

Decision released from confidential session			
Recommendation from (agenda report)	Date of meeting	Recommendation to (decision-making meeting)	Date of meeting
		Tenders Subcommittee	19 August 2020
Report Title and number			
EC4018 : Transfer Station Hoppers and Refuse/Greenwaste Cartage (R19233)			
Documents released			
Decision (TSC/2020/009)			
Decision			
<p>Resolved</p> <p>That the Tenders Subcommittee</p> <ol style="list-style-type: none"> 1. <u>Receives</u> the report Contract EC4018 : Transfer Station Hoppers and Refuse/Greenwaste Cartage (R19233) and its attachment (A2437350); and 2. <u>Awards</u> Fulton Hogan Limited the contract for Transfer Station Hoppers and Refuse and Greenwaste Cartage for an initial five year term (but up to a maximum of nine years) at an annual amount of \$420,000/annum (noting that the price is variable to cartage volumes and annual contract fluctuations); and 3. <u>Agrees</u> that Report (R19233), the Attachment (A2437350) and the decision be made publicly available once all tenderers have been advised. 			

Contract EC4018 : Transfer Station Hoppers and Refuse/Greenwaste Cartage

1. Purpose of Report

- 1.1 To approve the awarding of the Transfer Station Hoppers and refuse/greenwaste cartage contract (contract) to Fulton Hogan (FH).

2. Recommendation

That the Tenders Subcommittee

- 1. Receives the report Contract EC4018 : Transfer Station Hoppers and Refuse/Greenwaste Cartage (R19233) and its attachment (A2437350); and***
- 2. Awards Fulton Hogan Limited the contract for Transfer Station Hoppers and Refuse and Greenwaste Cartage for an initial five year term (but up to a maximum of nine years) at an annual amount of \$420,000/annum (noting that the price is variable to cartage volumes and annual contract fluctuations); and***
- 3. Agrees that Report (R19233), the Attachment (A2437350) and the decision be made publicly available once all tenderers have been advised.***

3. Exclusion of the Public

- 3.1 This report has been placed in the public excluded part of the agenda in accordance with section 48(1)(a) and section 7 of the Local Government Official Information and Meetings Act 1987. The reason for withholding information in this report under this Act is to:

- Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

4. Background

- 4.1 The current contract expires on 30 October 2020. The incumbent contractor is FH.
- 4.2 In March 2020 a Request for Tenders (RFT) was posted on GETS. The contract covers operation of the hoppers, receipt and disposal of tyres, scrap metal and appliances at the Pascoe Street transfer station and cartage of refuse to the regional landfill (York Valley), and cartage of greenwaste to the contracted processor in Richmond.
- 4.3 The term of the contract is for an initial five year term, with two extensions of two years, subject to the contractor meeting all the contractual KPI's (ie satisfactory performance). The total term could be nine years.
- 4.4 The contract value is \$420,000/annum (\$2.1M for the five years). A four year extension would take the total contract value to \$3.78M. This exceeds the limits of the Chief Executive's delegated authority and the contract has been referred to the Tenders Subcommittee for a decision. The contract will be subject to cartage volumes and normal annual contractual fluctuations.
- 4.5 There is adequate budget in the current financial year and Long Term Plan to cover this contract.

5. Discussion

- 5.1 Council received two responses - FH and Downer - and were evaluated on a Price/Quality method by the panel using a weighted non priced attribute model with attributes of safety, experience, plant and facilities, organisational structure and communication.
- 5.2 The panel comprised officers from Solid Waste and Capital projects teams. The assessment has FH as the preferred supplier. The tender evaluation summary is appended as Attachment 1.
- 5.3 FH have confirmed that their staff will be paid the living wage as well as overtime and allowances.

6. Options

6.1 The Subcommittee has two options as detailed below – award the tender or not award the tender. Officer’s support awarding the tender to FH.

Option 1: Award the tender to FH	
Advantages	<ul style="list-style-type: none">• Experienced contractor• Currently the incumbent• No upskilling required• Within council budget
Risks and Disadvantages	<ul style="list-style-type: none">• Nil
Option 2: Not Award the tender to FH	
Advantages	<ul style="list-style-type: none">• Nil
Risks and Disadvantages	<ul style="list-style-type: none">• Would need to go to market again• Would not meet the timeline to appoint a new contractor by 30 October 2020• Reputational risk of not appointing a contractor who meets all the requirements• Either of the tenders may not re-tender if Council goes back to market

7. Conclusion

7.1 FH is the preferred tenderer, within budget and officers support their appointment.

Author: Margaret Parfitt, Manager - Transport and Solid Waste

Attachments

Attachment 1: A2437350 Tender evaluation summary sheet EC 4018

Important considerations for decision making

1. Fit with Purpose of Local Government

This decision meets the purpose of local government to promote the social, economic, environmental and cultural well-being of communities in the present and for the future.

2. Consistency with Community Outcomes and Council Policy

The recommendation in this report aligns with the following Council's Community Outcomes - "Our infrastructure is efficient, cost effective and meets current and future needs" and "Our communities are healthy, safe, inclusive and resilient".

3. Risk

There is a low risk to appointing FH as the evaluation is in accordance with Council's Procurement Policy and are well known to Council.

4. Financial impact

The tendered price can be met from within the current year budget.

5. Degree of significance and level of engagement

This matter is of low significance as the contract is operational and no engagement is proposed.

6. Climate Impact

FH utilise the Green Star Framework to monitor greenhouse emissions and have company-wide carbon reduction targets of 5% year on year. Emissions will be included in annual reports.

7. Inclusion of Māori in the decision making process

No engagement with Māori has been undertaken in preparing this report.

8. Delegations

The Tenders Subcommittee has the following delegations in this matter:

Areas of Responsibility - To consider and award tenders that exceed the limits of the Chief Executive's delegated authority.

Powers to Decide - To award all tenders that exceed the limits of the Chief Executive's delegated authority.

Subject: TENDER EVALUATION SCORE SHEET : EC4018 TRANSFER STATION HOPPERS & REFUSE AND GREENWASTE CARTAGE

Summary Information:

Submissions: Two Tender Submissions were received (Fulton Hogan and Downer)

Downers Price: \$542,178

Fulton Hogan Price: \$420,000

Tender evaluation method: NZTA Price Quality Method

Weightings: 50% Attributes, 50% Price

Tender evaluation scoring summary:

Attribute	Tender Weighting (%)	Downer (Score)	Fulton Hogan (Score)
Relevant Experience/Track Record	15%	10 / 15	14 / 15
Commitment of plant of facilities to the tender	15%	12 / 15	14 / 15
Safety record	10%	8.7 / 10	7.7 / 10
Organisational structure and communication	10%	7.3 / 10	6.3 / 10
Total %	50%	30.5 / 50	38.7 / 50
Price	50%	\$542178 36 / 50	\$ 420,000 44 / 50

Preferred Tenderer: Fulton Hogan with a total score of 82.7 %