

20-Sep-2016

Michael Ellis
3 St James Place
Fairfield
Dunedin 9018

Dear Mr Ellis,

Official information request for TENDER EXPLANATIONS

I refer to your official information request dated 15-September-2016 for "a satisfactory explanation as to why it has, on a number of occasions recently, awarded tenders for much greater than the lowest conforming tenders submitted. Two such tenders were the Sand Sausage project on the St Clair waterfront...and the maintenance tender which was let for some two million dollars per year more than the lowest tender."

In response, the process that the council uses for evaluating tenders is decided in advance, based on the nature of the work.

Where price is the key consideration, a lowest price conforming method is used. However, in many cases factors other than price are relevant, for example how quickly the work can be completed, the method that the contractor proposes to use, how the contractor will engage with members of the public, how much equipment and skilled manpower can be called on by each company, how health and safety will be managed, the contractor's experience with similar work, and many other considerations.

Where factors other than price are important to the project, tenders are evaluated by scoring both the price and non-price attributes, and the overall score determines the successful tenderer. In both cases mentioned above, the competing tenders were scored on both price and non-price items, and the successful contractor was the one with the total highest overall score.

For more information about individual tenders I suggest you visit our website at www.dunedin.govt.nz and type "tender results" into the search field. This will bring up a list of recent tender reports including information about why each was awarded.

The rates department will be in touch with you regarding the un-paid portion of your rates.

Yours sincerely

Arlene Goss
Governance Support Officer