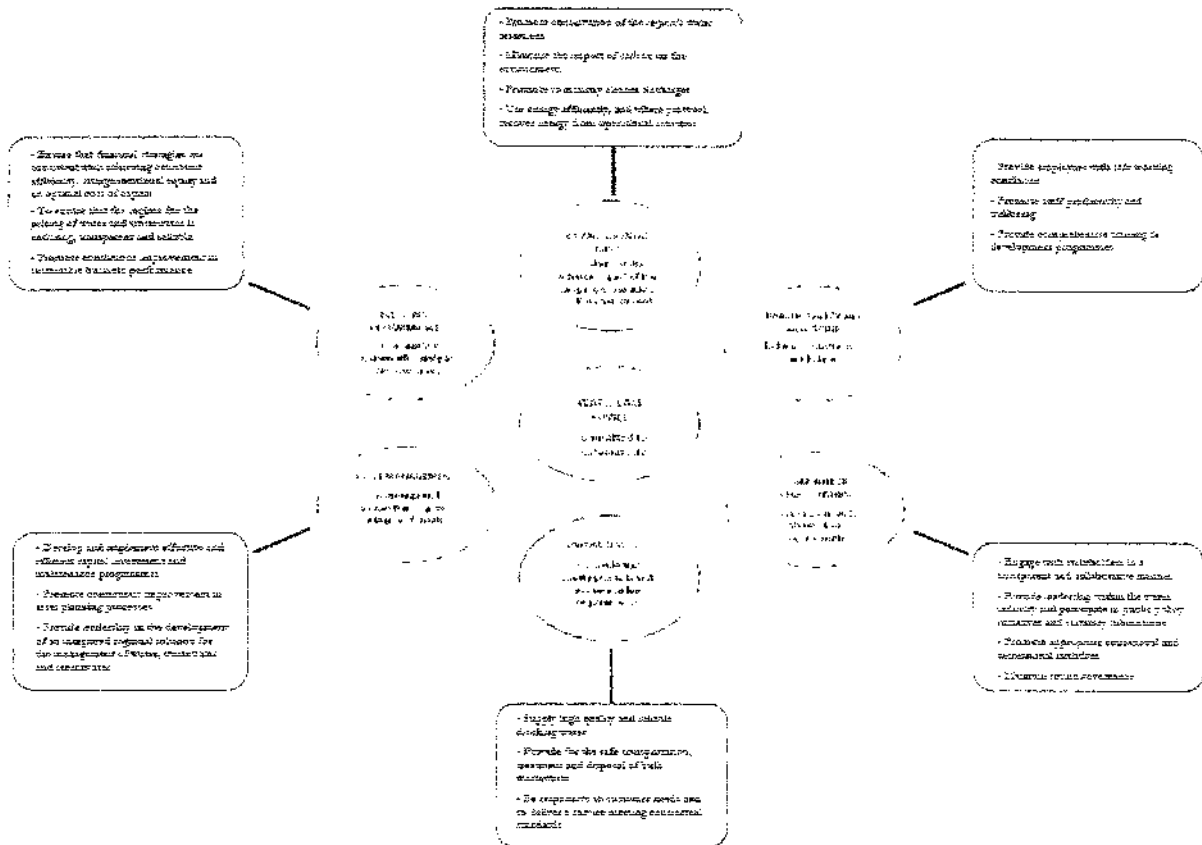


3. WATERCARE'S STRATEGIC PERFORMANCE OBJECTIVES

At a strategic level there are a number of performance objectives that the Shareholders Representative Group require Watercare to report performance against on a quarterly basis. These have been aligned to the sustainability policies and are detailed below.



Sustainability Policy	Strategic Performance Objective	Performance Measure <i>Strategic initiatives and tactical targets</i>
ENVIRONMENTAL CARE: To minimise the adverse impact of the company's operations on the environment	1. To promote conservation of the region's water resources.	<ul style="list-style-type: none"> To implement a bulk rising block tariff structure based on the long run marginal cost of water. To develop a new region-wide demand forecasting model by 30 June 2009
	2. To promote to industry cleaner discharges	<ul style="list-style-type: none"> To achieve a 'Bb' grade as set-out in the 2003 NZWWA guidelines for the safe application of biosolids to land.
	3. To minimise the impact of carbon on the environment.	<ul style="list-style-type: none"> To achieve a 50% CO₂ equivalent reduction from 1990

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	4. To use energy efficiently and where appropriate recover energy from operational activities.	levels. - To target 35% of energy needs sourced internally.
<i>HEALTH, SAFETY and WELL-BEING:</i> To be an industry best workplace.	5. To promote staff productivity and wellbeing. 6. To provide comprehensive training and development programmes. 7. To provide employees with safe working conditions.	- To attain a LTIFR of less than or equal to 12 - To target an unplanned absenteeism rate of 2.5% - To target over 20 training hours per employee. - To target a ratio of 2.25 of external to internal appointments - To maintain the tertiary level ACC workplace management practices accreditation.
<i>STAKEHOLDER RELATIONSHIPS:</i> To be responsive to stakeholder requirements.	8. To engage with stakeholders in a transparent and collaborative manner including the company's Maori and Environmental Advisory Groups. 9. To provide leadership within the water industry and participate in public policy initiatives and statutory submissions. 10. To promote appropriate educational and recreational initiatives. 11. To maintain sound governance	- To consult with all appropriate stakeholders in regard to key infrastructure projects. - To obtain annual feedback from the company's Advisory Groups on the consultation process. - To report on the number of policy initiatives and key submissions made per annum. - To continue with the Rain Forest Express and the 'Adopt a Stream' programmes. - Annual director performance reviews

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<p><i>CUSTOMER SERVICE COMMITMENT:</i></p> <p>To provide high quality products and meet customer service level requirements.</p>	<p>12. To supply high quality and reliable drinking water</p> <p>13. To provide for the safe transportation, treatment and disposal of bulk wastewater.</p> <p>14. To be responsive to customer needs and to deliver a service meeting contractual standards.</p>	<ul style="list-style-type: none"> - To maintain the public health grading of water treatment and networks of 'Aa'. - To ensure that demand can be met in a drought with a 1% probability of occurrence with 15% residual capacity in its reservoirs - To target less than or equal to six dry weather sewer overflows per annum. - To achieve 100% compliance with the customer contracts. - To achieve 90% or greater of customers that rate Watercare as 'good', 'very good' or 'excellent' using the annual satisfaction survey.
<p><i>ASSET MANAGEMENT:</i></p> <p>To manage and maintain the long-term integrity of assets.</p>	<p>15. To provide leadership in the development of an integrated regional solution for the management of water, wastewater and stormwater.</p> <p>16. To promote continuous improvement in asset planning processes.</p> <p>17. To develop and implement effective and efficient capital investment and maintenance programmes.</p>	<ul style="list-style-type: none"> - To develop three-waters implementation plans by June 2011. - To achieve 70% overall performance in the WSAA asset management benchmarking. - To ensure that capital projects have robust business cases and are delivered to plan. - To implement recommendations it considers appropriate arising from the 2008 AMP review - To continue with the implementation of the reliability centred

	18. To support collaborative planning and delivery initiatives with the customers.	maintenance (RCM) system.
<p><i>ECONOMIC PERFORMANCE:</i> To manage the business efficiently at minimum prices and to operate on a least-cost philosophy subject to fulfilling other environmental, social and legislative requirements.</p>	19. To ensure that financial strategies are consistent with achieving economic efficiency, inter-generational equity and an optimal cost of capital.	<ul style="list-style-type: none"> - To target an 'A' credit rating from Standard & Poor's. - To achieve within a three year period, and then to maintain, a funds flow from operations to interest cover of 3.5 times before any price adjustments. (on a S&P calculated basis) - In the event that the company's debt is guaranteed by the shareholders, then the following target will replace the above targets: <ul style="list-style-type: none"> ~ To achieve a funds flow from operations to interest cover of 2.5 times before any price adjustments.
	20. To ensure that the regime for the pricing of water and wastewater services is enduring, transparent and reliable.	<ul style="list-style-type: none"> - The pricing methodology enables the revenue to be set to recover all costs and provide for an adequate level of debt servicing. - The pricing methodology established cannot be changed without Watercare providing the LNO customers with three-years advance notification of a change.
	21. To promote continuous improvement in sustainable business performance.	<ul style="list-style-type: none"> - To continue to use the Project Improve initiative as the vehicle to deliver continuous improvement in business performance.

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APPENDIX

This appendix contains background information on the nature and scope of Watercare's activities and on significant issues facing the business. It also contains other information disclosures required by the Local Government Act.

A. NATURE AND SCOPE OF ACTIVITIES

A.1 Background

Watercare was established in 1992 as a Local Authority Trading Enterprise (LATE) responsible for the provision of bulk water and wastewater services to the Auckland region.

In 1998, ownership of the company was vested in the city and district councils of Auckland, Manukau, North Shore, Papakura, Rodney and Waitakere, having previously been owned by the Auckland Regional Services Trust.

Since 1 July 2003 when the Local Government Act 2002 (LGA 2002) came into force, Watercare has been subject to dual legislative regimes;

- the Watercare specific provisions of the Local Government Act 1974 (LGA 1974) , and
- the "Council Organisation" provisions of the LGA 2002.

Under the Watercare specific provisions of the LGA 1974 in section 707ZZZS Watercare is required to:

"manage its business efficiently with a view to maintaining prices for water and wastewater services at the minimum levels consistent with the effective conduct of that business and the maintenance of the long-term integrity of its assets".

A.2 Governance

Shareholders

The six Auckland local authorities own shares in Watercare in the following proportions

- Auckland City 41.6%
- Manukau City 25.1%
- Waitakere City 16.7%
- North Shore City 11.5%
- Papakura District 3.7%
- Rodney District 1.4%

Shareholder Representative Group (SRG)

The owners are represented, collectively, by the Watercare Shareholder Representative Group (SRG). Each of the six owners appoints two representatives to the SRG.

A Shareholders' Agreement, which was agreed between the six owners in 1998, sets out the role of the SRG and procedures for meetings of the group. In summary, the SRG:

- selects and appoints directors of Watercare
- approves Watercare's annual SCI
- considers the Asset Management Plans on behalf of the owners
- approves any major acquisition or transaction by the company on behalf of the owners
- reviews the performance of the Board
- liaises and consults on the company's financial performance

Decisions or actions on these points require the agreement of a representative of each of the shareholders collectively holding 75% or more of the shares in Watercare before they are binding on all shareholders.

The directors and senior executives meet the SRG quarterly to brief them on company operations.

Board of Directors

Watercare has an independent board of directors. The LGA 1974 stipulates that no person who is a member or an employee of a local authority may hold office as a director of Watercare.

Watercare's Constitution requires the directors manage the company in line with the annual SCI. Through the SCI, the directors are accountable to the owners, who are, in turn accountable to residents and ratepayers of the Auckland region.

Practically the directors determine the overall direction of the company in light of the objectives set out in the SCI and the statutory requirements for the company in the LGA. The directors make major decisions, including decisions on major new capital investment and on major business initiatives, in line with those objectives.

The directors are responsible for monitoring the performance of the company, and for monitoring the performance of the Chief Executive who has responsibility for managing the company on a day-to-day basis.

A.3 Business Overview

(a) Water Services

Watercare collects and treats raw water from the Hunua and Waitakere Ranges, the Waikato River and from groundwater sources at Onehunga. The Company supplies the Local Network Operators (LNOs) with potable water at contractually defined standards of quality and storage security.

Water demand for the 12 months ending June 2007 averaged 373,206 m³ per day. The bulk water supplied is reticulated by the LNOs to over 1,232,000 consumers.

(b) Wastewater Services

Watercare collects wastewater up to specified maximum flow rates, from Herald Island to Papakura. The Company's system services four LNOs, (Metro Water, Waitakere City Council, Manukau Water and United Water), over 600 Trade Waste customers and ultimately over 939,000 consumers.

Approximately 285,658 m³ per day of wastewater is received from the LNOs' systems and treated at the Mangere Wastewater Treatment Plant (WTP). Discharges from the treatment plant to the environment are controlled in accordance with resource consents granted by the ARC pursuant to the Resource Management Act 1991 (RMA).

(c) Laboratory Services

Watercare operates one of the largest water, wastewater and environmental laboratories in New Zealand. The analytical laboratory provides sampling, on site monitoring, analytical and scientific services. In addition, the air quality department provides ambient air and point source emission and odour monitoring. The laboratory services a wide range of clients both internally and nationwide.

(d) Engineering Consultancy Services

Watercare has internal resources that provide feasibility, design, contract administration, systems integration, commissioning and operating expertise as well as documentation services to both internal and external clients in the water and wastewater industries.

(e) Watercare's Organisational Structure

The company is organised under five major functional groups supported by an Office of the Chief Executive;

- Asset Management
- Operations Management
- Chief Engineer
- Finance
- Business Services
- Office of the Chief Executive

Asset Management

This functional group is responsible for asset planning, asset development, project management and delivery of new assets to the operations group. It also has responsibility for property and facilities management.

Operations Management

This functional group is responsible for water treatment operations, wastewater treatment operations, reticulation management, customer management, and maintenance services delivery.

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Chief Engineer

This functional group is responsible for risk, emergency preparedness, business improvement, research and development, energy and control systems and engineering information.

Finance

This functional group is responsible for treasury, accounting services, business information systems and procurement.

Business Services

This functional group is responsible for human resources, business planning, commercial services (including laboratory services and trade waste), environmental management and business development.

Office of the Chief Executive

This includes corporate relations, communications and internal audit.

B. SIGNIFICANT ISSUES

B.1 Operating Environment

A key issue facing Watercare is the strong growth of the Auckland region as outlined in the ARC Regional Growth Strategy. This will result in an increasing demand for water supply and wastewater services.

Efficient use of the existing infrastructure through demand management and inflow and infiltration control initiatives as well as enhancement and expansion of the infrastructure will be required to service this increase in demand.

At the same time, the requirement for reduced environmental impacts, formalised through resource consents issued under the RMA, will place increasing demands on the operational performance of existing infrastructure.

Watercare and the LNOs have acknowledged the mutual and regional benefits of sharing information and undertaking an appropriate level of joint planning when developing regional strategies and capital works programmes. Having established in June 2005 the integrated vision for the Auckland region's three-water services, Watercare is now leading, in line with the vision, the long term strategic planning for the efficient delivery of these services taking into account the challenges the region will face over the next fifty years and the health of the receiving water environment.

B.2 Water Supply

Watercare works closely with the Ministry of Health and the Ministry for the Environment to ensure water quality standards development are appropriate from a public health and affordability viewpoint.

The development of a new water source is currently planned to commence towards the end of the 20-year planning horizon. Watercare continues to support demand

management initiatives that could delay the requirement for the substantial investment allocated for source expansion.

Through the Water Advisory Group and the Auckland Water Management Plan, Watercare and the LNOs are working towards achieving the agreed demand management target of a 5% reduction in gross per capita water use over the next 20 years.

B.3 Wastewater Collection, Treatment and Disposal

Under the provisions of the Resource Management Act, Watercare is obliged to secure resource consents for discharges associated with the operation of the bulk wastewater collection systems.

Applications to renew the existing discharge consents were submitted in March 2001 to permit the continued operation of the wastewater collection system in compliance with the RMA.

Watercare has initiated a comprehensive project including a review of existing network models, joint catchment studies with the LNOs and the development of harbour and stream quality models to quantify the effects of wastewater overflows. The principal objective of the project is to ensure that overflow mitigation works are regionally optimised, fully accounting for the economic, environmental and social impacts.

Finalising statutory approvals for the replacement of the Hobson Bay sewer with an underground pipeline and completing the design and contract award for the construction and demolition works are important business objectives.

Following a comprehensive public consultative process, resource consents to upgrade the Mangere Wastewater Treatment Plant were granted in early 1998. A contract for the design and construction of the plant upgrade and the rehabilitation of the adjacent coastal foreshore was awarded in February 1998 and construction activities commenced in July 1998.

Now that the upgrade has been completed, the optimisation of the new treatment process will continue to be a major focus of attention.

B.4 Trade Waste

Trade Wastes are controlled and charged for under a framework established by the Auckland Metropolitan Drainage Act (AMDA) and by the supporting Trade Wastes Bylaw as amended by Watercare. The Local Government Act allows Watercare to operate under the AMDA and to continue the use of the bylaw until 30 June 2010.

Watercare is continuing to review its Trade Wastes control programmes, including monitoring the contaminant levels in the biosolids, and is implementing changes as required to ensure that management of Trade Wastes is aligned to the upgraded WTP processes, its resource consent requirements and the needs of the LNOs. Watercare is committed to consulting the LNOs and other stakeholders to ensure that any changes meet the needs of all concerned.

B.5 Customer Contracts

The current Agreement Relating to the Supply of Bulk Water with all the LNO customers expires on 30 June 2008.

Negotiations for a new contract are underway and in line with the 2007 SCI objective, Watercare is seeking to have included within the customer contracts a defined and enduring revenue-setting methodology. In addition, Watercare has proposed a rising block tariff based on the principle of long run marginal costing.

The rising block tariff provides an indication of the future costs of providing additional water, which incentivises the LNOs to further invest in leakage reduction and explore other water demand initiatives. It ensures that the LNOs responsible for growth in water demand will pay their fair share of the costs associated with providing for that growth.

The current Agreement Relating to the Collection of Domestic Wastewater also expires on 30 June 2008.

Negotiations for this new contract have also commenced. Similar to the Agreement Relating to the Supply of Bulk Water, in line with the 2007 SCI objective, Watercare is seeking to have included within the customer contracts a defined and enduring revenue-setting methodology.

B.6 Funding

Watercare is investing in a significant capital works programme that will ensure Auckland continues to receive a secure high quality water supply and safe wastewater collection, treatment and disposal.

Watercare's financial strategies are developed to ensure they are consistent with the goals of achieving economic efficiency, intergenerational equity and optimal cost of capital.

To give effect to intergenerational equity by maintaining an appropriate balance between revenue and debt funding, it is important that Watercare maintains an appropriate investment grade credit rating to enable debt raising necessary from a wide variety of sources and at attractive interest rates. Watercare's current A-1/A short and long-term credit ratings reflect the company's sound financial situation.

In January 2008 Standard & Poor's (S&P) revised its outlook on Watercare to negative from stable. At the same time they affirmed the 'A' credit rating on Watercare and its related debt issues. S&P stated that the revised outlook reflects their rising uncertainty as to whether Watercare will ultimately achieve the price increases and/or alternative funding arrangements required to fund its necessary capital expenditure while maintaining intermediate credit metrics. S&P went on to say that the uncertainty arises from delays in Watercare's shareholders committing to guaranteeing the funding of the company's increasing capital expenditure requirements.

B.7 Regional Water and Wastewater Industry Synergies

Watercare is looking for opportunities to capture synergies and efficiency benefits within the Auckland Water and Wastewater industry and is working closely with existing customers on a number of initiatives.

Any significant proposal for change arising from discussions with the customers will require shareholders' approval as set out in section C.6 of the SCI and as required under the LGA 2002.

C. OTHER INFORMATION

C.1 Shareholders' Funds

	2008/09	2009/10	2010/11
Consolidated Shareholders' Funds to Total Assets			
Consolidated Shareholders' Funds to Total Assets (historic cost)			

Note:

1. Consolidated Shareholders' Funds are defined as Issued and Paid Up Capital, Revaluation Reserve and Retained Earnings.
2. Total Assets are defined as Net Book Value of Current Assets, Investments and Fixed Assets as disclosed in the Company's Statement of Financial Position.
3. The ratio of Consolidated Shareholders' Funds excluding the revaluation reserve to Total Assets less the revaluation reserve is referred to as the historic cost basis.

C.2 Accounting Policies

Watercare's financial statements are prepared in accordance with the New Zealand International Financial Reporting Standards.

C.3 Application of Surplus Funds

Watercare is prohibited by legislation from paying a dividend.

Watercare annually reviews any water and wastewater surpluses and considers if the return of such surpluses to the customers is commercially prudent.

Watercare has developed a Pricing Adjustment Mechanism that allows for prices to customers to be reduced in circumstances where in aggregate, the company's performance in the year is significantly better than anticipated. The pricing adjustment in these exceptional circumstances will be made in the year it occurs.

C.4 Information to be provided to the Shareholders

Watercare will meet the requirements of the LGA 1974 and LGA 2002, the Companies Act 1993 and the reasonable requirements of the Shareholders. In particular, the following information will be provided:

- *Annual Statement of Corporate Intent (SCI)*

Watercare will provide a draft and final SCI in accordance with the LGA. The Directors will include any other information they consider appropriate.

The draft SCI will be provided to the Company's shareholders on or before 1 March each year and the final SCI by 30 June each year in terms of the new LGA 2002 and Watercare specific provisions in the LGA 1974.

- *Asset Management Plan*

In accordance with ss707ZZZS(1)(k) and (m) of the LGA 1974, Watercare will provide an indicative Asset Management Plan to each shareholder at least four months before the end of the financial year, will consider written submissions made by each shareholder on that plan and will include in the SCI a summary of Watercare's proposals in respect of the submissions.

An assessment of the costs and benefits of significant proposed projects and their alternatives, including the impact of demand management and efficient pricing, and the commercial and operational risks of not proceeding with the project, deferring it or bringing it forward will be included in the Asset Management Plan.

- *Funding Plan*

In accordance with ss707ZZZS(1)(l) and (m) of the LGA 1974, Watercare will provide an indicative Funding Plan to each shareholder at least four months before the end of each financial year, will consider written submissions made by each shareholder on that plan and will include in the SCI a summary of Watercare's proposals in respect of the submissions.

- *Management Reports*

Management reports will be provided within one month of the end of the September and March quarters and within two months of the end of the December and June quarters, including:

- The unaudited Statement of Financial Position as at the end of the preceding quarter, and the Statement of Financial Performance, Statement of Cash Flows and a capital expenditure summary for the year to date and the preceding quarter. These statements will include comparative budget data and variances.
- A commentary upon significant matters that occurred in the previous quarter including comments on financial results and significant matters expected in the next quarter.

- The return on equity for the preceding quarter and year to date.
- Particulars of any assets sold during the preceding quarter where the aggregate value of associated assets exceeds \$1 million.
- Reasons for, and impacts of variance from the capital expenditure programme which was identified in the Asset Management Plan.
- A commentary on significant capital projects in progress
- A commentary on material changes, if any, in capital expenditure from that reported in the AMP.
- A report on the achievement of the SCI performance targets.
- Any reasonable request for information.

The statutory obligations to provide shareholders with a half-year and a full year report on operations will be met by the management reports for the December and June quarters respectively.

▪ *Annual Report*

Watercare will produce an Annual Report that covers sustainability performance together with the audited financial and service performance statements.

The report will be provided within three months of the end of the financial year in accordance with the LGA, and will meet the reporting requirements of the Companies Act and the Financial Reporting Act. It will comply with New Zealand International Financial Reporting Standards and will include any other information the Directors consider appropriate.

▪ *Shareholder Consultation*

Watercare will maintain an ongoing dialogue with the shareholders, to ensure they are aware of major issues facing Watercare and are satisfied that Watercare is meeting its business and performance targets.

In particular Watercare will keep its shareholders informed of any submissions it makes on significant areas of legislative change.

C.5 Procedure for the acquisition of shares

The Directors will consider all share investment proposals.

Any decision to invest in or divest shares in another company or to enter into a joint venture relationship or participation arrangement through equity or operating agreements, will be made by the Directors in accordance with Watercare's constitution. The shareholders will be consulted in the event that an investment or divestment of this nature will create a significant increase in risk exposure.

C.6 Events requiring Shareholder approval

Shareholder approval will be obtained prior to Watercare entering any business activity that significantly changes or is outside the nature and scope of Watercare's current activities.

C.7 Activities for which the Company seeks compensation from any Local Authority

Watercare maintains commercial arrangements with the Auckland Territorial Authorities for functions, duties or services that Watercare is required to undertake. These include supply of water, collection of wastewater and trade wastes functions. However these negotiations will be without prejudice to Watercare's rights at law to impose reasonable charges for the supply of its services.

C.8 Directors' estimate of the Commercial Value of the Shareholders' Investment

The inclusion of an estimate of commercial value is a statutory requirement.

Watercare is however prohibited by the LGA from being privatised. Legislative restrictions prevent Watercare's shareholders from selling their shares and prevent Watercare from paying dividends to its shareholders.

The book value of the shareholders' investment at 30 June 2007 was \$1,285m based on the accounts maintained by Watercare in accordance with the stated accounting policies. The Directors may from time to time requisition an independent valuation of the shareholders' investment.

C.9 Asset Management Plans and Funding Plans

The Asset Management Plan (AMP) for the 2009 to 2028 planning period was issued to the shareholders on 1 December 2007.

Watercare's Funding Plan for the 2008/2009 financial year was issued to the shareholders on 28 February 2008.

Comments from the shareholders are expected prior to the finalisation of the SCI.

C.10 Disposal of Assets

The Company will consult with the shareholders prior to the disposal of any part of its undertakings, which, in any one-year, exceed in aggregate 5% of the current book value of its assets.

**MINUTES OF A MEETING OF THE TENDERS SUBCOMMITTEE HELD AT WAITAKERE
CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON, WAITAKERE,
ON FRIDAY, 7 MARCH 2008, COMMENCING AT 9.01 AM**

PRESENT: Councillors RI Clow (Chairman)
JM Clews, QSO, JP (Deputy Chairman)
WW Flaunty, QSM, JP
Acting Director: Corporate & Civic Services
Director: Strategic Performance
Director: Finance

IN ATTENDANCE: Group Manager: Asset Management
Service Manager: Parks and Open Spaces
Project Manager: Operations
Team Leader: Parks Assets Development
Parks Contract Officer Environment
Parks Project Development Officer
Committee Administrator: S Riley

1 APOLOGIES

234/2008

MOVED by J Johnson, seconded Cr Clews:

That apologies from V Vaidyanath, J Dragicevich, G Campbell and W Thomas for absence be received and sustained.

CARRIED

2 URGENT BUSINESS

There was no Urgent Business.

3 CONFLICTS OF INTEREST

Elected Members were reminded via the agenda, of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member of the Council and any private or other external interest they might have.

4 CONFIRMATION OF MINUTES

235/2008

MOVED by Cr Flaunty seconded Cr Clews:

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 22 February 2008, as circulated, be taken as read and now be confirmed.

CARRIED

5 CONTRACT NO. PK08004A - VEGETATION CONTROL - PROGRAMMED MANAGEMENT

236/2008

MOVED by Cr Clews seconded J Johnson:

1. That the Contract No. PK08004A - Vegetation Control - Programmed Management report be received.
2. That the tender from Wildland Consultants Limited for Contract No. PK08004A - Vegetation Control - Programmed Management in the sum of \$106,369.48 plus \$13,296.18 GST, totalling \$119,665.66 be accepted.
3. That the commitment to the 2008/2009 financial year for Contract No. PK08004A - Vegetation Control - Programmed Management totalling \$ 58,484.74 plus GST be approved.
4. That the commitment to the 2009/2010 financial year for Contract No. PK08004A - Vegetation Control - Programmed Management totalling \$ 58,484.74 plus GST be approved.
5. That authority to enter into Contract No. Pk08004A - Vegetation Control - Programmed Management on behalf of Council be delegated to the Group Manager: Asset Management.

CARRIED

6 CONTRACT NO. PK08007A - REVEGETATION PROGRAMME

237/2008

MOVED by S Bidrose, seconded Cr Clow:

1. That the PK08007A - Revegetation Programme report be received.
2. That approval be given to publicly call for tenders for Contract No. PK08007A - Revegetation Programme for a contract period spanning three (3) years from 1 May 2008 to 30 September 2010.
3. That the results of the tender evaluation process for Contract No. PK08007A - Revegetation Programme be reported back to the Tenders Subcommittee for approval.

CARRIED

7 CONTRACT NO. PK07030A - PIHA DOMAIN FOOTBRIDGE CONSTRUCTION

238/2008

MOVED by S Bidrose, seconded A Pollock:

1. That the Contract No. PK07030A - Piha Domain Footbridge Construction report be received.
2. That the Tenders Subcommittee recommends to the Finance and Operational Committee that funding of \$162,522.00 from the Waitakere River Protection Measure Budget be allocated to Contract No. PK07030A - Piha Domain Footbridge Construction to fund the budget shortfall.

3. That subject to resolution (2) above the tender from Fort Project Management Limited for Contract No. PK07030A - Piha Domain Footbridge Construction in the sum of \$702,225.00 plus \$87,778.13 GST, totalling \$790,003.13 be accepted.
4. That a bond of \$70,222.50 (10% of the contract sum) for Contract No. PK07030A - Piha Domain Footbridge Construction be secured before Fort Project Management Limited commences work on site.
5. That authority to enter into Contract No. PK07030A - Piha Domain Footbridge Construction on behalf of Council be delegated to the Group Manager: Asset Management.

CARRIED

8 CONTRACT NO. TA06060C - ARMADA DRIVE CYCLEWAY: PHYSICAL WORKS

239/2008

MOVED by Cr Clow, seconded Cr Clews:

1. That the Contract No. TA06060C - Armada Drive Cycleway: Physical Works report be received.
2. That the tender from Highways Systems Limited for Contract No. TA06060C - Armada Drive Cycleway: Physical Works in the sum of \$277,812.09 plus \$34,726.51 GST, totalling \$312,538.60 be accepted.
3. That authority to enter into Contract No. TA06060C - Armada Drive Cycleway: Physical Works on behalf of Council be delegated to the Group Manager: Asset Management.

CARRIED

9.07 am

The Chairman thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AT A MEETING OF THE TENDERS
SUBCOMMITTEE HELD ON

DATE:.....

CHAIRMAN:.....

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**MINUTES OF A MEETING OF THE TENDERS SUBCOMMITTEE HELD AT WAITAKERE
CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON, WAITAKERE,
ON FRIDAY, 28 MARCH 2008, COMMENCING AT 9.00 AM**

PRESENT: Councillors JM Clews, QSO, JP (Deputy Chairman, Presiding)
WW Flaunty, QSM, JP
Director: Strategic Performance
Director: Finance

IN ATTENDANCE: Group Manager: Asset Management
Asset Planning Manager
Senior Transport Engineer
Contracts Engineer: Project Services
Contracts Coordinator: Project Services
Senior Committee Administrator: S Riley

1 APOLOGIES

487/2008

MOVED by A Pollock, seconded S Bidrose:

That apologies from Cr Clow, V Vaidyanath, J Dragicevich, J Johnson, G Campbell and W Thomas for absence be received and sustained.

CARRIED

2 URGENT BUSINESS

There was no Urgent Business.

3 CONFLICTS OF INTEREST

Elected Members were reminded via the agenda, of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member of the Council and any private or other external interest they might have.

4 CONFIRMATION OF MINUTES

488/2008

MOVED by Cr Flaunty, seconded Cr Clews:

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 7 March 2008, as circulated, be taken as read and now be confirmed.

CARRIED

5 CONTRACT NO. EW07001U - STORMWATER UPGRADE PROJECTS FOR 13 RIVERVIEW ROAD TO RIMU STREET

489/2008

MOVED by Cr Flaunty, seconded A Pollock:

1. That the Contract No. EW07001U - Stormwater Upgrade Projects for 13 Riverview Road to Rimu Street report be received.
2. That the tender from Coast Digger Services Limited for Contract No. EW07001U - Stormwater Upgrade Projects for 13 Riverview Road to Rimu Street in the sum of \$305,132.40 plus \$38,141.55 GST, totalling \$343,273.95 be accepted.
3. That authority to enter into Contract No. EW07001U - Stormwater Upgrade Projects for 13 Riverview Road to Rimu Street on behalf of Council be delegated to the Group Manager: Project Services.

CARRIED

6 CONTRACT NO. EW07020A - NORSGA - INFRASTRUCTURE CONCEPT AND ENGINEERING EVALUATION

490/2008

MOVED by Cr Flaunty, seconded A Pollock:

1. That the Contract No. EW07020A - NORSGA - Infrastructure Concept and Engineering Evaluation report be received.
2. That the tender from URS NZ Limited for Contract No. EW07020A - NORSGA - Infrastructure Concept and Engineering Evaluation in the sum of \$1,088,010 plus \$136,001 GST, totalling \$1,224,011 be accepted.
3. That the commitment to the 2008/2009 financial year for Contract No. EW07020A - NORSGA - Infrastructure Concept and Engineering Evaluation totalling \$833,010 plus GST be approved.
4. That authority to enter into Contract No. Contract No. EW07020A - NORSGA - Infrastructure Concept and Engineering Evaluation on behalf of Council be delegated to the Group Manager: Asset Management.

CARRIED

7 CONTRACT NO. EW08009A - NORSGA - INFRASTRUCTURE CONCEPT AND ENGINEERING EVALUATION FOR PLAN CHANGE 13 AREA

491/2008

MOVED by Cr Flaunty, seconded S Bidrose:

1. That the Contract No. EW08009A - NORSGA - Infrastructure Concept and Engineering Evaluation for Plan Change 13 Area report be received.
2. That the tender from Connell Wagner Limited for Contract No. EW08009A - NORSGA - Infrastructure Concept and Engineering Evaluation for Plan Change 13 Area in the sum of \$133,250 plus \$16,656 GST, totalling \$149,906 be accepted.
3. That the commitment to the 2008/2009 financial year for Contract No. EW08009A - NORSGA - Infrastructure Concept and Engineering Evaluation for Plan Change 13 Area totalling \$48,250 plus GST be approved.

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4. That authority to enter into Contract No. EW08009A - NORSGA - Infrastructure Concept and Engineering Evaluation for Plan Change 13 Area on behalf of Council be delegated to the Group Manager: Asset Management.

CARRIED

8 CONTRACT NO. TA07023A - PROFESSIONAL SERVICES FOR ALDERMAN DRIVE AND PIONEER PARK DEVELOPMENT

492/2008

MOVED by A Pollock, seconded Cr Flaunty:

1. That the Contract No. TA07023A - Professional Services for Alderman Drive and Pioneer Park Development report be received.
2. That the tender from GHD Limited for Contract No. TA07023A - Professional Services for Alderman Drive and Pioneer Park Development in the sum of \$671,710.00 plus \$83,963.75 GST, totalling \$755,673.75 be accepted.
3. That the tender for Contract No. TA07023A - Professional Services for Alderman Drive and Pioneer Park Development be awarded to other than the lowest priced tender, because the weighted attributes tender evaluation method requires the tendering authority to enter into a contract only with the tender that scores the highest overall index.
4. That the tender for Contract No. TA07023A - Professional Services for Alderman Drive and Pioneer Park Development be awarded to GHD Limited, because they have the relevant experience from previous projects of similar nature, very good track record, very good technical / management skills and the capacity to carry out all works under this project without using sub-consultants.
5. That authority to enter into Contract No. TA07023A - Professional Services for Alderman Drive and Pioneer Park Development on behalf of Council be delegated to the Group Manager: Asset Management.
6. That the Tenders Subcommittee recommend to Council that any decision regarding construction, related to Contract No. TA07023A - Professional Services for Alderman Drive and Pioneer Park Development, should not commence until an investigation of work, including feasibility of the Trading Place bridge and urban design, is complete.

CARRIED

9.16 am

The Chairman thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AT A MEETING OF THE TENDERS
SUBCOMMITTEE HELD ON

DATE:.....

CHAIRMAN:.....

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