



27. 3. 2003

**REPORT BY THE CHAIRMAN OF THE  
SUSTAINABLE TRANSPORT AND UTILITIES COMMITTEE**

**PART A - MATTERS REQUIRING A COUNCIL DECISION**

**1. TENDER ACCEPTANCE FOR ISLINGTON SEWER SCHEME STAGE 1: CONTRACT 2002/03-142**

<b>Officer responsible</b> City Water & Waste Manager	<b>Author</b> Graeme Inglis, DDI 941-8715
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The purpose of this report is to seek approval to the assignment of Contract 2002/03-142 'Islington Sewer Scheme Stage 1' so that the contractor is Delta Utility Services Ltd rather than Dave Gutry Construction Ltd. This is because Delta Utility Services Ltd has now purchased Dave Gutry Construction Ltd.

**BACKGROUND**

An original tender from Dave Gutry Construction Ltd was accepted by the Council on 27 February 2003. Since this date, however, Dave Gutry Construction Ltd has been sold to Delta Utility Services Ltd, who were the second placed tenderer on this contract. Letters from both Dave Gutry Construction Ltd and Delta Utility Services Ltd confirming the impending sale have been received by the Council. Both companies have also requested that the contract be assigned to Delta Utility Services Ltd.

If the Council is willing to have Delta Utility Services Ltd complete the contract works, the Legal Services Unit has advised that the appropriate means of achieving that would be for the Council and Dave Gutry Construction Ltd (by agreement) to terminate the existing contract and for the Council to enter into a new contract with Delta on the same terms and conditions (including the originally lowest tender price) as the Council's agreement with Dave Gutry Construction Ltd.

Delta Utility Services Ltd, having purchased Dave Gutry Construction Ltd, have stated in writing that they are willing to undertake the contract for Dave Gutry Construction Ltd's original (lowest) price and under the same terms and conditions as Dave Gutry Construction Ltd's tender. Given that Delta were initially selected to tender for this contract (following a registration of interest process) and were then second lowest of the tenders submitted, their ability to do the work for this price does not seem to be in question.

For the reasons outlined it is considered appropriate to "assign" this contract to Delta Utility Services by the method described.

**SUMMARY**

Dave Gutry Construction has been sold to Delta Utilities who is an excellent and reputable contractor well known to the Council. It is recommended that the work be carried out by Delta Utilities for the same price tendered by Dave Gutry Construction.

(Note: There is keen interest to commence this contract, which is the reason why it is referred to this meeting.)

**Chairman's**

**Recommendation:**

1. That the Council resolve for the reasons stated in the report, pursuant to Section 247E of the Local Government Act 1974, not to tender the contract again.
2. That the Council, with the agreement of Dave Gutry Construction Ltd, terminate Contract 2002/03-142 with Dave Gutry Construction Ltd.
3. That the Council enter into a new contract for the Islington Sewer Scheme Stage 1 with Delta Utility Services Ltd at the same price of \$597,565 and upon the same terms and conditions as the prior contract with Dave Gutry Construction Ltd.

**CONSIDERED THIS 27TH DAY OF MARCH 2003**

**MAYOR**