

WORKS & SERVICES COMMITTEE 16 SEPTEMBER 2009	9
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CONTRACT NO. 2186 – REGISTER OF PRE-QUALIFIED SUPPLIERS FOR WET AND/OR DRY HIRE OF CONSTRUCTION PLANT, EQUIPMENT, AND VEHICLES

Keith Dinnerville: #2316414

RECOMMENDATION:

That Contract No. 2186 – Register of Pre-Qualified Suppliers for Wet and/or Dry Hire of Construction Plant, Equipment, and Vehicles be awarded to the various contractors listed in the Attachment for the period from 1 October 2009 to 30 September 2010.

INTRODUCTION:

Tenders were invited for Contract No. 2186, Register of Pre-qualified Suppliers of Wet and/or Dry Hire of Construction Plant, Equipment, and Vehicles with an advertisement in the Cairns Post on 27/6/09 and 01/07/09 and the Mossman Gazette on 02/07/09, with a tender closing date of 2:00 p.m. on Tuesday 21st July 2009. The term of the contract stated was for one (1) year.

Tender documents were made available from Reception at both Spence Street, and at our office in Front Street Mossman.

A Pre-Closure Tender Forum was also conducted on Tuesday 07/07/09 at Council Civic Rooms at Spence Street where some sixty registered their attendance, and another forum was held in the Mossman Hall on Thursday 02/07/09, in which only seven prospective tenderers attended. Each Forum provided an overview of the tender and tenderer's requirements, and scope of services being sought. A range of queries from the attendees was answered during each session and a prepared document containing thirty one (31) 'typical' questions with answers around the tender, was provided to all attendees. These forums were well received by tenderers and considered a success.

The tender response exceeded expectations with 133 tenders being received in total, of which twelve (12) were received after the tender closing time.

BACKGROUND:

The Council has a continuous demand for a wide range of plant, equipment and vehicles to be hired as wet (with Driver/Operator) or dry (without Driver/Operator) hire to support various maintenance and construction activities across the Council's region to supplement Council owned fleet assets, and its employee capabilities and capacity. Typically, the main volume of the type of machinery includes, backhoes, excavators, tipper trucks, front end loaders, and rollers, and to a lesser degree road sweepers, high pressure drain cleaners, and elevated work platforms, just to name a few.

Since 2006, the Council has developed from having just two wet hire contracts, those for backhoes and excavators having a combined annual spend of about a \$3.5M, to the recent combination of eight (8) standing offer arrangements and contracts for both wet and dry hire of backhoes, excavators, rollers, tipper trucks, construction plant, and equipment, with previous annual spend of about \$8M.

This contract is to replace wet and dry hire standing offer arrangements and contracts recently expired and those having an expiry date of 30 September 2009, being Contract No's 2070, 2071, 2073, 2075, 2141, 2142, 2145 and 2146.

The Fleet Hire Office of Cairns Fleet provides the 'shop front' between the Council's internal customers and contractors for both wet and dry hire requirements, coordinating the logistics for the hire and providing some contractual assistance. This service interface between internal customers and contractors by Cairns Fleet provides the means of 'separation' to ensure the presence of probity and equity in the Council's purchasing of services for the wet and dry hire contracts. The Fleet Hire Office now coordinates in excess of 4500 wet or dry hire requests each year.

TENDER PROCESS:

A Tender Evaluation Team was assembled from stakeholders across Cairns Works, Cairns Water Operations, and Cairns Fleet branches including input from the Purchasing Supervisor, Finance Branch. The Tender Reference Team was facilitated by the Quality Systems Officer, Technical Services Support Branch.

A Tender's evaluation methodology was used in establishing compliance and assessment of tenders. Each tender was fully assessed, including the documenting of comments from the tenderers referees.

A total of one hundred and thirty three (133) tenders were received, of which twelve were classified as late tenders as they were received after the published tender closing time. The twelve late tenders were accepted as they were considered not to have any commercial advantage in being accepted.

During the tender evaluation, thirty one tenderers were identified as not providing or had insufficient insurance coverage, or other deficient information. The main contentious issue was for those tenderers who had no personal accident insurance coverage, as required under the General Conditions of Contract provided in our tender documentation. A letter was sent to each tenderer related to these insurance issues, with each tenderer providing a satisfactory response for the requested information, except for one tenderer, B&M Mini Excavators, who have been sent another letter on their personal accident insurance requirements. This tenderer has been included in Attachment, pending acceptance for their insurance pre-requisite.

The Tender Evaluation Team has also determined that negotiation will be conducted with some tenderers on their prices submitted, as some pricing is well above market benchmarks. This price negotiation is to commence immediately after contract award.

Because of the volume of plant, equipment, and vehicles being tendered, the inspection process required for these items has not been fully completed and will continue into the operation of the contract. Where any unacceptable plant, equipment, or vehicle becomes apparent, it shall be treated as a contractor performance matter and resolved accordingly.

The Tender Evaluation Team has also developed an improved process for hire requests and for contract performance review and reporting. One of the outcomes of these processes will be in a form of a quarterly report to Council that shall include comment on contractor performance, contract management, utilisation, and expenditure.

CONSIDERATIONS:

Corporate and Operational Plans:

The contract is part of the 2009/10 Fleet Hire Operational Plan and budget.

All costs are fully reimbursed from Cairns Works and Cairns Water Operations program and project budgets.

Statutory:

This tender complies with the provisions of the *Local Government Act*.

Policy:

The tender documentation and selection method conforms to Council's General Policy Procurement.

Financial:

The budget for the external hire of wet and/or dry hire of construction plant, equipment, and vehicles in the financial year 2009/10 is \$6.5M.

The tendered rates are basically consistent with market rates. However, it is intended to negotiate prices with some contractors with a view to reduction to market rates.

Sustainability:

All tenderers are required to operate under Council's workplace health and safety, and environmental policies.

CONSULTATION:

Consultation has occurred with potential tenderers via pre-closure tender forums, and through consultation and endorsement being made with officers from Cairns Water, Cairns Works, Cairns Fleet, and Purchasing, during the preparation of the tender specification and with assessment in the evaluation process.

OPTIONS:

Do not proceed with the Contract.

CONCLUSION:

The tender development and evaluation process for this tender has substantial rigour of probity, equity, and transparency beyond previous tenders to address concerns and issues from a number of areas of management and contractors alike.

ATTACHMENT:

Register of Pre-Qualified Suppliers for the Wet and or Dry Hire of Construction Plant, Equipment, and Vehicles.

Keith Dinnerville
Manager Cairns Fleet

Brad Finegan
A/General Manager City Works & Services

ATTACHMENT

COMPANY/INDIVIDUAL NAME
RMD Contractors Pty Ltd
Leslie Charles Hepworth
J & D Kingsley Pty Ltd
Nankeen Earthmoving
Wesley Raistrick, Truck Licences Cairns and Tipper Hire
Wes Pashen's Mini Earthmoving
Larry's Hoe Hire
Quicken Bobcat and Truck Hire
Robert B. Smith
Digger Roo Kanga Hire
Brooksy's Plant Hire Pty Ltd
Mrs Vicki Huff t/a Aryius Exavations
Gregory Ross Thomson
Allens Excavations and Truck Hire
Cranelyn Pty Ltd t/a Cranes Earthmoving
Philip Charles & Robyn Joyce Bragg
DM & J Spoto
Richard John and Margaret Ann Collis Pty Ltd
Flexihire Pty Ltd
William & Micheal O'Donoghue
Ronald John Alvoen
Gary Shearer
Ian William & Laura Fay McCulloch
Raymond William Hussey
Beaches Bobcat & Truck Hire
Trevor Morris White & Carmen Henning-White t/a TM & C White
Stephen Wallin
D & T Backhoe Hire
B & M (Cairns) Pty Ltd t/a B & M Mini Excavator
John & Hilary Pedrola
Danielle & Timothy Reilly
Wilton Michael Vaneck / On Track Hire
Ivesy's Bobcat & Mini Excavator Hire
Jim Kiss
Alban Zingle
Mark Dendle
Coral Coast Truck Hire
Robert Charles Marino, Adrienne Lea Marino
Michael John Cipolinia t/a Affordable Digging Service
Laurie Cameron
Wymere Pty Ltd
Kevin William & Ann Elizabeth Stewart
Grant Victor King
SG & A Leonardi Pty Ltd
RV & YH King
DR & EJ Grover
Brett McRostie
Robert Stuart Moore

Bondo's Water & Tipper Hire
Peter John Clarke
Kelvin Charles Wallace
A & C Bobcat & Backhoe Hire
Dagmar Harvesting Pty Ltd
Cairns Steel Construction t/a Century Cranes
Christopher Richard & Helene Diana Pacitti
Steven Arthur Gulliver & Tracy Ann Gulliver
S & W Petersen Pty Ltd
Heath's Backhoe Hire Pty Ltd
Perchfield Pty Ltd t/a Bugeja Earthmoving
William Francis James Bulley
Roadtek Plant Hire Services
Ingham Drilling Pty Ltd
Boom Sherrin
Wallace Quarrying & Mining Pty Ltd
ADK Civil Pty Ltd
Kelly's Crane Hire Pty Ltd
Petsin Holdings Pty Ltd t/a Cairns Civil Construction
David John Sanderson
Lindsay John & Susanne Rose Travers
Robert, Velia, Adrian Ridolfi
Glen Jones
Reef Earthmoving Pty Ltd
Oakdare Holdings Pty Ltd
J & S Hall Earthmoving
Crossy's Crane Hire Pty Ltd
Santarossa Engineering Pty Ltd
Michael Anthony Giudice
Transport & Machinery Contractors
Padovan Harvesting Pty Ltd
Puglisi Brothers
Norris Earthmoving & Raw Materials
Heavy Equipment Hire Pty Ltd
Mick Newport Contracting Pty Ltd
Ross Andreassen Pty Ltd
Douglas James Parsons
William Joseph & Jillian Christina Bellerio
Jeffrey Norman Seiler
STL Holdings t/a Sargent Four Wheel Drive Hire Truck Lease and Rental
Jim & Kim Harris
Lake Murphy Pty Ltd t/a Down to Earth Demolitions
North Sheridan Pty Ltd t/a Paramount Hire Service
Dave Fogarty Excavations
Danie Sadler
Cairns Mini Movers
Ricky John and Fiona Jane Rodwell
Stephen John Sacchetti
John Mario Villari
CR & MR Ballard
Howard William & Tresa Ann Plumb
RN & PE Clarke
Mark & Debra Quabba t/a Edge Away

Kennards Hire Pty Ltd
Colpo Constructions Pty Ltd
Starzing Pty Ltd as Trustee for Verri Unit Trust t/a Verri's Truck Hire
Vernon Clarke Pty Ltd
Steven & Shelley T Quabba
Cairns Earthworks Pty Ltd
Sell's Asphalt Driveways
Richardsons Heavy Haulage Pty Ltd
Killaloe Resources & Recovery Pty Ltd
Cairns Mulch
Hastings Deering (Australia) Ltd
Phase 3 Landscape & Design
Andrew Villari
F.L.G.T. Frank Marino
Candoze Pty Ltd t/a Cairns Dozer Hire
Rodney & Naomi Stewart
FNQ Tipper Hire
Cairns Heavy Haulage Pty Ltd
D.S. McNamara
Peter Morris
John & Lorraine O'Connor / Shane & Terese O'Connor
Addison (NQ) Pty Ltd t/a Meteor Car & Truck Rentals
AME Civil Contracting Pty Ltd
Morrison Family Trust t/a Clean It Industrial Services (Cairns)
Doug McCormack Pty Ltd
Alfio John & Bronwyn Ellen Caltabiano
Bill Twine
Bell's Carrying & Crane Hire Service Pty Ltd
Shane Walton
Coates Hire Operations Pty Limited