

**SUPPLEMENTARY
A G E N D A**

Strategy and Policy Committee

Thursday 16 June 2011

REPORT IDENTIFIED IN THE AGENDA AS “TO BE CIRCULATED”

5.3 Grass Mowing Tenders 2011-14

(Please note that the table for 11/10 Rotherham Township & Cemetery has been amended since this report was first circulated.)

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HURUNUI
District Council

Meeting Date:
16 June

REPORT TO: STRATEGY AND POLICY COMMITTEE
SUBJECT: Grass Mowing Tenders for the 2011-2014 Contract Period
REPORT BY: Consents Engineer

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Signature:

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Manager

Summary Report

Tenders were invited by public advertisements for grass mowing of all townships in the District. Delta Utility Services Limited was the lowest tender for all contracts with the exception of 11/7 Waikari Township and Horsley Down Cemetery. Delta also offered an alternative tender with a 3% reduction in price if they were awarded all nine contracts. The weighted attributes score for Gavin Morrison and Delta Utility Services Limited alternative tender, for the Waikari contract was exactly the same, so logic dictates that all nine contracts should be awarded to Delta Utility Services Limited to gain the overall resulting saving of \$10,118.29 despite the marginal increase for the Waikari contract. It should be noted that a reasonable proportion of the expenditure for the Waikari Contract is from District wide accounts so the \$4,725.57 additional cost for this contract is offset by greater savings.

Recommendation

THAT APPROVAL BE GIVEN TO DELTA UTILITY SERVICES AS THE SUCCESSFUL TENDERER FOR GRASS MOWING CONTRACTS 11/1, 2, 3, 5, 6, 7, 9, 10 AND 11 FOR THE CONTRACT PERIOD 2011-14.

BACKGROUND

Over many years the Council has engaged contractors to undertake grass mowing within the District's urban townships and other specified areas. Included within these areas are road verges, reserves, cemeteries, medical centres, pensioners' flats and other council owned properties. The present contracts expire at the end of June and the new contract period is for a three year period from July 2011 to June 2014. Nine separate contracts were tendered to provide the opportunity for smaller local contractors to tender for the work.

The contracts were publicly advertised and the tenders below were received by closing time at 4.00pm on 2nd June 2011.

The tenders were evaluated using a weighted attribute method with 70% allocated to price and 30% to non-price attributes.

Delta Utility Services Limited also submitted an alternative tender for all contracts which was tagged as follows:

This alternative tender price is provided on the basis that DELTA is awarded the contracts for all current tenders being contract Nos. 11/1, 2, 3, 5, 6, 7, 9, 10, 11 providing savings based on reduced overhead costs by managing all contract areas.

Note: The tables below show both the separate and alternative Delta tender prices.

11/1 Cheviot Township & Homeview Cemetery

Contractor	Price Excludes GST
Delta Utility Services Limited	\$30,042.42
Downer EDI Works Limited	\$63,881.03
Michael Fitzgibbon	\$66,100.00
Delta Utility Services Limited (alternative tender)	\$29,141.03
Estimate	\$65,000.00

The current contract price is \$59,400.00 and the new contract includes some additional works not scheduled in the current contract.

11/2 Hanmer Springs Basin

Contractor	Price Excludes GST
Delta Utility Services Limited	\$194,056.05
Downer EDI Works Limited	\$268,550.25
Delta Utility Services Limited (Alternative tender)	\$188,233.59
Estimate	\$200,000.00

The current contract price is \$124,035.0300 but the new contract includes Queen Mary Hospital Historic Reserve mowing and some other additional works that are not scheduled in the current contract.

11/3 Amberley & Leithfield Townships, Balcairn & Glenmark Cemeteries

Contractor	Price Excludes GST
Delta Utility Services Limited	\$143,218.65
Downer EDI Works Limited	\$222,224.63
Lawnmowing Services	\$344,100.00
Sicon Ltd	\$485,000.00
Delta Utility Services Limited (Alternative tender)	\$138,921.52
Estimate	\$140,000.00

The current contract price is \$119,347.83 but the new contract includes reel mowing in the Domain (this was a variation to the contract) and some other additional works that are not scheduled in the current contract.

11/5 Waiau Township & Cemetery

Contractor	Price Excludes GST
Delta Utility Services Limited <i>Tagged Tender</i> <i>This price is submitted only on the basis that Delta Utility Services Ltd is awarded Contract 11/9 Grass mowing Culverden Township and Cemetery 2011-2014</i>	\$18,651.60
Gavin Morrison	\$23,230.00
Bruce Forbes	\$31,230.00
Downer EDI Works Limited	\$73,189.60
Mike McCulloch	\$150,600.00
Delta Utility Services Limited (Alternative tender)	\$18,091.98
Estimate	\$25,000.00

The current contract price is \$19,540.00 but the new contract includes other additional works not scheduled in the current contract.

11/6 Greta Valley Township & Omihi Hall

Contractor	Price Excludes GST
Delta Utility Services Limited <i>Tagged Tender</i> <i>This price is submitted only on the basis that Delta Utility Services Ltd is awarded Contract 11/1 Grass mowing Cheviot Township and Homeview Cemetery 2011-2014</i>	\$7,701.84
Waipara Mowing	\$17,340.00
Downer EDI Works Limited	\$30,632.35
Delta Utility Services Limited (Alternative tender)	\$7,470.75
Estimate	\$20,000.00

The current contract price is \$16,800.00 but the new contract includes additional works not scheduled in the current contract.

11/7 Waikari Township and Horsley Down Cemetery

Contractor	Price Excludes GST
Gavin Morrison	\$24,260.00
Delta Utility Services Limited	\$29,881.95
Waipara Mowing	\$36,360.00
Downer EDI Works Limited	\$79,997.79
Mike McCulloch	\$152,400.00
Delta Utility Services Limited (Alternative tender)	\$28,985.37
Estimate	\$30,000.00

The current contract price is \$26,650.00 but with variations applied over the term of the contract the costs have increased to \$33,530.57. Additional works such as edge trimming have been included for this contract.

There is one future additional variation anticipated over the period of this contract for the further development of the Village Green area.

When the weighted attributes were calculated for this contract using the separate tender prices, Gavin Morrison's score was the highest. However when the Delta price was reduced for their alternative tender, the scores of Gavin Morrison and Delta were exactly the same.

Because of the overall savings (district wide) provided with the alternative tender offered by Delta Utility Services Limited, and the tender tag proviso that Delta is awarded the contracts for all current tenders, it is recommended that Delta's tender for this contract is accepted.

11/9 Culverden Township & Cemetery

Contractor	Price Excludes GST
Delta Utility Services Limited	\$29,518.29
Gavin Morrison	\$39,270.00
Downer EDI Works Limited	\$78,434.09
John Bailey	\$344,988.00
Delta Utility Services Limited (Alternative tender)	\$28,632.62
Estimate	\$40,000.00

The current contract price is \$37,004.00 but the new contract includes other additional works such as edge trimming.

11/10 Rotherham Township & Cemetery

Contractor	Price Excludes GST
Delta Utility Services Limited <i>Tagged Tender</i> <i>This price is submitted only on the basis that Delta Utility Services Ltd is awarded Contract 11/9 Grass mowing Culverden Township and Cemetery 2011-2014</i>	\$19,287.63
Gavin Morrison	\$30,378.00
Downer EDI Works Limited	\$61,556.96
Mike McCulloch	\$157,800.00
Delta Utility Services Limited (Alternative tender)	\$18,708.92
Estimate	\$30,000.00

The current contract price is \$27,078.00 but the new contract includes other additional works such as edge trimming.

11/11 Amberley Beach Township

Contractor	Price Excludes GST
Delta Utility Services Limited <i>Tagged Tender</i> <i>This price is submitted only on the basis that Delta Utility Services Ltd is awarded Contract 11/3 Amberley & Leithfield Townships, Balcairn & Glenmark Cemeteries 2011-2014</i>	\$10,032.32
Lawnmowing Services	\$11,100.00
Downer EDI Works Limited	\$18,686.14
Mike McCulloch	\$58,400.00
Sicon Ltd	\$89,040.00
Delta Utility Services Limited (Alternative tender)	\$9,731.31
Estimate	\$8,000.00

The current contract price is \$5,400.00 but the new contract includes additional works such as drain spaying/trimming.

SUMMARY OF RECOMMENDED TENDERS

Contract		Contractor	Price Excludes GST
11/1	Cheviot Township & Homeview Cemetery	Delta Utility Services Limited	\$29,141.03
11/2	Hanmer Springs Basin	Delta Utility Services Limited	\$188,233.59
11/3	Amberley & Leithfield Townships, Balcairn & Glenmark Cemeteries	Delta Utility Services Limited	\$138,921.52
11/5	Waiau Township & Cemetery	Delta Utility Services Limited	\$18,091.98
11/6	Greta Valley Township & Omihi Hall	Delta Utility Services Limited	\$7,470.75
11/7	Waikari Township and Horsley Down Cemetery	Delta Utility Services Limited	\$28,985.37
11/9	Culverden Township & Cemetery	Delta Utility Services Limited	\$28,632.62
11/10	Rotherham Township & Cemetery	Delta Utility Services Limited	\$18,708.92
11/11	Amberley Beach Township	Delta Utility Services Limited	\$9,731.31
		Total	\$467,917.09

OPTIONS CONSIDERED

Public Tendering was the only option considered. However the option to advertise nine individual contracts for the district was chosen over one large mowing contract incorporating all the urban areas. The basis of this option was to provide the opportunity for smaller locally based contractors to submit tenders for townships that suited their level of mowing equipment.

POLICY AND PLAN CONSIDERATIONS

there are no inconsistencies with any Council Policy or Plans in the recommendations

SIGNIFICANCE

The recommendation is not deemed significant.

MĀORI IMPLICATIONS

Reference has been made to Te Poha o Tohu Raumati (Te Rūnanga o Kaikōura's Environmental Management Plan) on this issue, and no implications for Māori have been identified.

FINANCIAL CONSIDERATIONS

The matter is provided for in the approved annual plan and is within budget.

CONCLUSION

After considering all issues, options and the known views of those affected, as well as giving consideration to the level of significance and the legal and financial implications, the conclusion / recommendation of this report is THAT APPROVAL BE GIVEN TO DELTA UTILITY SERVICES AS THE SUCCESSFUL TENDERER FOR GRASS MOWING CONTRACTS 11/1, 2, 3, 5, 6, 7, 9, 10 AND 11 FOR THE CONTRACT PERIOD 2011-14.

COMMUNITY OUTCOME(S)

A desirable place to live, work and play
A healthy, safe place to live
Enhance our environmental responsibility

WELLNESS OUTCOMES

Infrastructure – Strong emphasis on service delivery across all core infrastructure, including roading, water quality and quantity for drinking and development, waste water, solid waste and telecommunications.

Social wellbeing – a healthy, safe place to live, with strong community spirit, involvement and opportunity for all.

Environmental wellbeing – comprehensive and continuous focus on all environmental responsibilities and sustainable planning.

Landscape & Outlook – recognising, enjoying, and treasuring Hurunui's rich landscape values: alpine, coastal, rural, townscapes, fresh air and clean skies.