

### **CM13.13. Earthworks and Plant Hire Panel Contract No. 19/04374**

<b>DATE</b>	15 October 2019	<b>FIL REFERENCE</b>	FIL19/04374-02
<b>CONFIDENTIAL</b>	No		
<b>FURTHER ENQUIRIES</b>	Steven Millett Assets, Sustainability & Environment	<b>PHONE</b>	6023 8111
<b>AUTHOR</b>	Andrea Baldwin		

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#### **Purpose of Report**

To recommend a preferred supplier panel for the supply of plant and machinery for both wet and dry hire for operational use on site at the Albury Waste Management Centre (AWMC) and other Council departments.

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

#### **Background**

The AWMC and Council operations rely on external plant hire to supplement Council's existing fleet for works associated with road maintenance, general earthworks functions and specialist machinery that can manage waste material. Council currently has an existing panel contract of five companies for the supply of plant and machinery on a wet and dry hire arrangement. The current contract is due to expire on 31 December 2019.

The scope of the works includes road maintenance, cell development, upgrading pad areas, dam maintenance, excavation works, hire of specialist machinery and carting of waste material. Council also wishes to utilise the services of the selected panel contractors to undertake works at other sites within the Albury municipality when required.

Tenders were invited in a schedule of rates format for the supply of plant and machinery for dry and wet hire use for operational requirements at the AWMC and other Council departments, over a three-year period to commence 1 January 2020.

The contract spend for the current contract term (over three years) has been approximately \$2.3 million. The annual average spend for these types of services is approximately \$776,000 (including GST).

The appointment of a selected panel of contractors will be via:

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

Tenders were invited for Panel Contract No.19/04374 Albury City Council – Earthworks and Plant Hire, and advertised in the Border Mail, Sydney Morning Herald and placed on Tenderlink. Tenders closed at 12 noon on Tuesday 20 August 2019.

### **Tender Evaluation**

At the close of tenders, 24 submissions were received from the following companies:

- Abbott Constructions Pty Ltd (Albury NSW);
- AP Delaney & Co (Albury NSW);
- A Plant Equipment (Orange NSW);
- Armstrong Constructions Vic Pty Ltd (Essendon VIC);
- Bitumill Road Maintenance Pty Ltd (Campbellfield VIC);
- Brooks Hire Service Pty Ltd (Canning Vale WA);
- Cartwright Civil Contracting Pty Ltd (Wodonga VIC);
- Coates Hire Dewatering Pty Ltd (Mascot NSW);
- Conplant Pty Ltd (Ingleburn NSW);
- Conx Hire (Shepparton VIC);
- Extons Pty Ltd (Benalla VIC);
- Hume Hire (Albury NSW);
- Hurst Earthmoving Pty Ltd (Albury NSW);
- Hutchinson Civil Pty Ltd (Albury NSW);
- Kennards Hire Pty Ltd (Wagga Wagga NSW);
- Longford Civil Pty Ltd (Albury NSW);
- Luxton Plant Pty Ltd (Dandenong South Vic);
- Pascoe Grading Earthmoving Contractors Pty Ltd (Finley NSW);
- Pete Newman Constructions (Albury NSW);
- Porter Excavations Pty Ltd (Wangaratta VIC);
- Redi 2 Hire PL ATF Maloney Family Trust (Wodonga VIC);
- Rollers Australia Pty Ltd (Wagga Wagga NSW);
- Sherrin Rentals Pty Ltd (Doveton VIC); and
- Walsh Wodonga Pty Ltd (Wodonga Vic).

The assessment process was conducted in accordance with AlburyCity's procurement systems and procedures. The tender evaluation panel consisted of representatives, Andrea Baldwin (Team Leader Waste Management), Rohan Smith (Supervisor Waste Management), Pat Maling (Acting Procurement and Contract Management Coordinator), and Michael Garvey (Supervisor - Civil).

The tender evaluation process was undertaken in three stages, being conformity check, qualitative assessment and quantitative assessment.

### **Conformity Check**

A conformity assessment was undertaken to ensure all submissions received were in accordance with the specification and requirements of the tender.

**Table 1** – details of the conformity check

<b>Company</b>	<b>Pricing Details</b>	<b>WHS Information</b>	<b>Supporting Information</b>	<b>Comments</b>
Abbott Constructions Pty Ltd	✓	✓	✓	Complies
AP Delaney & Co	✓	✓	✓	Complies
A Plant Equipment	✓	✓	✓	Complies
Armstrong Constructions	✓	✓	✓	Complies
Bitumill Road Maintenance Pty Ltd	✓	✓	✓	Complies
Brookes Hire Service Pty Ltd	✓	✓	✓	Complies
Cartwright Civil Contracting Pty Ltd	✓	✓	✓	Complies
Coates Hire Dewatering Pty Ltd	✓	✓	✓	Complies
Conplant Pty Ltd	✓	✓	✓	Complies
Conx Hire	✓	✓	✓	Complies
Extons Pty Ltd	✓	✓	✓	Complies
Hume Hire	✓	✓	✓	Complies
Hurst Earthmoving Pty Ltd	✓	✓	✓	Complies
Hutchinson Civil Pty Ltd	✓	✓	✓	Complies
Kennards Hire Pty Ltd	✓	✓	✓	Complies
Longford Civil Pty Ltd	✓	✓	✓	Complies
Luxton Plant Pty Ltd	✓	✓	✓	Complies
Pascoe Grading Earthmoving Contractors Pty Ltd	✓	✓	✓	Complies
Pete Newman Constructions	✓	✓	✓	Complies
Porter Excavations Pty Ltd	✓	✓	✓	Complies
Redi 2 Hire PL ATF Maloney Family Trust	✓	✓	✓	Complies
Rollers Australia Pty Ltd	✓	✓	✓	Complies
Sherrin Rentals Pty Ltd	✓	✓	✓	Complies
Walsh Wodonga Pty Ltd	✓	✓	✓	Complies

As indicated above, submissions were assessed and marked as compliant for all tenders.

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 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 the 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:

- Abbott Construction Pty Ltd;
- A Plant Equipment Pty Ltd;
- Armstrong Construction Vic Pty Ltd;
- Bitumill Road Maintenance Pty Ltd;
- Brookes Hire Service Pty Ltd;
- Coates Hire Dewatering;
- Conplant Pty Ltd;
- ConX Hire;
- Kennards Hire Pty Ltd;
- Luxton Plant Pty Ltd;
- Pascoe Grading Earthmoving Contractors Pty Ltd;
- Pete Newman Constructions;
- Porter Excavations Pty Ltd
- Redi 2 Hire PL;
- Rollers Australia Pty Ltd;
- Sherrin Rentals Pty Ltd

Eight companies progressed to the quantitative assessment stage. These include: Hutchinson Civil Pty Ltd, Hume Hire, Longford Civil Pty Ltd, Hurst Earthmoving Pty Ltd, Walsh Wodonga Pty Ltd, Cartwright Civil Contracting Pty Ltd, AP Delaney & Co and Extons Pty Ltd.

#### **Quantitative Assessment**

The quantitative assessment considered the financial aspects of the tender, in particular the hourly rates offered for each item of plant. Operationally, four functions comprise more than 70% of the total plant hire demand, being:

- excavator operations;
- loader operations;
- tipping truck operations; and
- floating equipment to and from site.

Of all plant hire, 80% is wet hire (plant with operator).

Accordingly, this quantitative assessment has been based on the highly utilised plant (listed above) under a wet hire scenario. The below table shows the costs estimated over a three-year term, based on the submission pricing for the above listed plant.

**Table 2** – Ratings for the shortlisted companies.

<b>Company</b>	<b>Estimated Contract Value (\$ including GST)</b>	<b>Score</b>
Hutchinson Civil Pty Ltd	\$1,985,220	100
Hume Hire	\$2,089,132	95
Longford Civil Pty Ltd	\$2,159,785	92
Walsh Wodonga Pty Ltd	\$2,280,682	87
Cartwright Civil Contracting Pty Ltd	\$2,476,835	80

AP Delaney & Co	\$2,551,936	78
Hurst Earthmoving Pty Ltd	\$2,623,914	76
Extons Pty Ltd	\$3,350,623	59

Council's spend on similar types of plant hire over the previous financial year was approximately \$776,000 (including GST). This amount was the sum total for all plant hire engaged across the whole of the organisation on different projects and work sites. As a panel contract, the request for service is engaged on an as needed basis, with the funds coming from the budget relevant to works. As a result, the schedule of rates supplied by each of the tenderers will be the guiding factor in supplying the correct relevant plant and personnel.

Based on the quantitative assessment, the eight companies listed in the above table progressed to the next stage.

### Qualitative Assessment

The qualitative assessment reviewed the submissions and 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 service and maintenance;
- 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.

**Table 3** – Preliminary ratings of the qualitative analysis.

Company	Past Performance (20%)	Methodology & Program (15%)	Capacity (25%)	Capability (30%)	Local Benefit (10%)	Total (100%)
AP Delaney & Co	16	12	20	24	7	79
Hume Hire	16	12	20	24	7	79
Walsh Wodonga Pty Ltd	16	12	15	24	7	74
Hutchinson Civil Pty Ltd	16	12	15	18	7	68
Cartwright Civil Contracting Pty Ltd	12	12	20	18	5	67
Hurst Earthmoving Pty Ltd	12	6	15	18	6	57
Longford Civil Pty Ltd	12	6	15	18	5	56
Extons Pty Ltd	12	6	15	18	3	54

AP Delaney & Co is a locally based company. They have a large fleet inventory, along with a strong roster of experienced operational staff allowing them to provide both wet and dry hire service options. AP Delaney & Co have previously supplied the AWMC hire plant as well as completing project works onsite which they have completed to a high standard. Their response time in supplying resources at times of unplanned requests has always been quick. AP Delaney & Co have a strong working

relationship with the Waste Management Centre and have been able to deliver projects on time and within budget.

Hume Hire is a locally based organisation that can provide both wet and dry hire services. They have a varied and predominantly new range of fleet. Hume Hire have previously provided plant to both the Civil construction section of AlburyCity and the AWMC, with a positive engagement being experienced from both Council departments. A specialist smaller loader was provided on dry hire for a specific task to the AWMC over a period of several months. The conditions of operation at the AWMC are challenging, the plant provided was well maintained and compliant with all WHS requirements. Hume Hire were responsive and easy to deal with during the hire period.

Walsh Wodonga Pty Ltd has completed some large contract works onsite at the AWMC over the past several years, with the most recent being the construction of the Northern Valley cell extension and capping of a completed section of the Southern Valley cell area. Walsh Wodonga Pty Ltd's experience and knowledge of landfill and environmental requirements, shows their expertise in this area. The AWMC has always found Walsh Wodonga Pty Ltd to be WHS compliant and provide a high quality of work. Being a local company with the ability to provide both wet and dry hire options with experienced operators, Walsh Wodonga Pty Ltd is well placed to provide a varied range of services as part of this panel.

Hutchinson Civil Pty Ltd is a locally based organisation. They have completed numerous works related to the AWMC site, such as the construction of the new solar farm hard stand, and maintenance works to the site's internal road network. Hutchinson Civil Pty Ltd have also provided both wet and dry hire options to the AWMC on an ongoing basis as required, given their varied fleet pool and experienced team of operators, they are well placed to provide services under this contract arrangement. A highlight of Hutchinson Civil Pty Ltd's service provision was the supply of plant and operators outside normal business hours for emergency situations.

Cartwright Civil Contracting Pty Ltd is a local company, which has the ability to provide both wet and dry hire options for plant and machinery. Their submission highlights previous service provision over a wide regional area. Cartwright Civil Contracting Pty Ltd has an experienced team of operational staff. They have a recognisable profile amongst the local community. The Waste Management Centre's previous experience is limited with Cartwright Civil Contracting Pty Ltd, however their submission outlined their ability to deliver projects on time and within budget.

Hurst Earthmoving Pty Ltd is an Albury based company tendering to supply a wet hire option for plant and earthmoving to AlburyCity, under this panel contract. They are an experienced company that has a broad selection of plant available, with an experienced operational team to undertake works. Hurst Earthmoving Pty Ltd has previously been engaged to supply wet hire for the AWMC. Although able to provide wet hire options, our experience has shown that they would prefer not to provide equipment to the landfill facility due to the challenging conditions and potential for damage to their fleet vehicles. This consideration is based on previous experience and has reduced their overall scoring.

Longford Civil Pty Ltd is a Howlong based company that has tendered as a wet hire option. They have plant relevant to the necessary wet hire needs of Council, however their fleet is small in comparison to other submissions and therefore were rated accordingly. Longford Civil Pty Ltd has undertaken recent

contract works for AlburyCity, with one of the latest being the installation of the leachate to sewer pipeline at the AWMC. Feedback received has shown they are competent and provided a high level of compliance when undertaking these works. Longford Civil Pty Ltd boasts an experienced group of operational staff. Longford Civil Pty Ltd has rated lower based on the scope of plant they are able to provide and ability to provide wet hire options only.

Extons Pty Ltd is a Benalla based company tendering for wet hire supply of plant. Extons Pty Ltd has an extensive fleet of plant. They have experienced management and supervisory staff along with a team of skilled operators. They have had experience providing long term hire of a loader to Benalla Rural City Council for operation at their landfill. Extons Pty Ltd has also undertaken civil construction projects for the Mount Hotham Management Board and have supplied plant as a subcontractor for maintenance and construction to the Hume Highway. Based on our assessment, lower scores than competitors were based on concerns around timely delivery, costs to deliver based on float costs and wet hire only options available.

During the qualitative assessment, the panel gave consideration to the tenderers options for service provision, proven performance, capacity to provide quality machinery and capability to deliver and provide Council with a superior service. The panel also considered the proximity of each of the tendering company's location to Albury, and how this may affect the delivery times of plant items, especially in circumstances of urgent requirement of these items.

As a result, the panel agreed that based on the quantitative assessment, five companies were best placed to provide Council with the broadest range of plant and equipment, service and availability to meet the requirements of the contract, these being AP Delaney & Co, Hume Hire, Walsh Wodonga Pty Ltd, Hutchinson Civil Pty Ltd and Cartwright Civil Contracting Pty Ltd. All five companies are based in the Albury/Wodonga area and employ local staff. All materials and servicing of plant are sourced locally. This will provide positive local benefit to the region for the engagement of these services.

As the sourcing of plant and services under this panel contract is carried out on an ad hoc basis the project type and site location can vary over the course of the three-year term of the contract. Contracting a panel of suppliers of this type for resourcing will give Council the versatility to have alternative options to allow continuity of projects and service. This will mean the methodology of works will be governed by AlburyCity's particular requirements for each engagement.

Referee assessments for all five shortlisted tenderers were completed with strong and positive feedback given for each of the tenderers. It should be noted that most referees had engaged the tenderers in a wet hire capacity. Each referee gave positive feedback, particularly in their resourcing to perform the contract requirements and their quality of plant and equipment. Feedback obtained from all referees was constructive and affirmed that all of these companies were good to deal with, competent and capable, with all receiving a confident response to the question of the referee engaging them again in the future. They rated highly in their experience at performing contracts of this nature and possess extensive industry expertise. The AWMC has previously had experience with four of the five shortlisted reference checked companies. Previous interactions have shown them to be proficient, show their knowledge and expertise and a high level of engagement to complete the variety of projects carried out.

All five companies have a compliant WHS Contractor Compliance Package and are registered with AlburyCity.

Under the qualitative assessment, the above tenderers were rated as suitable in their ability to participate in a panel contract.

From the information provided, all companies demonstrate the required management systems, experience, construction plant, resources and availability to provide AlburyCity with a quality product and service.

### **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.
- 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 2030 targets.

### **Summary**

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



**Table 4**

<b>Tenderer</b>	<b>Qualitative Assessment</b>	<b>Quantitative Assessment</b>
Hume Hire	79	94
Hutchinson Civil Pty Ltd	68	98
Walsh Wodonga Pty Ltd	74	82
AP Delaney & Co	79	75
Cartwright Civil Contracting Pty Ltd	67	82
Longford Civil	56	92
Hurst Earthmoving	57	76
Extons	54	59

From the qualitative assessment all shortlisted tenderers were strong, showing the ability to provide quality plant and machinery plus solid management capabilities to meet the needs of the contract. These organisations are located within the region and will benefit Council in high demand situations.

From a quantitative assessment, all eight companies submitted highly competitive rates for wet and dry hire. The objective of this tender process is to identify a pool of suitably qualified plant hire companies that can be engaged when demand warrants, at competitive rates.

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

### **Conclusion**

Tenders were invited for Panel Contract No. 19/04374 Albury City Council – Earthworks and Plant Hire which closed on Tuesday 20 August 2019. Twenty-four submissions were received for the three-year contract commencing 1 January 2020. The value of the current contract over the three-year term is approximately \$2.3 Million. Based on the current panel contract it is estimated that \$776,000 (including GST) is spent annually on these services. Budgeting is covered under departmental operational budgets for works being undertaken.

The Council's current plant fleet does not fully cater for the specific earthworks needs at the AWMC and across Council work sites. In order to meet the demands of specific projects and peak periods, external contractors are utilised under hourly, daily and weekly plant hire rates to complete these works. The establishment of a panel contract will provide the appropriate plant and machinery to cater for the needs of Council. The onsite projects include road maintenance, cell development, upgrading pad areas, dam maintenance, excavation works, hire of specialist machinery and carting of waste material.

As a result of the tender process, it is considered that the following companies can sufficiently meet the operational requirements stipulated in the specification. These organisations provide the best service and value option for Council.

- AP Delaney & Co;
- Cartwright Civil Contracting Pty Ltd;
- Hume Hire;
- Hutchinson Civil Pty Ltd; and
- Walsh Wodonga Pty Ltd;

**Recommendation**

That Council accept the following tenders for the schedule of rates Panel Contract No. 19/04374 – Albury City Council – Earthworks and Plant Hire, estimated at \$2.3 Million (GST inclusive) over a three-year period, commencing 1 January 2020:

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