

3.1 CONTRACT FOR THE PROVISION OF CONCRETE PRODUCTS (CF2009032: MK: PR)

Responsible Directors: Marilyn Kearney & Peter Aumann

RECOMMENDATION

That Council:

- 1. Accepts the tender for the Provision of Concrete Products for a three (3) year period submitted by S.V.C. Products Pty Ltd for the schedule of rates submitted with the tender (Estimated annual expenditure of \$85,800 GST inclusive) with options for the two extensions of one year each;*
- 2. Authorises the Chief Executive Officer to execute the contract agreement; and*
- 3. Authorises the Chief Executive Officer at his discretion to approve the extension options in the contract subject to continued satisfactory performance.*

BACKGROUND

In May 2008, Co-operative Purchasing Services (CPS) was appointed as Agent of the Monash City Council in accordance with guidelines established by the Minister for Local Government and in compliance with Section 186 of the Local Government Act for the purposes of calling and evaluating public tenders for the Provision of Concrete Products. The purpose of using the services of CPS is to attempt to gain any price advantage that may be available from combining Monash's requirements for goods and services with those of other Councils.

A tender for the Provision of Concrete Products was advertised in the Age newspaper on 28 June and 5 July 2008 for a contract period of three years with two (2) x one (1) year options to extend. The tender was also advertised through an online tender service provider, Tenderlink. Tenderlink is a service used for the purpose of downloading of documents through a registration process only. Only one tender was received from the two organisations that expressed an interest by taking out the tender documents.

TENDER EVALUATION

CPS acting as Council's agent conducted the tender evaluation process based on the following criteria:

- Financial benefit and capability
- Experience and reliability
- Technical capability
- Resource capability
- Company and management capability

Price was considered at 60% with all other criteria making up the balance of 40%. A preliminary tender analysis report was provided to Council officers in order that Council could satisfy itself as to the recommendation being made by CPS. A copy of the Tender Report has been circulated separately to Council.

The tender submitted by S.V.C. Products Pty Ltd is considered to represent the 'best value' to the Council having regard to pricing, availability and level of performance as specified in the selection criteria described above. It should also be noted that S.V.C. Products Pty Ltd have been providing concrete products for many years to Council and during that time have clearly demonstrated their ability to provide quality products at a reasonable price.

FINANCIAL IMPLICATIONS

The schedule of rates submitted with the tender includes an average 3.85% increase in the pricing of concrete products, which can be accommodated within the 2008/09 budget.

RECOMMENDATION

That Council adopts the recommendation to appoint S.V.C. Pty Ltd as Council's provider of concrete products for the period of three years with the option to extend the contract term for two x one-year terms at the discretion of the Chief Executive Officer subject to satisfactory performance