

4.5 TENDER FOR HIRE OF EQUIPMENT (CF2021069: DN)

Responsible Acting Director: Simon Hill

RECOMMENDATION*

That Council:

1. *Approves access to the following Procurement Australia (PA) Panel Contract No. 2311/0333 for the provision of Hire of Equipment for an initial term ending 30 November 2022 with two (2) x one (1) year optional extension periods with an estimated annual expenditure of \$350,000 GST inclusive. The panel suppliers available under this contract are:*

*A-Plant Equipment Pty Ltd
Coates Hire Operations Pty Ltd
Conplant Pty Ltd
Northern Hire Group Pty Ltd
Orange Equipment Pty Ltd trading as Orange Hire
Porter Excavations Pty Ltd
PR Power
Rollers Australia Pty Ltd
Sherrin Rentals Pty Ltd*

2. *Authorises the Chief Executive Officer or her delegate to execute the contract agreement; and*
3. *Notes that initial contract term ends 30 November 2022 and the contract has two extension options of one year each and authorises the Chief Executive Officer or her delegate to approve extension options subject to Procurement Australia extending the contract and satisfactory performance.*

*(*Please note that all dollar figures are GST Inclusive unless stated otherwise).*

INTRODUCTION

Council officers seek to access a panel contract through Procurement Australia for the provision of Hire of Equipment.

BACKGROUND

Council procures a wide range of hire equipment to support their operations and works required to deliver its services to the community. The equipment that could be procured via this contract includes, but is not limited to, skid steer loaders, backhoes, forklifts, vibrating plates, rollers, cut off saws, road side barriers, temporary fencing and various small tools.

Council currently hires this equipment directly from suppliers on an as needs basis. Under the Local Government Act 1989, the Municipal Association of Victoria and Procurement Australia are able to establish contracts on behalf of local government authorities so that they may access suppliers in an efficient and cost effective manner. These organisations are focused on achieving better procurement outcomes by aggregating the modest needs of individual councils into contracts with greater volumes and thus better negotiating power.

Procuring through these agency arrangements also reduces risk to Council as any failure to meet requirement has the potential to impact the supplier's opportunities with all other local government authorities. Throughout the contract term the Agencies also monitor the currency and validity of insurances and the supplier's financial position to allow them to remain as a supplier within the contract panel.

When hiring equipment, Council could choose to use an agency contract such as those provided by Municipal Association of Victoria and Procurement Australia or tendering directly via Council's tender portal. Utilising the agency contracts is a more efficient and cost effective process.

The Procurement Australia Contract is for an initial period of two (2) years, which commenced on the 1 December 2020 and ending 30 November 2022 with extension options of two (2) x one (1) year periods.

This report seeks approval to access this Procurement Australia contract from the 24 February 2021.

NOTIFICATION

A public notice was not required because the Tenderers were selected from the Procurement Australia Contract Number 2311/0333 Hire of Equipment allowed under the Local Government Act 1989, Section 186, Part 5, in accordance with arrangements approved by the Minister.

DISCUSSION

All submissions were assessed for their compliance with the tender conditions including the contractual terms and conditions.

Procurement Australia undertook an evaluation of all the submissions. Council was provided with a recommendation report from Procurement Australia detailing the suppliers that were successfully awarded a contract. The evaluation panel has reviewed the recommendation report and recommends that the City of Monash accesses this contract.

The successful suppliers form a panel of providers under the terms of the Procurement Australia contract 2311/0333 Hire of Equipment.

FINANCIAL

When required, a request for quotation will be provided to selected pre-approved suppliers under the panel contract for each individual purchase. Each request for quotation will be evaluated in accordance with Council's procurement policy and approvals would be in accordance with Council's delegations. Where the value exceeds the delegation limits, approval from Council would be sought.

The estimated annual expenditure is \$350,000 per annum, which is accommodated from Council's approved budget for each year of the proposed contract period.

CONCLUSION

That Council approves the recommendations contained within this report.