

Late Addendum Report

REPORTS FROM THE DIRECTOR COMMUNITY AND NATURAL RESOURCES

a25 [CNR-CM] EC2013-215 Manufacture Supply and Delivery of DN 375mm Diameter Pressure Pipe : Alternate Supplier

SUBMITTED BY: Contracts

Valid



Civic Leadership

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK:

- 1 Civic Leadership
 - 1.3 Delivering the objectives of this plan
 - 1.3.2 Council will seek the best value in delivering services
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SUMMARY OF REPORT:

Tender EC2013-215 for the Manufacture Supply and Delivery of DN 375mm Diameter Class 12 Pressure Pipe was reported to Council at its meeting of 12 December 2013 where Council resolved to award the tender for the supply of 3,500 metres of pipe to Iplex Pipelines Pty Ltd. The pipes are to be used in the upgrade of Sewer Rising Main 3018, Fraser Drive Tweed Heads South and Sewer Rising Main 5005 Creek Street Hastings Point.

Advice has been received from Iplex that due to major problems with their manufacturing plant, they will be unable to supply the DN 375mm mPVC Class 12 pressure pipe in accordance with agreed supply deadlines. Pipe delivery was expected week ending 31 January 2014 with pipe laying work on the Fraser Drive project to commence the first week of February 2014. Advice from Iplex indicates that pipe delivery is now expected in the last week of February 2014.

The delay in pipe delivery has major implications on the Works Unit's Program scheduling, with alternate supply options needed to obtain pipe to satisfy the project construction time frames.

RECOMMENDATION:

That:

1. Council terminates its supply arrangement with Iplex Pipelines Pty Ltd for Contract EC2013-215 Manufacture Supply and Delivery of DN 375mm Diameter Pressure Pipe in the amount of \$262,977.27 (exclusive of GST) as resolved at its meeting of 12 December 2013.
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2. **An alternate supply arrangement for Contract EC2013-215 Manufacture Supply and Delivery of DN 375mm Diameter Pressure Pipe in the amount of \$280,000 (exclusive of GST) be awarded to Vinindex Pty Ltd.**
3. **The General Manager is given delegated authority to approve variations up to 10% of the initial contract sum to a maximum of \$150,000 and those variations be reported to Council following completion of the tendered works/services.**
4. **ATTACHMENT 1 is CONFIDENTIAL in accordance with Section 10A(2) of the Local Government Act 1993, because it contains:-**
 - (d) **commercial information of a confidential nature that would, if disclosed:**
 - (i) **prejudice the commercial position of the person who supplied it, or**
 - (ii) **confer a commercial advantage on a competitor of the council, or**
 - (iii) **reveal a trade secret.**

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REPORT:

Tender Background

Tender EC2013-215 for the Manufacture Supply and Delivery of DN 375mm Diameter Class 12 Pressure Pipe was reported to Council at its meeting of 12 December 2013 where Council resolved to award the tender for the supply of 3,500 metres of pipe to Iplex Pipelines Pty Ltd. The pipes are to be used in the upgrade of Sewer Rising Main 3018, Fraser Drive Tweed Heads South and Sewer Rising Main 5005 Creek Street Hastings Point.

Advice has been received from Iplex that due to major problems with their manufacturing plant, they will be unable to supply the DN 375mm mPVC Class 12 pressure pipe in accordance with agreed supply deadlines. Pipe delivery was expected week ending 31 January 2014 with pipe laying work on the Fraser Drive project to commence the first week of February 2014. Advice from Iplex indicates that pipe delivery is now expected in the last week of February 2014.

The delay in receiving pipe delivery has major implications on the Works Unit's Program scheduling, with alternate supply options needed to obtain pipe to satisfy the pipeline project construction time frames.

A copy of the alternate supply options is included in ATTACHMENT 1 which is CONFIDENTIAL in accordance with Section 10A(2)(d) of the Local Government Act, 1993, because it contains commercial information in relation to the tenders, the disclosure of which would be likely to prejudice the commercial position of the tenderers if it was provided. The information identifies the tenderer in relation to the tender price and the evaluation of the products offered by the tenderer. If disclosed, the information would be likely to prejudice the commercial position of the tenderer in terms of market competitiveness by giving their competitors an advantage. Accordingly, disclosure of the information is not in the public interest. Recommendations appear below for the Tender.

OPTIONS:

1. That Council terminates the supply arrangement as resolved at its meeting of 12 December 2013 with Iplex Pipelines Pty Ltd and an alternate supply arrangement for the supply of 3,500 metres of DN 375mm Diameter Pressure Pipe be awarded to Vinidex Pty Ltd.
2. That Council adheres to its original resolution for the supply of 3,500 metres of DN 375mm Class 12 Pressure Pipe from Iplex Pipelines Pty Ltd and makes amendments to the scheduled Works Program to accommodate the supply delay.

CONCLUSION:

That Council accepts the next ranked tender from Vinidex Pty Ltd for the supply of 3,500 metres of DN 375mm Class 12 Pressure Pipe.

COUNCIL IMPLICATIONS:

a. Policy:

Procurement Version 1.6.

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b. Budget/Long Term Financial Plan:

Sewer Rising Main (SRM) projects included in 2013/14 budget estimates.

c. Legal:

Not Applicable.

d. Communication/Engagement:

Inform - We will keep you informed.

UNDER SEPARATE COVER/FURTHER INFORMATION:

(Confidential) Attachment 1. Alternate Supply Options (ECM 3273756)
