

## Napier firm wins Karapiro Gully bridge contract over international rivals

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In 2014, Napier steel bridge firm Eastbridge Ltd was awarded the construction contract for the Karapiro Gully weathering steel bridge despite four offers from Chinese suppliers coming in at a lower initial tender cost.

A thorough tender evaluation process swung the decision in favour of the New Zealand bid.

Noel Band, HEB Construction Ltd's General Manager who was involved in the procurement decision with New Zealand Transport Authority, congratulated Eastbridge Ltd on what was a close tender.

"We visited four competing Chinese suppliers and had a close look at their facilities, quality assurance processes, and their overseas references on comparable jobs. Of these companies, three had formal international quality systems in place and we were satisfied that they could deliver a satisfactory job on time and to the quality requirements.

"Initially, there was a considerable cost difference between the New Zealand and overseas bids, but when we took into account cost and risk factors such as additional independent inspection costs, the price difference shrunk.



"Additional 'soft' factors including lower risk, the benefits of maintaining ongoing successful local business relationships, and consideration of the impact on the local economy, cumulatively helped swing the decision in Eastbridge Ltd's favour," Band said.

Bruce Mellsop, Eastbridge Ltd's Managing Director, shared insights on what Eastbridge Ltd included in their tender response:

"We know major New Zealand roading projects will attract bids from overseas. There are risks that the buyer needs to take into account when buying from overseas, and there are economic and social impacts for New Zealand. Eastbridge provided economic and social analysis in our Karapiro Gully bridge tender response to assist the buyer in making a balanced decision in line with the Government rules of sourcing."

Eastbridge demonstrated there would be \$8m in tax revenue gain for New Zealand if the steelwork was carried out entirely locally, that the economic multiplier value of the work for the Napier region would be in the order of \$1.3m, and New Zealand's trade balances would also be \$2.8m better off.

When completed, the Karapiro Gully weathering steel bridge will be an impressive 200 metres long and 40 metres high.



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### Additional information

For more information please contact the Better by Procurement team at New Zealand Trade & Enterprise (NZTE) Wellington. Telephone (04) 816 8100.