

Section 221 of the *Local Government Regulation 2012* stipulates that a Significant Contracting Plan must be prepared prior to commencement of a contract that Council has identified as a Significant Contract. Council may, by resolution, amend a Significant Contracting Plan at any time before the end of the financial year to which the plan relates.

1. Key Information	
Significant Contract Title: Road Surfacing, Rehabilitation and Construction Asphalt Program	
Group: Built Infrastructure	Branch: Civil Asset Management
Contract Administrator: Lisa Devine	Position: Coordinator Contracts Delivery
Procurement Specialist: Rachael Lock	
Contract/Project Description: Reseal, rehabilitation and construction of asphalt overlay to road infrastructure, as part of Council's road maintenance and construction programs.	
Link to Procurement Plan: D2019/438998	

2. Council Resolutions	
Previous Council resolutions:	
This plan endorsed by Council:	

3. Background
<p><i>It is anticipated works will commence September 2019, with all works completed by the end of June 2022 for each year of the Contract.</i></p> <p><i>The proposed contract comprises the following separable portions:-</i></p> <p>A. <i>Road Reseal, Full Depth Asphalt Rehabilitation and Construction Asphalt Program;</i></p> <ol style="list-style-type: none"> 1. <i>Cart and Lay of Asphalt;</i> 2. <i>Supply, Cart and Lay of Asphalt;</i> 3. <i>Profiling; and</i> 4. <i>Supply, Cart and Lay associated bitumen sealing works.</i> <p>B. <i>Mill and Fill Pavement Repairs:-</i></p> <ol style="list-style-type: none"> 1. <i>Profile, Cart and Lay (material supplied by Council from the Image Flat Quarry);</i> 2. <i>Profile, Supply, Cart and Lay; and</i> 3. <i>Preparation, tack coat and disposal of profiled and surplus material.</i> <p>C. <i>Bitumen Sealing Works:-</i></p> <ol style="list-style-type: none"> 1. <i>Bitumen spray sealing of existing surfaces;</i> 2. <i>Bitumen spray sealing of new pavements; and</i> 3. <i>Resealing and new construction works.</i>

D. Access Chamber, Valve and Hydrant Raising:

- 1. Provision of access chamber, valve and hydrant (service access points) raising works across the Sunshine Coast Region;*
- 2. Access chamber, valve and hydrant raising works are ordered as required; and*
- 3. Require approximately 100 and 200 service access points raised each year in conjunction with the schedule.*

E. Supply Only of Asphalt and Bitumen Ex Bin.

- 1. Supply of Asphalt and Bitumen Ex Bin.*

4. Objectives

What are the objectives of this contract?

Reseal, rehabilitation and construction of sections of road, as part of Council's road maintenance and construction programs.

One of Council's core responsibilities is the maintenance of the sealed road network across the Sunshine Coast region. Roads for resealing, rehabilitation, and works, are selected annually using an asset maintenance management system. This system determines the sections of roads and associated works within the network that will need to be maintained or upgraded, in order to achieve or extend the working life of the asset, or to provide an increased level of service.

This contract will enable Council to engage specialist external contract resources for the provision of the services.

Key objectives are to deliver the maintenance and capital Program of Works:

- With Zero Safety incidents
- In accordance with technical specifications
- With Zero negative Environmental impact
- On time
- On Budget

How will objectives be achieved?

Conducting a public tender to obtain competitive pricing and suitably qualified Principal Contractors to undertake the works.

Civil Asset Management - Business Development are responsible for the delivery of the Maintenance programme of works and have established appropriate Project and Contract Management functions to ensure objectives are achieved.

How will achievement of objectives be measured?

Pre-determined weighted Probity Plan which takes into consideration:

- (a) Price
- (b) Capability and Experience;
- (c) Methodology;
- (d) Contribution to Local Economy;
- (e) Social Benefit and Indigenous Engagement

What are the alternative ways of achieving the objectives? Include reasons for not adopting alternative ways.

The alternative was to take each separable portion to the market and award separate contracts.

It was decided that by having one overarching contract with separable portions provides Council the ability to award more than one portion to one or more Contractors.

Council considered undertaking all works utilising internal resources, however this option was not the best cost to serve as it would require significant investment in equipment, labour and specialised training.

5. Proposed category and contractual arrangements

Which category does this contract fall within?

Capital Works

Which contractual arrangements should be applied to this contract, and why?

Construction (AS2124 Medium to Large Construction)

Adequately govern the outcomes required by Council to deliver the project

6. Market and Risk Assessment

Provide an assessment of the market in which the contract is to happen, including an assessment of any procurement risks. Refer to the Risk Assessment Calculator in the Procurement Plan.

Competitive market.

CAM has undertaken market research / sounding with the following organisations:

Allroads Surfacing Pty Ltd

Fulton Hogan

Allroads Civil Construction

COLAS

EDI Downer

Allens Asphalt

Council Quarry

The key risks are as follows:

1. Asphalt Plant breakdown - Currently 90% of Asphalt is supplied from the Council Quarry at Image Flat.
2. Council's business model requires use of Council Quarry for the provision of the material. Key driver of the suppliers is to secure the provision of product rather than service provision.
3. Supplier does not have capability or resources to meet Council requirements

Proposed mitigations for identified risks:



1. Ex Bin supply separable portion established to supply asphalt for night works and in the event of the plant breakdown.
2. Establish a contract with a supplier that meets Councils business model, utilising the Quarry products.
3. Engage supplier with suitable business management systems, processes and resources to ensure delivery of the Program of Works
4. Establish appropriate Contract Management functions to ensure objectives are achieved.

Undertake an assessment of operational risks relating to the contract/project. Attach details.

1. Key performance indicators (KPIs) will be developed and included with the tender document package. The Contract Management team will be responsible for reviewing and enforcing the KPI.
2. Workplace Health and Safety is considered an ongoing risk which will be mitigated through legislative requirements which the Contractor is required to adhere to.
3. Environmental impacts is considered an ongoing risk which will be mitigated through legislative requirements which the Contractor is required to adhere to.

Excel summary Risk Assessment provided.

Approvals (prior to resolution)

Position	Name	Signature	Date
Manager, (of Branch seeking contract)	Craig Young	 Digitally signed by Craig Young Date: 2019.05.30 16:55:30 +10'00'	
Manager, Business and Innovation	Paul Skillen		31/05/2019