

STAFF REPORT

TO: Chairman and Members, Engineering Services Committee
FROM: Peter Thomson, Engineering Manager
DATE: 17 May 2010
SUBJECT: **TENDERLINK – ADVERTISING CONTRACT TENDERS ELECTRONICALLY – RESC10-05-05**
Report prepared for meeting of 27 May 2010

PURPOSE

The purpose of this report is to advise the Engineering Services Committee that the Engineering Department is now using Tenderlink, the Local Government Online portal to advertise contract tenders.

BACKGROUND

In October 2004, Local Government Online Limited (LGOL) selected TenderLink.com to provide electronic tendering technology through a portal connected to LGOL's website. The portal created was for local government in New Zealand and their suppliers. The technology enables councils to create their own tender notices and attach electronic documents to them. The system automatically notifies (by email) all interested suppliers of the new tender opportunity, and provides them with links to quickly download documents, and participate in online forums for each tender. It also handles addendums automatically, ensuring that each new addendum is forwarded to suppliers that have downloaded documents. The system also enables Councils to receive tender bids back electronically, into a secure electronic tender box, to complete the tendering process.

LGOL's e-tendering technology has been accepted by over 80% of all Councils in New Zealand. To measure the efficiency of the new system, Hamilton City Council completed an internal review. Their findings included:

- Estimated 36% cost saving in newspaper advertising costs.
- Estimated >75% reduction in staff hours involved in the tendering process.
- An overall 22% reduction in hard costs (excluding labour) for the tendering process.

The benefits of using Tenderlink are:

- Eliminating the need for contractors/suppliers to visit MWH to receive tender documents.
- Significant reduction in paper and photocopying costs (including labour).
- Removing any debate over closing time or application for late delivery of tenders because of logistical issues.
- Continuing the separation of pricing and non-pricing attributes as several electronic tender-boxes can be created for each tender.
- Maintaining security as boxes can only be opened by the holder/s of the electronic key.

- Eliminating the need for the Council's tender-box (date to be decided).

DISCUSSION

The Engineering Services Department, in partnership with MWH started using Tenderlink on 1 May 2010 to notify public tenders. We have advertised two contract tenders to date.

We will continue to advertise tenders in the usual manner, eg via The Nelson Mail for a period of three months until 1 August 2010. After this lead-in period print advertising will cease and all tenders will be notified via the Tenderlink website.

Contractors/suppliers are required to register and pay an annual subscription fee with Tenderlink to utilise the service. Most of the "larger" companies already use Tenderlink in other areas of the country.

Mike Price, Robyn Scherer and I are "key holders" for the Tenderlink system with Ray Firth, Lyn Kearney and Marjorie Bateson key holders for MWH.

The majority of administration work for the new system will be the responsibility of Lyn at MWH and she and Robyn are working closely to ensure the system runs smoothly.

Tender Documents

Tender documents, notices to tenderer and relevant information are published on the Tenderlink site and available for contractors/suppliers to download and print.

Should they be unable to download the documents from the Tenderlink website a copy of the tender documents will be available from MWH reception in Richmond during the lead-in period, ie until 1 August 2010.

Submission of Tenders

Submission of tenders will continue as per the current practice, ie submitted in hard copy by the closing date to the Tasman District Council tenders box at the Richmond office (or as otherwise specified on the Tender Notification Advertisement).

We intend to eventually use the Electronic Tender Submission option available on Tenderlink, however, this will be implemented at a date yet to be determined and only once we are fully satisfied with contractors and Council using the Tenderlink system.

RECOMMENDATION

THAT this report be received.

Peter Thomson
Engineering Manager