

5. **CONTRACT NO 2000/01-240 CARRIAGEWAY MAINTENANCE**

Officer responsible City Streets Manager	Author Richard Bailey, Maintenance Team Leader, DDI 371-1589
Corporate Plan Output: Roothing System Maintenance	

The purpose of this report is to seek approval for the acceptance of a tender which is above the \$300,000 authority delegated to Council officers.

The contract is for general carriageway maintenance and chipsealing of the roading network of a third of the city (Burwood/Pegasus and Hagley/Ferrymead Board areas).

The incumbent contractor is Fulton Hogan who were the highest scoring tenderer when the work was last tendered in 1998.

The tenders received were evaluated using Transfund’s Competitive Pricing Procedures (CPP) Quality Price Trade off method. Transfund subsidy is applicable to this project. Under this method a two-envelope system was used (non-priced attributes in one and price in a second envelope). The non-price attributes were evaluated and a dollar value was put on the highest scoring tender based on the added value that was estimated to be gained by the Council using that tenderer. The price envelope was then opened and the tender amounts were adjusted by the non-price attribute dollar value. The tender with the lowest adjusted price is the successful tender.

The evaluation team felt that all of the tenderers were more than capable of carrying out the work which reflects in the close range of overall scores (86–83). The tender evaluation team consisted of three Council officers.

The results of the tender evaluation are as follows:

Tender	Score	Adjusted Price for Evaluation of Tenderers
Fulton Hogan Ltd	86	\$2,412,894.00
Works Infrastructure	83	\$2,603,689.00
Isaac Construction Co Ltd	83	\$2,951,449.00
City Care	82	\$3,098,140.45

The recommended tenderer is Fulton Hogan. The tender price is \$2,652.894.00. All prices exclude GST.

Fulton Hogan’s tender submission offers a range of innovations ranging from a telescopic bitumen sprayer (used for more accurate bitumen application for resealing) to the use of dTIMS (a modelling programme used to develop a long term maintenance programme). The contract is for a period of three years with a possible extension for a further two years based on the contractor’s performance. It is intended to fund this from the carriageway maintenance and chipsealing budgets for the 2001/02, 2002/03, 2003/04 financial years.

The estimate for this work is \$2,500,000 based on the existing rates.

As required by clause 2.7.2 “Tender Evaluation – Quality Price Trade Off Method” of the Transfund New Zealand “Competitive Pricing Procedures Manual”, “the tendering authority shall enter into a contract for the tender with the lowest adjusted price”.

Recommendation: That the tender with the highest weighted attribute score and the lowest adjusted price from Fulton Hogan Ltd be accepted.

(Note: Councillor Wright declared an interest in respect to the above clause and retired from voting and discussion thereon.)