

ITEM 9

TENDER T1000076 - PAVEMENT RECYCLING AND STABILISATION - ENGAGEMENT OF PRIMARY AND SECONDARY SUPPLIERS

This report recommends acceptance of tenders for the Provision of Pavement Recycling and Stabilisation to Council in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2021. A Primary and Secondary Supplier will be engaged for an initial period of three years, with options of 1 x 3 years and 2 x 2 years, with such extensions exercisable at Council's sole discretion.

Council reconstructs a number of roads each year by mixing a binder such as lime, slag, cement, or bitumen with the existing pavement material to produce a durable pavement which is then sealed and subsequently overlain with an asphalt wearing surface. Reconstruction using this methodology recycles material, minimising waste and truck movements and saving money.

RECOMMENDATION

- 1 In accordance with Section 178(1)(a) of the Local Government (General) Regulation 2021, Council accept the tenders shown in Table 1 for the Provision of Pavement Recycling and Stabilisation with a Primary and Secondary Supplier, for an initial three (3) year contract term, with options to extend for a period of 1 x 3 years and a further 2 x 2 years, at the sole discretion of Council.
- 2 Council delegate to the General Manager the authority to finalise and execute the contract and any other documentation required to give effect to this resolution.
- 3 Council grant authority for the use of the Common Seal of Council on the contract and any other documentation, should it be required, to give effect to this resolution.

REPORT AUTHORISATIONS

Report of: Roger Stewardson, Manager City Works
Authorised by: Joanne Page, Director Infrastructure + Works

ATTACHMENTS

There are no attachments for this report

BACKGROUND

Council has over 1000 km of road assets which require regular maintenance to allow safe and accessible travel for the public. This maintenance includes temporary works (pot-hole repairs), asphalt and lean mix patching, spray sealing and pavement rejuvenation, asphalt resurfacing, pavement reconstruction including lean mix concrete base or pavement recycling and stabilisation. The recycling and stabilisation of road pavements is the subject of this tender.

Stabilisation is a method that recycles the existing road pavement material. The road is dug up, using a large stabiliser machine which uses a powerful milling and mixing rotor to mix pre-spread stabilizing agents such as lime, cement, slag or bitumen into existing pavement material. This transforms the existing failed pavement material into a high-grade building material, with satisfactory bearing capacity. It is then compacted and sealed with a temporary spray seal. An asphalt wearing course is then installed around 3 months later.

Road pavement recycling and stabilisation has the following advantages over the alternative of full road reconstruction:

- Minimal generation of construction waste through the reuse of existing in-situ material.
- Significant reduction in the use of virgin quarry materials.
- Reduced trucking movements because of limited importing or exporting of materials from site.
- Reduction in emissions, energy use and noise due to less truck movements.
- Less impact to road users due to shorter construction duration.

Council currently sources contractors for these works using the Local Government Procurement Contract LGP213-2 Bitumen, Emulsions and Asphalt Materials (which expires on 30 June 2023). Council has sourced suppliers through the LGP contract for approximately 5 years and while good overall outcomes have been achieved, a number of shortcomings have been identified over that period. These include:

- The current LGP contract has a limited number of competent suppliers with the number of suppliers providing quotations reducing over time.
- Council staff are required to undertake a formal Quotation Assessment Panel for each individual project. This has proven to be time consuming for Council staff in the preparation of individual documentation for each project.
- Contractors invest time in preparing quotations without knowing the possibility of success.
- Council has identified a small number of projects where the reconstructed pavement does not fully meet the performance specification required up to 18 months after the works are completed. This is beyond the defect rectification period within the LGP contract and has proven difficult to get contractors to rectify.

Council has identified the following benefits in using a primary (and secondary if needed) supplier over a longer contract period (with exercisable extensions at the discretion of Council):

- We were able to develop our own contract terms and detailed specification based on our requirements considering previous learnings
- There are a large number of current and proposed road infrastructure projects across NSW which compete for resources. This tender will improve Council's negotiating position in determining availability of resources to suit our project timeframes.
- The long contract timeframe will provide increased stability for suppliers to provide a better value proposition for their employees enabling retention of skilled road construction employees in the current jobs market
- Council will be able to enforce rectification of works due to longer term relationship and ongoing work subject to meeting performance requirements.
- Council can work with the Primary Supplier to plan projects well ahead of the programmed delivery date. This should improve the customer notification experience and interaction with the community.

This tender has been undertaken to develop a panel of suppliers for the delivery of pavement stabilisation works. The tender has established a Schedule of Rates for all aspects of Road Stabilisation works and looks to appoint a Primary and Secondary supplier as part of this panel.

Tenders were invited by open tender method with a close of tenders of 10.00am on Thursday 10 February 2022.

Tenders were invited for this project by open tender method with a close of tenders of 10.00am on Thursday 10 February 2022.

Two tenders were received by the close of tenders and all tenders have been scrutinized and assessed by a Tender Assessment Panel constituted in accordance with Council's Procurement Policies and Procedures and comprising representative of the City Works, Project Delivery, Finance and Governance + Customer Service Divisions.

The Tender assessment panel assessed all tenders in accordance with the following assessment criteria and weightings as set out in the formal tender documents.

Mandatory Criteria

- 1 Satisfactory references from referees for previous projects of similar size and scope (Delete if not relevant).
- 2 Financial assessment acceptable to Council which demonstrates the tenderer's financial capacity to undertake the works (Delete if not relevant).
- 3 Accredited Work Health and Safety Management System.

Assessable Criteria

- 1 Cost to Council – 35%;
- 2 Appreciation of scope of works and construction methodology - 25%;
- 3 Experience and satisfactory performance in undertaking projects of similar size, scope and risk profile – 25%;
- 4 Demonstrated strengthening of local economic capacity – 10%;
- 5 Workplace health and safety management system – 5%;

The mandatory assessment criteria have been met by the recommended tenderers.

The Tender Assessment Panel utilised a weighted scoring method for the assessment of tenders which allocates a numerical score out of 5 in relation to the level of compliance offered by the tenders to each of the assessment criteria as specified in the tender documentation. The method then considers the pre-determined weightings for each of the assessment criteria which provides for a total score out of 5 to be calculated for each tender. The tender with the highest total score is the tender that best meets the requirements of the tender documentation in providing best value to Council.

Table 1 below summarises the results of the tender assessment and the ranking of tenders.

TABLE 1 – SUMMARY OF TENDER ASSESSMENT

Name of Tenderer	Ranking
Stabilised Pavements Australia Pty Ltd	Primary (1)
Roadworx Pty Ltd	Secondary (2)

PROPOSAL

Council should authorise the engagement of the listed service providers to carry out the pavement stabilisation works in accordance with the specifications developed for the tender.

The recommended tenderers have satisfied the Tender Assessment Panel that they can undertake the services to Council's standards and in accordance with the specification.

Referees nominated by the recommended tenderers have been contacted by the Tender Assessment Panel and expressed satisfaction with the standard of work and methods of operation undertaken on their behalf.

CONSULTATION AND COMMUNICATION

- 1 Members of the Tender Assessment Panel
- 2 Nominated Referees

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2032 Goal **6**. It specifically delivers on the following:

Community Strategic Plan 2032	Delivery Program 2022-2026
Strategy	Service
6.3 Provide connected and accessible places and spaces	6.3.2 Maintain the service levels of our roads, footpaths and cycle ways to an acceptable standard.

SUSTAINABILITY IMPLICATIONS

As part of the project design phase Council conducts a Review of Environmental Factors (REF) to assess the impacts that the projects completed using this panel will have on the surrounding environment.

Road pavement recycling and stabilisation has the following sustainability advantages over the alternative of full road reconstruction:

- Minimal generation of construction waste through the reuse of existing in-situ material.
- Significant reduction in the use of virgin quarry materials.
- Reduced trucking movements because of limited importing or exporting of materials from site.
- Reduction in emissions, energy use and noise due to less truck movements.

RISK ASSESSMENT

The risk in accepting the recommendation of this report is considered low on the basis that the tender process has fully complied with Council's Procurement Policies and Procedures and the Local Government Act 1993.

The risk of the project works is considered low based upon Council's risk assessment methodology and appropriate risk management strategies will be implemented.

FINANCIAL IMPLICATIONS

It is proposed that the total project be funded from the following source as identified in the Operational Plan in the financial year in which construction occurs-

Annual Capital Budget

CONCLUSION

The recommended tenderers have submitted acceptable tenders and Council should endorse the recommendations of this report.