



## PUBLIC EXCLUDED

Report PE05.310  
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Committee Passenger Transport  
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### Tender for the Supply of 18 No. Wairarapa Railway Passenger Cars – Preferred Tenderer Decision

#### 1. Purpose

The purpose of this paper is to seek to enter into negotiations with Toll for the provision of 18/21 railway passenger cars for Wellington to Masterton services.

#### 2. Exclusion of the public

Grounds for the exclusion of the public under Section 48 (1) of the Local Government Official Information and Meetings Act of 1987 are:

That the public conduct of the whole or relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists (i.e. to preserve commercial confidentiality and to enable the Council to carry on negotiations) including commercial negotiations, without prejudice or disadvantage.

Interests protected:

- Greater Wellington Regional Council (GW)
- Daewoo International Corporation (Daewoo)
- Hai-Phong Railway Compartment Company (HRCC)
- Toll NZ Consolidated Limited (Toll)

All are parties to the tender of 18 Wairarapa railway passenger cars.

#### 3. Significance of Decision

The matters in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002

#### 4. Comment

On the 30 March 2005, the Council received 3 tenders in response to its request for tenders for the supply of 18 railway passenger cars (to be delivered in 3 identical train consists) to operate railway passenger services between Wellington and Masterton. The tenders were received from the following organisations:

- Daewoo International Corporation (Daewoo) of Korea
- Hai-Phong Railway Compartment Company (HRCC) of Vietnam
- Toll NZ Consolidated Limited (Toll) of New Zealand

Toll's tender proposed the use of re-built British Rail Mk2 carriages, essentially a development of the S Cars currently operating the Capital Connection service. However to ensure they complied with seating capacity and provide an adequate amount of luggage space their base bid (which a price was provided for) was for a 7-car consist, with the 7<sup>th</sup> car being a dedicated generator and luggage car. They did submit a technical offer for a 6-car consist but not a price. They also provided an option for fitting new bogies as opposed to using refurbished bogies.

Daewoo's bid proposed the use of brand new cars based on their standard export design.

HRCC's bid proposed the use of brand new cars based on an existing Vietnam Railway design.

The tenders were evaluated using an adapted Land Transport New Zealand Methodology, the Price Quality (Simple) Method. Three council officers evaluated the tenders, under the scrutiny of a probity auditor from Audit New Zealand, with external legal and technical support from Phillips Fox and Lloyds Register. Non-price evaluation attributes were as follows

- Track Record
- Technical Specification and Skills
- Relevant Experience
- Resources
- Management Skills
- Methodology

Daewoo's tender was quickly eliminated due to the proposed cars not being compatible with the New Zealand railway track and loading gauge.

Presentations were made by Toll and HRCC during May and a number of clarification questions were raised by the evaluation team.

Following the presentations and responses to the clarification questions being received, the HRCC bid was also rejected as being unacceptable in the two attributes of Resources and Methodology.

With the elimination of two bidders, only Toll was left as an acceptable bidder, but with the issue of only providing a price for a 7-car consist. However, as stated above, Toll had demonstrated that they could offer a compliant 6-car consist. Given this, the evaluation team agreed that the alternative 7-car arrangement was acceptable on which to proceed to open the price envelope for Toll since it provided a number of attractive improvements over the 6-car consist.

The price envelope for the Toll 7-car tender was opened on the 16 June 2005 and was found to be within the agreed budget of \$26.42M.

The Transport Department's officers now seek approval to enter into negotiations with Toll which will specifically include the following actions.

1. Toll is requested to provide a 6-car price.
2. Identification of the preferred options from the following.
  - 7-Car or 6-Car Consist
  - New Bogie versus refurbishment of existing bogie.

With regards to the new versus existing bogie, the deciding criteria will be as follows.

- Improved comfort.
- Life cycle costs.

With regards to 7-car versus 6-car consist, the deciding criteria will be

- Life cycle costs
- Improved seating and luggage capacity and wheelchair accessibility.

Full details of the evaluation process up to the opening of the price envelope is contained in the attached report (**attachment 1**) - *Tender For The Supply of 18 No. Railway Passenger Cars for Greater Wellington Regional Council – RFT Number RS10/5 Tender Evaluation Report (Pre-Price Opening)*.

## 5. Communication

A media statement has been prepared that sets the decision in the context of the Council's stated intention of upgrading the Tranz Metro Wellington rolling stock.

## 6. Recommendation

*That the committee,*

- 1. Receives the report.*
- 2. Agrees that Toll is the preferred tenderer for the provision of 18/21 railway passenger cars in response to RFT RS10/5.*
- 3. Authorises officers to negotiate a contract with Toll for the provision of the 18/21 railway passenger cars as indicated above.*
- 4. Agrees to make public that Toll is the preferred tenderer for the provision of 18/21 railway passenger cars.*
- 5. Agrees to advise Daewoo and HRCC that they have been unsuccessful in this tender.*

Report prepared by:

Report approved by

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**Attachment 1:** Tender For the Supply of 18 No. Railway Passenger Cars for Greater Wellington Regional Council – RFT Number RS10/5 Tender Evaluation Report (Pre-Price Opening).