



R E P O R T	TO	COUNCIL
	FROM	KEN THOMPSON, DISTRICT ENGINEER
	FILE REF	DOC NUMBER 476156
	PORTFOLIO HOLDER	CR GREG HARRIS
	DATE	6 APRIL 2009
	SUBJECT	REPORT: AWARD OF TENDER UNDER DELEGATED AUTHORITY

RECOMMENDATION

THAT the report be received

AND THAT award of Contract HDC 363 Area Wide Treatment 2008/09, to Online Contractors Ltd for the amount of \$234,410 by the District Engineer under delegated authority be confirmed.

INTRODUCTION

This report summarises the tender evaluation and recommendation for the 2008 / 2009 Area-wide Treatments (AWT). This contract is for the construction of earthworks, drainage, pavement, sealing and associated works on Golden Valley Road, Waihi between 3901m and 5234m

BACKGROUND

Contract HDC 363 was advertised for Tender by means of the Local Government Online Limited E-Tendering System. Tenders closed at 4.00pm on Tuesday 17 March 2009 at the Hauraki District Council offices and were evaluated in accordance with Land Transport NZ's Lowest Price Conforming Method.

One Notice to Tenderer was issued during the tendering period, this clarifying that the cut to waste unit had changed on the Schedule of Quantities from a square metre (m²) basis to cubic metre (m³) basis. The m³ was a typographical error.

The estimate for the contract is \$287,171.00

TENDER OUTCOME

Six tenders were received. Tenderer's attributes were evaluated in accordance with the RFT using the Lowest Price Conforming Method as set out in Land Transport N.Z.'s Competitive Pricing Procedures. Tenders were evaluated by Carl Staples, reviewed by Virendra Prasad and Alex Mackenzie (Certified CPP Tender Evaluator).

The tender prices received varied between \$234,410.00 and \$378,781.60. Tenders were received from:

Downer EDI Works Ltd.
Fulton Hogan Limited (Waikato)
HEB Construction Ltd
Hibiscus Contractors Ltd.
OnlineContractors Ltd.
Transfield Services Ltd

Online Contractors Ltd. submitted the lowest tender price and passed when assessed against each of the non-price attributes. Online Contractors Ltd. is therefore the preferred tenderer.

There were no large price variances on schedule items between the Contract Estimate and the tender of Online Contractors Ltd. Prices for GAP 65 and WHAP 65 aggregate were the main contributing factor for the tendered price being lower than the estimate.

Online Contractors Ltd has not carried out any similar contracts for the Hauraki District Council over the past 5 years, but is recognised as a competent Contractor within the industry and this project is well within their capabilities.

Two referees nominated in Online Contractors Ltd tender submission have both been contacted and confirmed good performance by this contractor on various contracts the referees have supervised.

Budget Implications:

Council has budget provision available to fund a contract amount of \$234,410.00 for this contract:

W/C 214 Pavement Rehabilitation

The approved budget was initially \$490,000 for this work category however the 27 January 2009 Council meeting approved deferral of three of the pavement rehabilitation sites, value \$310,600, in order to fund the Council share of the Drought April 2008 recovery costs, document 460426 refers. This leaves a balance of \$179,400 available for both physical works and professional services.

As the original four sites were already designed by 27 January 2009, and the Consultant had been paid for this work worth \$16,290, the available balance reduces to \$163,110.

W/C 231 Associated Improvements

Funding was also applied for within the Associated Improvements work category as seal widening was justified to be carried out in conjunction with the pavement rehabilitation work. The approved budget for Associated Improvements was \$356,000. The deferral of Awaiti Valley Rd pavement rehabilitation, one of the three sites mentioned above, removes \$14,600 from this budget, leaving a balance of \$341,400. To date \$261,702 has been spent from W/C231 on other associated improvement items such as new kerb and channel, reducing the

available budget balance to \$79,698.

Funding in total \$242,808 is therefore available for this project, comprised of \$163,110 from Pavement Rehabilitation (W/C 214) and \$79,698 from widening (W/C 231), and sufficient funds are available for the tendered work to be completed.

CONCLUSION:

The tender amount is less than \$500,000, the lowest tender is preferred and the tender is within budget provision. The requirements for award of the contract under delegated authority are therefore complied with.

Ken Thompson
District Engineer