



KEMPSEY
Shire Council

DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

13th February 2007

DCCS14	TENDER – MOTOR GRADER
FILE: 932	CAD { Folio No. * }

SUMMARY:

Reporting on tenders received for the purchase of one (1) motor grader and the sale of one (1) 120G Caterpillar motor grader (V1679).



Tenders were called for the supply of one (1) motor grader and the sale of one (1) 120G Caterpillar motor grader (V1679).

Tenders closed at 10.00 am Wednesday 18th October 2006 where three (3) companies submitted tenders for the supply of one (1) motor grader and trade of one (1) 120G Caterpillar motor grader (V1679), and one (1) company submitted a tender for the sale of one (1) 120G Caterpillar motor grader (V1679).

Tenderer	Machine Tendered	Purchase Amount (GST Excl)	Trade in V1679 Amount (GST Excl)	Sale of V1679 Amount (GST Excl)	Changeover Amount (GST Excl)
CJD Equipment Pty Ltd	Volvo G930	\$298,349.00	\$65,500.00		\$232,849.00
Hitachi Construction Machinery (Australia) Pty Ltd	John Deere 670D	\$288,567.78	\$50,000.00		\$238,567.68#
WesTrac Pty Ltd	Caterpillar 12H	\$348,931.81	\$80,000.00		\$268,931.81
Hedger's Heavy Equipment	N/A	N/A	N/A	\$50,500.00	

Remote machine system diagnosis not tendered, therefore the average of CJD Equipment Pty Ltd (\$1,349.00) and WesTrac Pty Ltd (\$2,386.36) was used for Hitachi Construction Machinery (Australia) Pty Ltd (\$1,867.68).

Tenders were evaluated using changeover value, whole of life costing and warranty. The evaluation is as follows:

Maximum Points	100.00%	40.00%	35.00%	25.00%
Weighting				
(Must=100)				
Make & Model	Final Ranking	Changeover Value	Whole of Life Costing Evaluation *	Warranty Evaluation
Volvo G930	97.22%	40.00%	32.22%	25.00
John Deere 670D	89.07%	39.04%	34.03%	16.00
Caterpillar 12H	86.63%	34.63%	35.00%	17.00

* Whole of Life Costing based on medium fuel consumption

Based on the Volvo G930 demonstration held on the 23 January 2007 and tender assessment evaluation criteria the Volvo G930 motor grader is assessed as the most suited to the needs of Council.

In conclusion, following evaluations and consultation with relevant Council staff, it is recommended that a Volvo G930 motor grader be purchased and the 120G Caterpillar motor grader (V1679) be traded in with CJD Equipment Pty Ltd.

REPORT IMPLICATIONS:

- *Environmental*

Nil

- *Social*

Nil

- *Economic (Financial)*

Adoption of the following recommendation would result in expenditure of \$232,849.00, which will be funded, from the 2006/2007 Fleet Replacement Program. The Fleet Replacement program provides for changeover costs of \$251,000.

- *Policy or Statutory*

Council Policy M11.17

- *Director's Review*

Nil

RECOMMENDATION:

1. That Council accept the tender from CJD Equipment Pty Ltd for the purchase of a Volvo G930 motor grader, as per

Council's tender specification, at a cost of \$298,349.00 (GST excl).

2. That Council accept the sum of \$65,500 (GST excl) from CJD Equipment Pty Ltd for the sale of 120G Caterpillar motor grader (V1679).
3. That the unsuccessful tenderers be advised of Councils decision.

.....
G B Snape
DIRECTOR CORPORATE & COMMUNITY SERVICES