



**AGENDA FOR THE TENDERS DETERMINATION GROUP TO BE HELD IN  
THE MAYORAL LOUNGE, CIVIC CENTRE, 6 WAIPAREIRA AVENUE,  
LINCOLN, WAITAKERE CITY, ON TUESDAY, 26 OCTOBER 2004,  
COMMENCING AT 9.30 AM.**

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**1 APOLOGIES**



**2 CONTRACT NO. TA 03508B - CLARK STREET WIDENING AND RECONSTRUCTION**

**PURPOSE OF THE REPORT**

The purpose of this report is to seek approval to award Contract No. TA 03508B Clark Street Widening and Reconstruction.

**BACKGROUND**

The proposal is to reconstruct Clark Street between Portage Road and Crown Lynn Place owing to structural failure. Clark Street is a designated Arterial Road forming part of the overall New Lynn traffic strategy. The proposed work also includes minor widening to provide two lanes each way and a flush median to cater flexibility for future travel requirements in New Lynn Town Centre.

**SCOPE OF WORK**

The contract is to widen Clark Street between Portage Road and Crown Lynn Place on the southern side of the road over a length of approximately 300m. The widening will provide two through lanes in each direction separated by a painted flush median with right turn lanes into Ward Street, Hetana Street and Crown Lynn Place. The contract also includes excavation and replacement of the existing pavement to provide a new full depth pavement designed to meet future traffic flows along Clark Street. Clark Street currently exhibits significant areas of pavement failure with investigation revealing minimal basecourse depths and ground water problems.

**TENDERS RECEIVED**

Tenders were publicly advertised with three (3) sets of documents being uplifted. Three (3) tenders were received by the closing date of 7 October 2004. These are summarised in Table 1 below:

<b>TENDERER</b>	<b>REG OFFICE</b>	<b>TENDER PRICE (excl. GST)</b>
HEB Contractors Limited	Drury	\$1,031,485.14
M Keogh Contractors	Mangere	\$1,096,603.00
Fulton Hogan Limited	Silverdale	\$1,097,880.74
<b>Pre-tender contract estimate</b>		<b>\$1,131,362.00</b>

**Table 1 - Summary of Tender Prices**

## TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

These procedures require that where the tender includes Provisional Sums (work valued by the Principal and placed with in the Schedule of Prices) they are deducted from the Tender Sum prior to evaluating each tender.

In this contract there were Provisional Sums to the value of \$3,000.

The "Two envelope process" as described in Section 2.7 of the above manual was followed. Under this method, only the first tender envelope is opened and the non-price attributes evaluated for all tenders before the second envelope containing the tender price is opened, and the tender prices duly included in the evaluation.

A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper	Track Record	Tech Skill	Resour	Manag Skill	Method	Price	Contract Number TA 03508B
									Total Weights
	<b>Weights</b>	8	8	3	3	3	5	70	100
<b>Tenderer</b>	<b>Tender Sum - \$3,000 P.S</b>	<b>Grades</b>							<b>INDEX</b>
HEB Contractors	\$1,028,485.14	78	75	72	70	73	73	56	62
M Keoghan Contractors	\$1,093,603.00	60	77	63	57	63	60	50	54
Fulton Hogan Limited	\$1,094,880.74	77	80	78	77	80	83	50	59
Med.n Tender Price	<b>\$1,093,603.00</b>								

\*Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

## TAGS, ERRORS OR OMISSIONS

**M Keoghan Limited** - One Tag relative to negotiating the date of contract commencement. No errors or omissions.

**Fulton Hogan Limited** - No tags, errors or omissions.

**HEB Contractors Limited** - One error in one rate which was relatively insignificant and has been resolved with the company. The Tender Sum remains unchanged.

## CREDIT CHECK

A credit check on HEB Contractors Limited dated 13 October 2004 revealed a "high" risk of paying in a delinquent manner. This is solely due to slow or late payment for plant and equipment and their dynamic delinquency score is currently being investigated by Dun and Bradstreet. HEB Contractors have been requested to comment on the report and provide a statement clarifying the company's financial viability relevant to completing the terms and conditions of this contract.

HEB Contractors Limited has recently successfully completed a road widening contract for Council at a cost of \$475,000 and is well underway with another \$377,000 roading contract. There have been no issues regarding their performance or financial ability to carry out these contracts.

## SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by HEB Contractors Limited achieved the highest index of 62. This tender is also the lowest priced tender.

HEB Contractors Limited have recently completed the Lincoln Road Widening Stage 1 contract successfully and was awarded the Glengarry Road, Road widening and footpath contract which is progressing satisfactorily and will be virtually complete when this contract commences.

The recent history with Council is that the company can provide satisfactory workmanship and management skills subject to the personnel as may be allocated to respective projects. While there was a level of concern in this regard during the tender evaluation process, this has been resolved satisfactorily and we are satisfied that the personnel now allocated to this project are suitably skilled and experienced.

As part of Council's vision "Quality and Health and Safety is not negotiable" all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

## JOB COSTS

	<u>EXCL. GST</u>
Tender Sum - HEB Contractors Limited	\$1,031,485.14
Contingency	\$ 90,000.00
Engineering & Supervision	\$ 117,380.00
Disbursements - Geotechnical, consents etc.	\$ 13,411.00
Service Relocation	\$ 175,000.00
Land Purchase	\$ 100,000.00
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Total Job Cost	\$1,527,276.14
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## SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Clark Street Reconstruction	85-9871-49240	1,438,062	Nil	1,427,276.14	10,785.86
Road Reserve - General	75-9886-45940	200,000	100,000	100,000	Nil

## RECOMMENDATIONS

1. That the Contract No. TA 03508B - Clark Street, Widening and Reconstruction report be received.
2. That the tender from HEB Contractors Limited for Contract No. TA 03508B - Clark Street, Widening and Reconstruction in the sum of \$1,031,485.14 plus \$128,935.64 GST, totalling \$1,160,420.78 be accepted.
3. That the authority to enter into Contract No. TA 03508B - Clark Street, Widening and Reconstruction on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Edwin Dearham, Principal Transportation Engineer: Construction.

