

CM13.2. Earthworks and Plant Hire Panel Contract No. 22/01738

DATE	14 November 2022	FIL REFERENCE	FIL22/01738-02
CONFIDENTIAL	No		
FURTHER ENQUIRIES	Andrew Lawson City Projects	PHONE	6023 8111
AUTHOR	Ross Tuckwell		

Purpose of Report

To recommend a preferred panel for the supply of plant and machinery for both wet and dry hire operation, and minor civil projects, through a qualitative and quantitative assessment.

- Dry hire – supply of plant only, Council to provide operator and fuel to utilise plant; and
- Wet hire – supply plant and operator, including fuel and all ancillaries.

Background

Council operations rely on external plant hire to supplement Council's existing fleet for works undertaken by various teams, including; the Waste Management Centre, the City Works team and the City Landscapes team. Council currently has an existing panel contract of five contractors for the supply of plant and machinery on a wet and dry hire arrangement. The current contract is due to expire on 31 December 2022.

The scope of the works includes the wet and dry hire of plant and machinery for road and drainage maintenance, minor earthworks, to assist operations at the Waste Management Centre, and to provide specialty machinery that is not viable to retain within the AlburyCity fleet.

Tenders were invited in a schedule of rates format for the supply of plant and machinery for the wet and dry hire use for operational requirements within the AlburyCity organisation, over a three-year period, to commence 1 January 2023.

The contract spend for the current contract term (over three years) has been approximately \$4.4M. The annual average spend for the plant hire services is approximately \$1.48M (including GST). Council's budget allocation for the provision of these services is included within the relevant capital infrastructure and maintenance projects.

Council's current earthworks and plant hire panel contains five contractors. This size panel provided a good level of service, with each participating contractor getting a reasonable quantity of works. The appointment of a selected panel of contractors will be via:

- Dry hire – required for operation by Council staff on an agreed hourly rate; and
- Wet hire – required on site with a contracted operator on an agreed hourly hire rate.

Tenders were invited for Contract No. 22/01738, and were advertised in the Border Mail, Sydney Morning Herald and on Tenderlink. Tenders closed at 12 noon on Monday 31 October 2022.

Tender Assessment

At the close of tenders, submissions were received from the following companies:

- AP Delaney & Co (Albury, NSW);
- Brooks Hire Service Pty Ltd (St Marys, NSW);
- Cartwright Civil Contracting Pty Ltd (Wodonga, Vic);
- Civil and Civic Group Pty Ltd (Wagga Wagga, NSW);
- Coates Hire (Albury, NSW);
- Conplant Pty Ltd (Ingleburn, NSW);
- Eastside Excavation Hire (Wodonga, Vic);
- Fenworx Pty Ltd (Toronto, NSW);
- Fuge Earthworks Pty Ltd (Albury, NSW);
- Hirstworks (Jingellic, NSW);
- Hume Hire (Albury, NSW);
- Hurst Earthmoving Pty Ltd (Albury, NSW);
- Hutchinson Civil Pty Ltd (Lavington, NSW);
- Rollers Australia Pty Ltd (East Wagga Wagga, NSW);
- Sherrin Rentals Pty Ltd (Pinkenba, Qld);
- Shore Hire Pty Ltd (Condell Park, NSW);
- Tutt Bryant Hire Pty Ltd (Goulburn, NSW); and
- Walsh Wodonga Pty Ltd (Baranduda, Vic).

All tenders were evaluated in accordance with Council's Procurement Policy and Guidelines. The assessment panel for the tender comprised Waste Management Centre Supervisor – Rohan Smith, Supply & Depot Services Coordinator – Marc Barry, and Team Leader City Works – Ross Tuckwell.

Conformity Check

A conformity assessment was undertaken to ensure all submissions received were in accordance with the contract documentation and specification.

Company	Pricing Details	Supporting Information	WHS Documentation	Comment
AP Delaney & Co Pty Ltd	P	P	P	Compliant
Brooks Hire Service Pty Ltd	P	P	P	Compliant
Cartwright Civil Contracting Pty Ltd	P	P	P	Compliant
Civil and Civic Group Pty Ltd	P	P	P	Compliant
Coates Hire	P	O	O	Non-compliant
Conplant Pty Ltd	P	P	P	Compliant
Eastside Excavation Hire	P	P	P	Compliant
Fenworx Pty Ltd	P	P	P	Compliant
Fuge Earthworks Pty Ltd	P	P	P	Compliant

Company	Pricing Details	Supporting Information	WHS Documentation	Comment
Hirst Works	P	P	P	Compliant
Hume Hire	P	P	P	Compliant
Hurst Earthmoving Pty Ltd	P	P	P	Compliant
Hutchinson Civil Pty Ltd	P	P	P	Compliant
Rollers Australia Pty Ltd	P	P	P	Compliant
Sherrin Rentals Pty Ltd	P	P	P	Compliant
Shore Hire	P	P	P	Compliant
Tutt Bryant Hire Pty Ltd	P	P	P	Compliant
Walsh Wodonga Pty Ltd	P	P	P	Compliant

As indicated above, submissions were assessed and marked as compliant for all tenders except Coates Hire. Coates Hire did not provide all the required tender schedules within their submission, and hence were assessed as non-compliant. All companies are WHS registered with Council or provided sufficient documentation to gain registration on the WHS register.

A number of tenderers offered plant with a limited usage capability, limited items of plant, limited resourcing for operational requirements and limited availability options. Although all tenders were found to be compliant with the conformity checks, aspects such as resourcing, the level of service provision proposed by each company, plant variety and suitability showed that several companies only had specialised niche fleet options that were not suitable for the range of Council's requirements.

Location of the tendering company's base in relation to the Albury municipality, and timely servicing of requests was also considered. Several companies are located well outside of the regional area, this was seen as a factor due to the turnaround requirement for work to be carried out, along with emergency requirement demands and the float costs associated with obtaining various plant and equipment. Several submissions were seen as lacking in the ability to cover the high level of service needs of Council. Based on this, and the functional demand of the business, along with the potential resources available, the following companies have been excluded from further consideration for this contract:

- Brooks Hire Service Pty Ltd;
- Civil and Civic Group Pty Ltd;
- Conplant Pty Ltd;
- Eastside Excavations Hire;
- Fenworx Pty Ltd;
- Hirst Works;
- Rollers Australia Pty Ltd;
- Sherrin Rentals Pty Ltd;
- Shore Hire; and
- Tutt Bryant Hire Pty Ltd.

Seven companies progressed to the qualitative assessment stage. These included:

- AP Delaney & Co;
- Cartwright Civil Contracting Pty Ltd;
- Fuge Earthworks Pty Ltd;
- Hume Hire;
- Hurst Earthmoving Pty Ltd;
- Hutchinson Civil Pty Ltd; and
- Walsh Wodonga Pty Ltd.

Qualitative Assessment

A qualitative assessment considered a range of issues including:

- past performance – including referee checks, relevant experience, and expertise in performing same or similar projects;
- methodology and program – project methodology and proposed program;
- capacity – current and future commitments and workload;
- capability – Including availability of resources, equipment, and contract management capabilities; and
- benefit to local region – social and community benefit to the Albury/Wodonga region.

Company	Past Performance (20%)	Methodology & Program (15%)	Capacity (25%)	Capability (30%)	Local Benefit (10%)	Total (100%)
AP Delaney & Co Pty Ltd	17	12	23	28	9	89
Hutchinson Civil Pty Ltd	20	14	23	24	8	89
Walsh Wodonga Pty Ltd	19	14	23	24	8	88
Fuge Earthworks Pty Ltd	16	11	22	24	8	81
Hume Hire	16	13	18	22	8	77
Hurst Earthmoving Pty Ltd	13	11	15	24	8	71
Cartwright Civil Contracting Pty Ltd	12	12	15	24	8	71

AP Delaney & Co is based locally in Albury and has had a long working relationship with AlburyCity. AP Delaney & Co is on the current Earthworks and Plant Hire panel, and they are able to provide specialty plant to assist Council teams including a tracked loader, quad float and street sweepers. AP Delaney & Co has also recently completed the Monument Hill project for Council. AP Delaney & Co

has a large fleet of plant that is well maintained, along with a workforce of over 30 experienced supervisors and skilled operators.

AP Delaney & Co's level of service for operational works and projects has been excellent, with quick response times and works performed to a high quality. They have ISO Certified Management Systems and are compliant with AlburyCity, and legislative, WHS requirements.

AP Delaney & Co provides benefit to the local community by sourcing all labour and resources from the local region. They also provide sponsorship to many local sporting and community groups and provide training opportunities to young and unskilled labour.

Hutchinson Civil is based locally in Lavington. They are a member of the current Earthworks and Plant Hire panel and have recently completed Keene Street (Stage 2) construction. Hutchinson Civil has a fleet of plant that is in good condition and is suited to the Council's plant requirements. Their operators are skilled and co-operative.

Hutchinson Civil has provided an excellent level of service to the Earthworks and Plant Hire panel, as they are always willing to provide plant on short notice and undertake all tasks. They have management systems to ensure compliance with Council's quality, WHS and environmental requirements.

Hutchinson Civil provides benefit to the local community by sourcing all labour and resources from the local region. They also provide sponsorship to multiple local not-for-profit groups, events, and sporting groups.

Walsh Wodonga is locally based in Baranduda. They are a member of the current Earthworks and Plant Hire panel and have also completed the AWMC Cell 2 project for Council. Walsh Wodonga has a range of plant that is suited to the Council's plant requirements. They have experienced supervisors and skilled operators.

Walsh Wodonga has provided an excellent level of service to the Earthworks and Plant Hire panel, as they quickly mobilise plant to supplement the operational requirements of Council. They have management systems to ensure compliance with Council's quality, WHS, and environmental requirements.

Walsh Wodonga provide benefit to the local community by sourcing all labour and resources from the local region. They also provide sponsorship to local sporting and community groups.

Fuge Earthworks is locally based in Albury. They performed works for the previous Earthworks and Plant Hire panel under the contract of Hume Hire. Fuge Earthworks has a range of plant that is suited to the Council's plant requirements. They have a workforce of experienced supervisors and operators. Fuge Earthworks have offered rates for wet hire only.

Fuge Earthworks have been co-operative and efficient when providing plant to the Earthworks and Plant Hire panel. Their plant, in particular trucks, have supplemented the operational requirements of

Council. Fuge Earthworks is registered on the AlburyCity WHS register and has environmental procedures to manage their environmental impacts.

Fuge Earthworks provide benefit to the local community by sourcing all labour and resources from the local region. They also provide assistance to various community organisations and sporting groups.

Hume Hire is locally based in Lavington. They are a member of the current Earthworks and Plant Hire panel, providing both wet and dry hire services. Hume Hire has a large fleet of new and good condition plant and have sourced additional plant when requested by Council staff. They subcontract operators when wet hire services are required.

Hume Hire has provided a very good service with prompt deliveries and follow up assistance to ensure Council timelines are achieved. Hume Hire is registered on the AlburyCity WHS register and any machinery issues are dealt with promptly and efficiently.

Hume Hire provides benefit to the local community by sourcing all labour and resources from the local region. Hume Hire provides assistance to local Albury Wodonga community volunteering and sporting groups, and has provided employment to long-term unemployed individuals to assist their return to work. Hume Hire is looking to innovate their industry with GPS tracking and software programs.

Hurst Earthmoving is an Albury based company. They recently completed the Lavington Sport Ground - Centaur Road Car Park for Council. Hurst Earthmoving has a range of plant that is suited to Council's plant requirements. Their supplied list of supervisors and operators is very limited, and Hurst Earthmoving have offered rates for wet hire only.

Hurst Earthmoving has completed recent projects to a good quality. Hurst Earthmoving is registered on the AlburyCity WHS register and has an Integrated Management System for quality, WHS, and environmental procedures.

Hurst Earthmoving provides benefit to the local community by sourcing all labour and resources from the local region. Hurst Earthmoving provides sponsorship to a local sporting group and offers employment to trainees.

Cartwright Civil Contracting is locally based in Wodonga. They are a member of the current Earthworks and Plant Hire panel, and were subcontracted for the construction of the Airport Taxiways Charlie and Echo. Cartwright Civil Contracting has a diverse range of plant and their staff are very experienced, with most operators being employed for greater than 20 years.

Cartwright Civil Contracting was unable to provide adequate service to the current Earthworks and Plant Hire panel due to the utilisation of their plant on other work commitments. Cartwright Civil Contracting is registered on the AlburyCity WHS register, and they have environmental procedures to manage their environmental impacts.

Cartwright Civil Contracting provides benefit to the local community by sourcing all labour and resources from the local region. Cartwright Civil Contracting provides sponsorship to a local sporting group.

From the information provided, all companies demonstrate the required management systems, experience, construction plant, resources and availability to provide AlburyCity with quality service as a member of the Earthworks and Plant Hire Panel Contract.

Quantitative Assessment (100%)

The following tabulated estimated values by hire options are modelled from historic and sample data, and the tendered schedule of rates for each submission. The ratings for each hire option, are relative to the respective lowest price.

Wet Hire scenarios:

- 1 20T Excavator and Heavy Rigid Truck for one day; and
- 2 Bobcat, 8 tonne Excavator and Smooth Drum Roller for one day.

Company	Estimated Value (including GST) for Wet Hire Scenarios	Rating (100)
Hume Hire	\$6,704.50	100
Hutchinson Civil Pty Ltd	\$6,734.75	100
Fuge Earthworks Pty Ltd	\$6,897.00	97
Cartwright Civil Contracting Pty Ltd	\$7,860.00	85
Walsh Wodonga Pty Ltd	\$8,295.00	81
AP Delaney & Co Pty Ltd	\$8,816.00	76
Hurst Earthmoving Pty Ltd	\$9,138.00	73

Dry Hire scenarios:

- 1 Grader for three days; and
- 2 Loader and Articulated Trucks for two days.

Company	Estimated Value (including GST) for Wet Hire Scenarios	Rating (100)
Hume Hire	\$7,108.00	100
Walsh Wodonga Pty Ltd	\$7,540.00	89
Hutchinson Civil Pty Ltd	\$8,305.00	80
AP Delaney & Co Pty Ltd	\$13,580.00	49

Cartwright Civil Contracting Pty Ltd, Fuge Earthworks Pty Ltd and Hurst Earthmoving Pty Ltd only offered wet hire in their submissions.

The quantitative analysis detailed above deemed the submissions from Hume Hire, Hutchinson Civil Pty Ltd, and Fuge Earthworks Pty Ltd to be considered the most favourable for wet hire options, and Hume Hire, Walsh Wodonga Pty Ltd, and Hutchinson Civil Pty Ltd to be considered the most favourable for dry hire options.

Based on the previous panel contract, Council's total spend is approximately \$4.4M (including GST) for the three-year contract period. Council's budget allocation for the provision of these services is included within the relevant capital infrastructure and maintenance projects.

Risk

- **Business Risk** – Council's budget allocation for provision of these types of services is included in the relevant operational and/or project budget for each site or department, however, should unforeseen circumstances be encountered and increase the level of service required, financial risk will be managed through the contracted rates supplied. Resourcing requirements are managed by the creation of the panel contract of suitably resourced and skilled contractors.
- **Corporate Risk** – selecting contractors with appropriate qualifications, experience, resources, and plant, along with proven systems of work, will ensure that a consistent high level of service is provided to work sites and the community.
- **WHS and Public Risk** – qualified, experienced operators along with well-maintained plant and equipment will ensure safe work practices are maintained. Plant operation and earthworks will be managed using AlburyCity's procedures. All contractors will be WHS registered with AlburyCity, with valid site inductions being maintained. All contractors will be required to operate under Safe Work Method Statements and supply plant maintenance records.
- **Environmental Risk** – contractors selected to the panel will have an Environmental Management System including company policies and procedures detailing how to manage their environmental impacts.
- **Delivery Program Risk** – the provision of plant and operators will assist in the continued service delivery and site compliance for Council ensuring professional management of sites and projects.

Community Engagement

This panel contract will allow AlburyCity to source suitable plant equipment and earthmoving resources to continue to undertake the required works for project continuity and site compliance at AWMC and other Council operations. The plant utilised under this contract will be essential in achieving approved projects and operational services that are developed through community engagement processes and set out in Council's operational plan with a view to achieving AlburyCity's 2050 targets.

Summary

The scoring for the qualitative and quantitative assessment is summarised in the following table:

Company	Qualitative	Quantitative (Wet Hire)	Quantitative (Dry Hire)
Hutchinson Civil Pty Ltd	89	100	80
Hume Hire	78	100	100
Walsh Wodonga Pty Ltd	88	81	89
Fuge Earthworks Pty Ltd	80	97	NA
AP Delaney & Co Pty Ltd	89	76	49
Cartwright Civil Contracting Pty Ltd	71	85	NA
Hurst Earthmoving Pty Ltd	71	73	NA

From the qualitative assessment, all companies have the required management systems, experience, resources and availability to successfully undertake these services.

From a quantitative perspective the submissions from Hume Hire, Hutchinson Civil Pty Ltd, and Fuge Earthworks Pty Ltd are considered the most favourable for wet hire options, while Hume Hire, Walsh Wodonga Pty Ltd, and Hutchinson Civil Pty Ltd are considered the most favourable for dry hire options.

A panel contract arrangement provides Council with surety of service provision and provides a level of flexibility when sourcing the required resources. A panel contract with five service providers, similar to the existing contract, is considered the most suitable option and reduces the risks associated with a single vendor's inability to service the requirements of the organisation.

Based on the quantitative and qualitative assessment, it is deemed that the submissions from Hutchinson Civil Pty Ltd, Hume Hire, Fuge Earthworks Pty Ltd, Walsh Wodonga Pty Ltd, and AP Delaney & Co provide value for Council to deliver these services. Establishing a panel of these five contractors will ensure Council can select the appropriate plant based on hire rates and availability.

Conclusion

Council invited tenders for Contract No 22/01738 - Earthworks and Plant Hire Panel, which closed on 31 October 2022. Eighteen submissions were received for the three-year contract commencing 1 January 2023. Based on the current contract it is estimated that the annual spend on these services is \$1.48M (including GST).

The Earthworks and Plant Hire panel includes contractors who provide external plant hire to supplement the Council's existing fleet, for works undertaken by various teams. The scope of the works includes the wet or dry hire of plant and machinery for road and drainage maintenance, minor earthworks, to assist operations at the Waste Management Centre, and to provide specialty machinery that is not viable to retain within the AlburyCity fleet.

A quantitative and qualitative assessment indicated that the following companies were the most favourable submissions. Each of these contractors can provide timely servicing of requests and have a range of plant, including specialty items, that is suitable for the Council's operational and project requirements.

- Hutchinson Civil Pty Ltd;
- Hume Hire;
- Fuge Earthworks Pty Ltd;
- Walsh Wodonga Pty Ltd; and
- AP Delaney & Co.

Recommendation

That Council accept the following tenders for the schedule of rates for Panel Contract No 22/01738 – Earthworks and Plant Hire, estimated at \$4.4M (including GST) over a three-year period, commencing 1 January 2023:

- Hutchinson Civil Pty Ltd;
- Hume Hire;
- Fuge Earthworks Pty Ltd;
- Walsh Wodonga Pty Ltd; and
- AP Delaney & Co.