

## 22. CONTRACT NO 2001/02 AMENITY CLEANING

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Corporate Plan Output: Information and Advice to Council	

The purpose of this report is to gain Committee approval for the acceptance of the above tender that is above the \$300,000 authority delegated to Council Officers.

The contract is for the cleaning of all the formed legal roads and public accessways within the city including inner city and suburban mall cleaning; sump cleaning and leaf clearing, and all roadside channel sweeping commencing on 1 July 2001.

The incumbent contractor is City Care who were the highest scoring tenderer when the job 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 by 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 assessed that the highest scoring tenderer (City Care) had a more relevant experience and a better track record than the other tenderer and assessed the value of this at \$170,000. This is the cost of employing extra resources to manage a contractor until they have gained the experience. Further detail on this is included in the report on Budget Implications in this agenda.

The tender evaluation team consisted of three Council Officers and the process was peer reviewed by Montgomery Watson.

The results of the tender evaluation are as follows:

<b>Tender</b>	<b>Score</b>	<b>Tender Price</b>	<b>Adjustment Value</b>	<b>Price for Evaluation of Tenderers</b>
Metallic Sweeping (1998) Ltd	80	\$6,797,606.92	-	\$6,797,606.92
City Care Ltd Alternative Tender	87	\$9,023,217.36	\$540,000	\$8,483,217.30
City Care Ltd	86	\$8,667,082.68	\$170,000	\$8,497,082.60
Onyx	Did not meet minimum score	Price enveloped returned	-	-

All prices exclude GST.

Metallic Sweeping (1998) Ltd is a Christchurch based company with a range of cleaning contracts around New Zealand. These include street cleaning, litter collection and CBD cleaning in Hamilton City, Tauranga District, Nelson City, New Plymouth, Hutt City and a number of smaller towns. They have also completed cleaning contracts in Dunedin City and Waitakere City. They currently have a contract with the Christchurch City Council for the maintenance of Bus Shelters. While many of these contracts are smaller than the contract being considered here the type of work and standards are similar. In their tender submission Metallic Sweeping offered a range of innovative measures including a proactive and customer focused approach to inner city litter collection and a comprehensive compliance monitoring procedure. While more resources will be required to manage this contractor the innovations offered will benefit the city.

It is the Tender Evaluation Teams opinion that, subject to extra resources being provided to manage the contract, Metallic Sweeping (1998) Ltd are capable of and able to meet all the requirements specified in this contract.

The contract is for a period of 3 years with a possible extension for a further 2 years based on the contractor's performance.

It is intended to fund this from the street cleaning, amenity maintenance and amenity cleaning budgets of 2001/02, 2002/03, 2003/04 years.

The estimate for this work is \$9,500,000 based on the existing expenditure. Due to the potential saving in budgets a further report will be submitted to the Committee detailing the impact on the budgets due to these savings.

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 tenderer with the lowest adjusted price, Metallic Sweeping (1998) Ltd be accepted.

**Chairman's  
Recommendation:** That the tender of Metallic Sweeping (1998) Ltd be recommended to Council for acceptance.