Item 6.

Tender - T-2025-1713 - City Road Works and Services

File No: X127940

Tender No: T-2025-1713

Summary

This report provides details of the tenders received for the City Road Works and Services contracts.

This tender covers the provision of services to manage the City of Sydney's network of roads, footpaths, kerbs, drainage and other associated assets. These services support ongoing repair, renewal and capital works to maintain safety, accessibility and efficient transport movement in line with the City of Sydney's operational plans. It replaces the services previously delivered under the SSROC Sustainable Pavements panel contract, which expired on 30 June 2026.

This tender for the City's Road Works and Services was issued in March 2026. The tendered services include design and construction works, as well as material supply, delivered under schedule of rates contracts across 3 categories:

Category 1 – asphalt, concrete and road services

Category 2 – asphalt supply

Category 3 – ready-mixed concrete and concrete materials supply

The tender allows the City to determine the outcome of each category independently, including awarding categories separately or in combination to a single supplier, or electing not to proceed with a category, having regard to the tender evaluation and the best overall value to the City.

The services range from supplying pre-manufactured construction materials for immediate on-site use to delivering large-scale annual road resurfacing programs.

The City of Sydney is responsible for maintaining, renewing and upgrading approximately 330km of roads and 600km of footpaths, with an asset value of over $3.6 billion. The work is high volume, complex and high risk, requiring capable and experienced service providers to deliver road works and related services effectively.

The contract term will be 4 years, with the option of up to two 2-year extensions, subject to satisfactory performance.

This report recommends that Council accept the tender offer of Tenderer C for Category 1 and Tenderer N for Category 3 for the City Road Works contracts for 4 years, with two 2-year extension options.

This report also recommends that Council decline to accept the tender offers received for Category 2 (asphalt supply) and enter into negotiations with suitable vendors to deliver the service.

Recommendation

It is resolved that:

(A) Council accept the tender offer of Tenderer C for Category 1 (asphalt, concrete and road services), and Tenderer N for Category 3 (ready-mixed concrete and concrete materials supply) for City Road Works and Services for the total contract value (including contingency) outlined in Confidential Attachment A to the subject report and the schedule of rates outlined in Confidential Attachment B to the subject report, for a period of 4 years with 2 optional extensions of 2 years each, if appropriate

(B) authority be delegated to the Chief Executive Officer to finalise, execute and administer the contracts relating to Category 1 and Category 3 of the City Road Works and Services tender

(C) authority be delegated to the Chief Executive Officer to exercise the options referred to in (A), if appropriate

(D) Council decline to accept the tender offers for Category 2 (asphalt supply) of City Road Works and Services for the reasons set out in Confidential Attachment A to the subject report

(E) Council does not invite fresh tenders for Category 2 (asphalt supply), as it is considered that inviting fresh tenders would not attract additional suitable vendors over and above those that have responded to this tender

(F) authority be delegated to the Chief Executive Officer to enter into negotiations with any person with a view to entering into a contract on terms that are appropriate in relation to the subject matter of the tender for Category 2 (asphalt supply)

(G) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the contracts relating to the tender for Category 2 (asphalt supply)

(H) Council be informed of the successful vendor for Category 2 (asphalt supply) via the CEO Update.

(I) Council note that the total contract values (including contingency) for the City Road Works and Services contracts are outlined in Confidential Attachment A to the subject report.

Attachments

Attachment A. Tender evaluation summary (Confidential)

Attachment B. Schedule of rates (Confidential)

Background

1. The City of Sydney is responsible for maintaining, renewing and upgrading approximately 330km of roads and 600km of footpaths, with an asset value of over $3.6 billion.

2. The City uses contract resources for these services, to support a scalable approach in the management of its substantial infrastructure asset portfolio.. This arrangement ensures that the City has a resilient and effective long-term approach to delivering and managing infrastructure assets.

3. This tender is excluded under the Sourcing Framework Principles endorsed by Council on 25 August 2025 as the work involves major construction, requiring specialist services and plant.

4. The proposed City Road Works and Services contracts will continue to provide capacity to support demand peaks, specialised work types, geographic scalability and time-critical delivery requirements. As part of the tender, 3 separate contracts were proposed for the following categories: Category 1 – asphalt, concrete and road services; Category 2 – asphalt supply; and Category 3 – ready-mixed concrete and concrete materials supply. Categories 1 and 3 are being recommended for contract award. It is recommended that Council decline to accept the tender offers received for Category 2 and enter into negotiations with suitable vendors to deliver the service for the reasons set out in Confidential Attachment A.

5. This tender consolidates specialised road works and related services to deliver, planned maintenance to address defects to prolong asset life, condition-based planned renewal programs, and unplanned reactive maintenance across the City's road network. Services include road pavement and footpath repairs, drainage maintenance, rapid defect response, renewal works, emergency interventions and supporting functions. It also includes the integration of related services that are currently procured separately, such as ready-mixed concrete and concrete materials. This consolidated approach is intended to improve service responsiveness, reliability, commercial efficiency and scalability for essential infrastructure delivery.

6. The City Road Works and Services contracts are based on a schedule of rates structure, with the Producer Price Index rise-and-fall mechanism applying to all contracts.

7. Given the variability of civil infrastructure, it is anticipated that there will be circumstances where works will be required that are not envisaged in the schedule of rates that are unusual, unique or unknown at the time of tender, but which are of the general nature contemplated by the contracts.

8. To cater for these circumstances, the City Road Works and Services contracts will allow for suppliers to provide quotes on items not envisaged in the schedule of rates. The supplier must obtain competitive quotes for any such services (except in limited circumstances where this is not feasible, including emergency works). This arrangement is restricted to a cumulative upper limit of $249,999 inclusive of GST per project.

9. In circumstances where the total amount of non-schedule of rates items is expected to exceed the cumulative upper limit per project, a separate procurement process or approval will be required.

10. The City Road Works and Services contracts will ensure the City has the capability to:

    (a) maintain consistency in the City's approach to road services

    (b) scale resources from minor works (e.g. repair of small scale defects like potholes) to road re-sheeting programs and major road renewal programs, and promptly respond to emergency road works

    (c) coordinate a complex mix of service disciplines and high-risk activities

    (d) support innovation and sustainability improvements.

11. Internal maintenance teams will continue to deliver a portion of road and footway maintenance and traffic management activities, supporting the management of the City's substantial infrastructure asset portfolio, with asphalt and concrete being supplied for these activities under Categories 2 and 3 of the tender.

Invitation to tender

12. The request for tender was advertised on Tenderlink on 17 March 2026 and closed on 29 April 2026.

13. The Request for Tender was also available on the Supply Nation and NSW Indigenous Chamber of Commerce (NSW ICC) websites via their member opportunity boards.

Tender submissions

14. Fifteen submissions were received from the following organisations across the 3 categories:

    - ANR Engineering Pty Ltd (ABN: 47 640 156 752)
    - Bernipave Road Solutions Pty Ltd (ABN: 92 057 362 375)
    - Bitupave Ltd T/A NSW Boral Asphalt (ABN: 53 000 102 376)
    - Civotek Pty Ltd (ABN: 64 628 747 633)
    - D & M Excavations and Asphalting Pty Ltd (ABN: 92 057 362 375)
    - Downer Edi Works Pty Ltd (ABN: 66 008 709 608)
    - KK Consultants Pty Ltd T/A KK Civil Engineering (ABN: 45 096 363 254)
    - Mack Civil Pty Ltd (ABN: 94 163 885 943)
    - Metromix Pty Ltd T/A Metromix Concrete (ABN: 39 002 886 839)
    - NA Group Pty Ltd (ABN: 12 127 022 324)

- NSW Building and Civil Pty Ltd (ABN: 82 630 836 234)
- QUALITY MANAGEMENT & CONSTRUCTIONS PTY LIMITED T/as QMC Group (ABN: 29 067 829 323)
- State Asphalt Services Pty Ltd (ABN: 49 001 287 421)
- State Civil Pty Ltd (ABN: 88 159 352 271)
- Stateline Asphalt Pty Ltd (ABN: 76 138 667 759)

15. No late submissions were received.

Tender Evaluation

16. All members of the Tender Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.

17. The relative ranking of tenders as determined from the total weighted score is provided in the Confidential Tender Evaluation Summary – Attachment A.

18. The evaluation distinguished between tender conformance with the RFT returnable schedules and contractual requirements and compliance with the mandatory and gradable evaluation requirements. Where a submission was assessed as non-conforming or non-compliant, the basis for that determination is recorded in Confidential Attachment A.

19. All submissions were assessed in accordance with the approved evaluation criteria being:

Mandatory Criteria – for Categories 1, 2 and 3
Financial integrity and compliance with the required insurances
Compliance with Legal and Regulatory Requirements – Environmental Management Sydney – Work Health and Safety
Material acceptance of the City's standard form contract

High Level Gradable Criteria – for Category 1	**Score out of**	**Weighting %**
Demonstrated Experience and Capability	25	Non-Price Criteria 50%
Demonstrated Capacity and Resources	25	
Project Delivery and Methodology	20	
Heavy Vehicles Chain of Responsibility (HVNL) compliance	10	
Work, Health and Safety compliance	10	
Social Procurement, Environment, Sustainability	5	
Modern Slavery compliance	5	
Schedule of Rates	50	Price Criteria 50%
TOTAL		**100%**

High Level Gradable Criteria – for Categories 2 and 3	**Score out of**	**Weightings %**
Demonstrated Experience and Capability	20	Non-Price Criteria 50%
Demonstrated Capacity and Resources	30	
Product Supply and Delivery Methodology	20	
Heavy Vehicles Chain of Responsibility (HVNL) compliance	10	
Work, Health and Safety compliance	10	
Social Procurement, Environment, Sustainability	5	
Modern Slavery compliance	5	

High Level Gradable Criteria – for Categories 2 and 3	**Score out of**	**Weightings %**
Schedule of Rates	50	Price Criteria 50%
TOTAL		**100%**

Performance measurement

20. The performance of the appointed service providers will be assessed against a comprehensive list of key performance indicators to manage, monitor and evaluate performance against the contract requirements.

    (a) Category 1 KPIs:

        (i) Program and delivery performance

        (ii) Worksite and traffic management

        (iii) Quality of Works

        (iv) Work Health and Safety Compliance

        (v) Environmental compliance

        (vi) Administration and data management

        (vii) Communication and community engagement

        (viii) Aboriginal and Torres Strait Islander engagement.

    (b) Category 2 KPIs:

        (i) Collection – quantity of goods supplied matches the quantity specified in the purchase order

        (ii) Goods are made available for collection by the supply date stated in the purchase order or as requested by City staff

        (iii) Compliance – goods supplied by the supplier (including any goods later rejected by the City) must comply with the specification and be fit for purpose

        (iv) Work Health and Safety – zero report of incidents or notifiable occasions for or relating to the supply of goods regarding Work Health and Safety and environmental laws.

(c) Category 3 KPIs:

(i) Supply – quantity of goods supplied matches the quantity specified in the purchase order

(ii) Delivery – goods are delivered by the completion date stated in the purchase order or as requested by City staff

(iii) Compliance – goods supplied by the supplier (including any goods later rejected by the City) must comply with the specification and be fit for purpose

(iv) Zero report of incidents or notifiable occasions for or relating to the supply of goods regarding Work Health and Safety and environmental laws.

21. Performance reviews will be held periodically against these criteria to ensure quality of service, sustainability and contribution to the City's strategic objectives relevant to the services. Performance against the contractual KPIs will also inform the City's decision on whether to exercise either of the optional 2-year contract extensions.

22. The appointed supplier will also be required to maintain ongoing compliance with the City's modern slavery requirements during the contract term, including completion of the City's required periodic compliance confirmation.

Financial implications

23. The total contract value and contingency for the City Road Works and Services contracts are detailed in Confidential Attachment A.

24. The schedule of rates is detailed in Confidential Attachment B.

25. Funds are allocated for these works within the relevant capital and operational budgets and future years' forward estimates.

26. The quantity of work awarded each year is subject to approved works programs required to achieve desired service levels set out in asset management plans and expected by the community. The City does not guarantee any minimum quantity of works in any year.

Risks

27. A risk assessment was undertaken early in the procurement process to identify risks associated with the services and materials supply. The risks associated with the services are high given the heavy operational demands of the road network, the critical nature of material supply continuity, the highly visible urban locations, and the structural load-bearing requirements of civil assets such as road pavements, bridges, intersections, and surrounding retaining infrastructure.

28. To address these risks, the tender evaluation focused on highly experienced and capable tenderers that demonstrated significant relevant civil engineering and manufacturing experience, robust supply chain and plant capacity to guarantee material delivery, and a high level of technical competency and understanding of the service and quality standards required by the City.

29. The contract and works will be managed in line with the tolerances set out in the City's Risk Appetite Statement, particularly the following:

    (a) Financial Risk Appetite: The City has a responsibility to ensure that it has sufficient resources in the short, medium and long term to provide the levels of service that are both affordable and considered appropriate by the community.

    (b) Environmental and Sustainability Risk Appetite: We are dedicated to actively identifying and addressing environmental risks associated with our activities and services. We prioritise prevention and proactive measures to minimise our ecological footprint, conserve resources and protect ecosystems.

    (c) Service Delivery Risk Appetite: We recognise that external threats, shocks and disasters may cause disruption to our services and core functions. We aim to enhance our resilience, crisis management and business continuity capabilities in readiness for these events.

    (d) People: We are committed to the health, safety and wellbeing of our workers, residents, visitors and others who interact with our assets, operations and services.

    (e) Infrastructure, Technology, Assets and Property Risk Appetite: We place a high priority on ensuring the continuity of essential services delivered through infrastructure assets. Our risk appetite emphasises the need to protect and maintain critical infrastructure to minimise disruption to services, meet community expectations and to ensure public safety.

    (f) Legal and Compliance: We make decisions that align with our corporate objectives, policies and strategies.

Relevant legislation

30. The tender has been conducted in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.

31. Local Government Act 1993 - Sections 10A and 10B provide that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.

32. Attachments A and B contain confidential commercial information of the tenderers and details of Council's tender evaluation and contingencies which, if disclosed, would:

    (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business

    (b) prejudice the commercial position of the person who supplied it.

33. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest. The reasons supporting this are that disclosure of the confidential information would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers. In addition, disclosure of the information provided in the course of the procurement process and the assessment of that information would prejudice the commercial position of the participants in the procurement process.

Critical dates / Time frames

34. New contracts will commence as soon as practicable, following Council resolution and formal execution.

35. Postponing the decision to award the tender would result in delays in the commencement of the required services, potentially disrupting service delivery and creating gaps in continuity. Such a deferral could negatively impact operational efficiency, stakeholder satisfaction, and the timely achievement of project objectives.

36. The proposed initial contract term is 4 years, with the option of up to two 2-year extensions, subject to satisfactory performance. The total proposed contract length for both contracts (Category 1 and 3) if all options are exercised is 8 years, ending in 2034.

Public consultation

37. Public consultation was not required prior to the tender being advertised.

38. The City Road Works and Services contracts incorporate the requirement for the appointed suppliers to support the City's public consultation activities, including:

    (a) preparation of concepts, visualisations and designs

    (b) distribution of notification letters to nearby residents and businesses about forthcoming civil works

    (c) provision of site management, signage and traffic management plans

    (d) preparation of Communications Management Plans that are scaled to suit the type and complexity of civil works

    (e) dedicated project community liaison officers who continue to proactively engage with the community where warranted.

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