each	390	$ 29,250.00	682.51	$ 51,188.25	440	$ 33,000.00	400	$ 30,000.00

16	Adjustment of Sewer I.P.	Each	345	**$ 25,875.00**	490.56	**$ 36,792.00**	440	**$ 33,000.00**	400	**$ 30,000.00**
17	Adjustment of Fire Plug Chambers	Each	315	**$ 23,625.00**	490.56	**$ 36,792.00**	330	**$ 24,750.00**	400	**$ 30,000.00**
18	Weekend Rate	Each		**$ -**	3205.48	**$ -**	3146	**$ -**	8150	**$ -**
19	Night time Rate	Each		**$ -**	4347.42	**$ -**	3146	**$ -**	6350	**$ -**
20	Traffic Controllers	Day	1050	**$ 21,000.00**	1534.24	**$ 30,684.80**	931	**$ 18,620.00**	1250	**$ 25,000.00**
21	VMS Board each	Day	98	**$ -**	53	**$ -**	220	**$ -**	60	**$ -**
				$ 906,130.00		**$ 839,215.05**		**$ 854,543.00**		**$ 940,255.50**