

**4.3 CONTRACT FOR STREET DRAINAGE PIT CLEANING**

(CF2018177: DS)

Responsible Director: Ossie Martinz

**RECOMMENDATION***That Council:*

- 1. Accepts the tender from Eldarin Services Metro for Contract No. CF2018177, for the inspection and cleaning of side entry pits and grated pits for a period of one (1) year plus extension options for four (4) one year periods, on an annual basis, in accordance with the schedule of rates price of \$11.935 (incl. GST) per pit submitted in the tender with an estimated contract amount of \$1,168,000 (incl. GST) over the five (5) year contract period.*
- 2. Authorises the Chief Executive Officer to execute the contract agreement.*
- 3. Authorises the Chief Executive Officer to approve each of the extension options and CPI adjustment of the contract agreement, subject to satisfactory performance.*

**INTRODUCTION**

Council has tendered out for a professional and experienced pit cleaning contractor to undertake works throughout the municipality.

**BACKGROUND**

The benefits of a pro-active approach to pit cleaning are numerous including improvement to the assets, increased customer service, reduction of flood risk during storm events and better usage of Council resources. This contract allows Council to increase the frequency of its street drains pit cleaning from once every 10 years to once every 2.5 years.

**CONTRACT PERIOD**

The contract period for this new contract is for an initial term of one (1) year with a further four (4), one (1) year extension options.

**PUBLIC NOTIFICATION**

Tenders were advertised in The Age newspaper on 2 June 2018. Tenders closed on 27 June 2018.

**TENDERS RECEIVED**

Fourteen (14) sets of documents were issued to prospective tenderers with six (6) formal tenders being received by the appointed closing time.

The tenders received are listed below:

- Dynamic Hydro Excavations
- Eldarin Services Metro

- Environmental Services
- GMA Environmental
- Leading Plumbing
- Qest Environments

#### **Basic Compliance Checklist:**

The submissions were subjected to a basic compliance test. This test ensured that the submitted tenders complied with the basic requirements of tendering.

Five (5) of the submissions were fully compliant, with the submission by Qest Environments deemed as non-compliant as they submitted a tender based on hourly rates, which does not comply with the requested tender schedule.

#### **TENDER EVALUATION**

##### **Evaluation Panel:**

The evaluation panel consisted of:

- David Santhakumaran      Coordinator, Infrastructure Maintenance
- David Hill                      Drainage Assets Officer
- Mario Galante                  Independent Consultant
- Jason Farrugia                  Manager Strategic Procurement

##### **Evaluation Criteria:**

The tenders received were assessed according to the following criteria listed in the tender documentation:

<b>Evaluation Criteria</b>	<b>Weighting (%)</b>
<i>Price</i>	<i>60</i>
<i>Relevant Experience</i>	<i>20</i>
<i>Technical skills &amp; Resources</i>	<i>15</i>
<i>Time Performance</i>	<i>5</i>
<b>Total</b>	<b>100%</b>
Financial Viability	<b><i>Pass/Fail</i></b>

#### **DISCUSSION**

The following provides information on the results of the evaluations and provides the review panels recommendations.

##### **Evaluation Criteria Summary:**

The lowest priced and highest ranked submission was received from Eldarin Services Metro for \$11.935 (Inc GST) per pit.

#### **FINANCIAL IMPLICATIONS**

The recommended tender's price of \$11.935 (Inc GST) equates to an estimated contract amount of \$220,000 (Inc GST) per annum. CPI over the contract period is estimated at 3% p.a (based on Melbourne All Groups CPI). Therefore the estimated cost over a five year period is \$1,168,000 (Inc GST).

The majority of the works under the contract are programmed with an allowance for some reactive pit cleaning. In 2018/19, a budget of \$255,000 (Routine maintenance) is available for proactive clearing of pits and gross pollutant traps under the cost centre: 1.80.820.6431.802.7895. A budget of \$707,751 (Non-routine Maintenance) is available for reactive pit clearing works. The recommended price is within these available budgets.

### ***CONCLUSION***

It is recommended that the appointment of Eldarin Services Metro for Contract No. CF2018177, for the Street Drainage Pit Cleaning, for a period of one (1) year plus extension options for four (4) one year periods on an annual basis for street pit cleaning with the per pit price of \$11.935 (incl. GST) and an estimated contract amount of \$1,168,000 (incl. GST) over the five (5) year contract period.