



KEMPSEY
Shire Council

DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

16th January 2007

DCCS8	TENDER FOR THE SUPPLY OF READY MIX CONCRETE
	FILE: 264 APC

SUMMARY:

Reporting on the joint tender for the supply of Ready Mix Concrete for participating Council's under the Mid North Coast Group of Council's Alliance.



A joint tender was facilitated by Hunter Councils on behalf of the Mid North Coast Group of Council's for the supply of ready mix concrete for a two year period commencing January 2007.

Participating Councils in the tender were Coffs Harbour City, Nambucca, Bellingen, Greater Taree, Great Lakes, Gloucester and Kempsey Shire Councils.

The Hunter Councils tender was based upon the following:

- a) Panel tender with tenderers able to price product based upon the respective Local Government areas. Kempsey Shire Council was divided into four delivery zones for the purpose of the tender:
 - Zone 1 - Kempsey Township
 - Zone 2 - South West Rocks
 - Zone 3 - extending from Willawarrin to coast
 - Zone 4 – West of Willawarrin
- b) tender evaluation conducted by the respective participating Councils with the assessment based upon conformity to the documentation and value for money.
- c) pricing is fixed for the first twelve months with provision for a increase in line with CPI for the subsequent twelve month period.
- d) A management fee of 0.75% is payable to Hunter Council's by the service providers under the tender.

Two tenders were received in respect of supply within the Kempsey Shire, Kancon Concrete Group and Boral Resources Pty Ltd.

Council staff have evaluated the tenders and recommend that the following tenders be appointed:

Zone 1 Boral Resources
Zones 2-4 Kancon Concrete

The prices tendered are marginally less than those currently being obtained whilst the term of the tender provides Council with a guarantee in terms of future pricing.

REPORT IMPLICATIONS:

- *Environmental*

Nil

- *Social*

Nil

- *Economic (Financial)*

Fixed pricing for ready mix concrete over the twelve months to January 2008 with a CPI increase to apply in respect of the subsequent twelve months of the tender is anticipated to result in a saving of approximately 1% in ready mix concrete costs. On anticipated usage of concrete this would represent a saving of approximately \$2,600 p.a.

- *Policy or Statutory*

The tender has been processed in accordance with the Local Government Act 1993 and Tendering Regulations.

- *Director's Review*

The recommendation is supported.

RECOMMENDATION:

That Council accepts the tender for the supply and delivery of ready mix concrete for a two year period commencing January 2007 as follows:

Kempsey Shire Zone 1	Boral Resources
Kempsey Shire Zone 2,3,4	Kancon Concrete

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G B Snape
DIRECTOR CORPORATE SERVICES