



NOTICE OF MEETING

TENDERS SUBCOMMITTEE

I hereby give notice that an Ordinary Meeting will be held on:-

DATE: **Friday** **5 April 2002** **TIME:** **9.00 am**

VENUE: **Civic Centre, 6 Waipareira Avenue, Lincoln, Waitakere City**

to consider the business as set out herein and to take any necessary action connected therewith.

5 April 2002

Sharon Simiona
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8820

MEMBERSHIP:

Councillors JM Clews, QSO, JP (Chairperson)
 GB Presland (Deputy Chairperson)

Chief Executive

Director: City Services

Director: Corporate & Civic Services

Director: Strategic Projects

Director: Strategic Group

Director: Finance

Director: City Enterprises

Maori Issues Manager

Mayor, Bob Harvey, QSO, JP (ex officio)

Deputy Mayor, CA Stone (ex officio)

(Quorum 4 members)

★★★★★★★★★★

(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON FRIDAY, 5 APRIL 2002,
COMMENCING AT 9.00 AM.**

TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE NO.</u>
1	APOLOGIES	1
2	URGENT BUSINESS	1
3	RENEWAL OF CONTRACT NUMBER CAF001 - PROVISION OF CAFETERIA SERVICES AT THE CIVIC CENTRE AND 131 LINCOLN ROAD BUILDINGS	2
4	PROGRAMME MANAGER, ADDRESSING INFORMATION MANAGEMENT (AIM) PROGRAMME - CONTRACT IM0302	3
5	WAIKUMETE CEMETERY ROAD UPGRADING 2002 - CONTRACT 75211	6
6	REPLACEMENT OF PRINTERS	9
7	PK02010.4 - PARKS PLANTING	10
8	STABILISATION OF CITY STREETS 2001/2002	14

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON FRIDAY, 5 APRIL 2002,
COMMENCING AT 9.00 AM.**

1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) and (7A) of the Local Government Official Information Act and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the item is a minor matter; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting; and
- (iii) the Committee resolves to deal with the item.

No resolution, decision, or recommendation may be made in respect of the item except to refer the item to a subsequent meeting for further discussion.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 **RENEWAL OF CONTRACT NUMBER CAF001 - PROVISION OF CAFETERIA SERVICES AT THE CIVIC CENTRE AND 131 LINCOLN ROAD BUILDINGS**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to extend contract number CAF001 for the provision of cafeteria services supplied by Eurest New Zealand Limited for one year.

Contract CAF001 Terms and Conditions; Section 2.2 Subsequent Periods, allows for extension to the contract provided there is mutual agreement of the parties and provided that any such extension is formalised by a written variation to that effect, signed by both parties.

BACKGROUND

In June 2001, Eurest New Zealand Limited was successful in their Tender application to run the Council Cafeteria operation for the period of one year from 1 July 2001 until 30 June 2002. With the award of this tender the operation of the cafeteria moved from a management fee basis, whereby the cafeteria operator received a fixed management fee regardless of the financial performance of the cafeteria operations to a 'fixed fee' basis to enable Council to better control the costs in this area.

The above decision was based on the fact that Council wished only to meet the costs associated with providing refreshments as per its employment contract obligations, and required the contractor to take commercial risks associated with other cafeteria services.

To date the change to a "fixed fee" based contract has proved effective and has resulted in savings in the Corporate and Civic Services budget in 2001/2002 and has enabled an additional reduction in this area in the 2002/2003 budget.

In addition to the above, the excellent performance and service provided by Eurest in line with the terms and conditions of the contract has resulted in less Council staff time being spent on administration of the Cafeteria and coordination of catering for functions and special events.

ISSUES

Initial discussions with the contractor indicate that a mutual agreement to extend the contract via a variation is acceptable with the inclusion of some minor variations. Variations to the existing terms and conditions would be likely to include:

- provision of service to meet requirements associated with Council meetings;
- specific service level agreements over Christmas - New Year period. Eurest will provide a skeleton staff to cover morning teas, lunches and afternoon teas on those days other the Statutory Holidays between 25 December and the 2 January to cater for those staff who are working through the Christmas - New Year period;
- variation to price to increase fees by 1.8% in line with CPI - 1.8% increase on the contract amount will allow for pay increases to Eurest staff in line with market rates and will allow for a continuation of current pricing.

COMMENT

The existing contract was let in 2001 and represented good market value at the time. The increase in fixed fees based on the CPI increase seems reasonable given Council's experience with rising costs. Service levels have improved in the last year, and staff see no benefit in going back to the market at this time either in price or service terms.

SUMMARY

The Council went through an extensive tendering process in 2001 and let a contract for Eurest for the Cafeteria contract for a period of one year. There have been few complaints during that year and the management of Eurest have responded promptly to deal with all enquiries satisfactorily. There is provision for the contract to be extended by agreement. With Eurest only seeking an increase to cover the CPI there would seem to be little benefit to the Council embarking on a full tendering process again. One-year contracts are probably not conducive to the Council getting the best deal and consideration should be given to tendering this contract next year with a three or five year contract period. Senior Management will consider this issue before the next tendering process commences.

RECOMMENDATIONS

1. That the information be received.
2. That the Tenders Subcommittee approve an extension to the existing Cafeteria contract CAF001, with Eurest New Zealand Limited for a period of one year from 1 July 2002 until 30 June 2003 subject to the following conditions and variations:
 - an increase in fees of 1.8 % effective from 1 July 2002 based on the CPI increase;
 - management by Eurest of the ordering, delivery and clean up of a luncheon service to Councillors on meeting days;
 - provision of a service to minimum expectations over the Christmas - New Year holiday period to cater for the small number of staff working.

Report prepared by: Matthew Wade, Manager, Unit Coordination and Support.



4 PROGRAMME MANAGER, ADDRESSING INFORMATION MANAGEMENT (AIM) PROGRAMME - CONTRACT IM0302

PURPOSE OF THE REPORT

This report seeks approval to award a contract for the services of a programme manager to run the Council's Addressing Information Management Programme.

BACKGROUND

Council has recognised that effective information management is a vital prerequisite for the achievement of the organization's vision, goals and strategies. As there is insufficient organisational capacity available in the Information Management area at the current time it is seeking the professional services of a programme manager to manage its information management programme for a period of up to twelve months with an option to extend the term.

The programme will run over three to five years and the widest scope will be adopted to ensure that the vision is fully realised. This will include the development of an information management framework (policies, standards...), current and future information requirements, Human Resource and organizational issues, systems and processes. It will cover strategic as well as operational objectives and will encompass all forms of information including:

- records, archives & other information;
- electronic and manual/hard copy information;
- created by Council or supplied to it;
- aimed at internal or external usage or both;
- intended for operational, management or democracy support.

To keep the programme focussed and to ensure that anticipated benefits are realised, the programme will be broken down into manageable projects each of which will have its own tightly defined scope and timeframe. This not only will help with the delivery of benefits but also will facilitate the management of the budget throughout the programme.

In order to best meet this requirement, a 'Request for Proposal' was issued inviting selected organisations to propose a solution to meet both the business and technical requirements as identified.

RESPONSES RECEIVED

Organisation	Office
Amadeus Ltd	PO Box 109051, Newmarket, Auckland
Consultancy Services	133 Lincoln Road, Waitakere City
Hays IT	
Information Technology Assurance Services	60 Huia Road, Titirangi, Waitakere City
The Simpl Group Ltd	PO Box 62 534, Penrose, Auckland
Thebics Consulting Ltd	PO Box 68-765, Newton, Auckland

Table 1 - Summary of Responses.

PROPOSAL EVALUATION

Proposals were evaluated generally in accordance with the " Weighted Attributes Price Method " contained in Transfund New Zealand's "Manual of Competitive Pricing Procedures".

Due to the nature of IT projects and the crucial importance of programme/project management experience and skill, equal weighting has been given to the non-priced attributes (relevant experience and technical system knowledge) and price. The proposals received were in a variety of pricing configurations and in order to allow for valid comparisons of cost to Council, the following assumptions have been made:

- the first 12 weeks will be full time - 480 hours;
- the following 40 weeks will be 30 hours a week - 1200 hours.

Programme Manager Addressing Information Management Programme	Attributes	Relevant Experience & Track Record	Quality of Response: Technical Skills and Match to Requirements	Risk and Availability	Price	Contract Number IM0302
	Weights	30	30	10	30	100
	1 Year Programme Cost	Grade				
Amadeus Ltd	\$134,400	40	45	68	87	58
Consultancy Services	\$134,400	45	55	80	87	64
Hays IT	\$218,400	56	63	62	48	56
Information Technology Assurance Services	\$210,000	71	81	80	52	69
The Simpl Group Ltd	\$420,000	74	65	78	-46	36
Thebics Consulting Ltd	\$228,480	66	76	70	43	63

The proposed programme managers from the three highest evaluation rankings, Consultancy Services, Thebics Consulting and Information Technology Assurance Services were interviewed and Information Technology Assurance Services was found the most favourable.

TAGS, ERRORS OR OMISSIONS

There were no Tags, errors or omissions.

SUMMARY

The success of the AIM programme is extremely important and as it will be complex in nature and will incur an investment of around a million dollars in the first year the selection of a programme manager with the correct experience and skill set is critical. Therefore, it will be recommended not to award the lowest priced proposal, but the one with the highest overall index ranking.

Accordingly, it is proposed that Information Technology Assurance Services be awarded the contract to supply the services of a programme manager.

SOURCE OF FINANCE

This project will be funded from the 2001/2002 and 2002/2003 Information Management capital budgets.

RECOMMENDATIONS

1. That the information be received.
2. That the tender for Programme Manager, Addressing Information Management (AIM) Programme - Contract IM0302 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.
3. That the contract be awarded to Information Technology Assurance Services for the supply of programme management services for the Addressing Information Management (AIM) Programme - Contract IM0302 in the sum of \$210,000 plus \$26,250 GST, totalling \$236,250 of which \$60,000 will be funded in the 2002/2003 Financial year and \$150,000 in the 2002/2003 Financial Year.

4. That the Director Corporate and Civic Services be empowered to enter into the contract on behalf of Council.

Report prepared by: John Johnson, IT Services Manager.



5 WAIKUMETE CEMETERY ROAD UPGRADING 2002 - CONTRACT 75211

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract 75211, Waikumete Cemetery Road Upgrading 2002.

BACKGROUND

This work is required as part of the ongoing maintenance of Waikumete Cemetery, being part of a phased upgrading and consolidation of the existing roading system.

SCOPE OF WORK

This contract is for the upgrading of Soldiers Way, Acmena and Eucalyptus Avenues, Amber Crescent and Azalea Avenue, all within Waikumete Cemetery.

Work includes, but is not limited to, the following items:

- Installation and maintenance of traffic control;
- Installation of kerb and channels;
- Installation of edge strip (where required);
- Installation of under channel drainage;
- Installation of root stop;
- Installation of cesspits and outlet pipes;
- Road pavement construction;
- Road shape correction;
- Machine laid asphaltic concrete surfacing;
- Minor storm water works.

Road width will be reduced to a minimum of three metres where required by the arborist to prevent damage to trees. At present this applies to the lower portion of Acmena Avenue and Amber Crescent.

Quantities involved in the contract include:

- Approx 5800 m² of asphaltic concrete;
- Approx 1000 m² of chip seal;
- Approx 1100 lin m of precast grey kerbing and nib;
- Approx 450 lin m of precast grey edge block;
- Approx 1300 lin m of subsoil drain;
- Approx 90 m of stormwater pipe;
- Approx 10 new catch pits.

In addition to this there will be associated stormwater work and road stabilisation if required.

TENDERS RECEIVED

Tenders were publicly advertised with four sets of documents being uplifted. Three tenders were received by the closing date of 19 March 2002. These are summarised in Table 1 below:

TENDERER	REGISTERED OFFICE	TENDER PRICE (excl. GST)
Arrow Civil Engineering Limited	P.O. Box 13 116, Auckland 6	\$313,327.50
Auckland Civil Limited	P.O. Box 100 441, NSMC	\$345,677.90
Total Traffic Services	Level 6, 12 Help Street Chatswood, Sydney NSW 2067, Australia	\$385,442.00
Pre-tender contract estimate		\$378,755.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

These procedures require that where the tender includes Provisional Sums (work valued by the Principal and placed within the Schedule of Prices) they are deducted from the Tender Sum prior to evaluating each tender. In this contract the value of Provisional Sums is \$45,975.00

A summary of the evaluation results is shown below in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number 75211
									Total Weights
	Weights	15	15	10	2	8	5	45	100
Tenderer	Tender Sum	Grades							INDEX
Arrow Civil Engineering Ltd	\$313,327.50	60	45	50	60	45	50	59	55
Auckland Civil Ltd	\$345,677.90	75	75	80	80	75	50	50	63
Total Traffic Services	\$385,442.00	50	65	50	60	50	50	38	47
Median Tender Price	\$345,677.90								

Table 2 - Summary of Tender Evaluation

Arrow Civil have some record of working in this environment, but have a very poor track record with Waitakere City Council. They have not supplied subcontractors for parts of the work.

Auckland Civil has a very good track record and experience, with a high quality assurance level (ISO 9002). They have very strong and proven subcontractors.

Total Traffic Services are very experienced and have a good track record for traffic light installation. They have not done work of this scope before and have no named subcontractor for the work.

All the above companies have not specifically identified their methodology for working with an arborist, however, all have included prices for the arborist work in the Schedule of Prices and will conform to the project requirements.

TAGS, ERRORS OR OMISSIONS

The tender from Auckland Civil Limited was the only one with tags. These have been discussed with the tenderer and removed by them. It also appears that this was the only tenderer who made themselves familiar with the site.

CREDIT CHECK

A credit check on Auckland Civil Limited revealed no adverse information.

SUMMARY

The results of the tender evaluation, as summarised in Table 2, show that the tender submitted by Auckland Civil Limited achieved the highest index of 63. This tender is also the second lowest priced tender. All comments received on this recommended tenderer have been positive.

JOB COSTS

	(Excl. GST)
Tender sum - Auckland Civil Limited	\$345,677.90
Contingency	\$ 34,567.79
Engineering	\$ 7,745.62
Supervision and Project Control	\$ 6,750.00
Heritage Concerns	\$ 1,050.00
Total Job Cost	\$395,791.31

SOURCE OF FUNDING

The heritage aspects of the project are to be funded from the Waikumete Memorial Park Special Fund. The total of the heritage aspects has been assessed as \$16,250. The balance of the project is to be funded from loan, as follows:

Budget Description	Funding Type	Budget	Committed	Allocated to this Project	Unallocated Balance
Roading and Footpaths	Loan	\$444,000	\$32,835	\$379,541	\$31,624
Specified Works	Special Fund	\$264,000	\$30,567	\$16,250	\$217,183
Total		\$708,000	\$63,402	\$395,791	\$248,807

RECOMMENDATIONS

1. That the information be received.
2. That the tender for Contract 75211 Waikumete Cemetery Road Upgrading 2002 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.
3. That the tender from Auckland Civil Limited for Contract 75211 Waikumete Cemetery Road Upgrading 2002 in the sum of 345,677.90 plus \$43,209.73 GST totalling \$388,887.63, be accepted.

Report prepared by: Martin Cockitt, Engineer: Consultancy Services.



6 REPLACEMENT OF PRINTERS

PURPOSE OF THE REPORT

This report seeks approval to go out to selective rather than open tender for the replacement of printers under the Information Management 'Technology Refresh' programme.

BACKGROUND

The Information Management Operations department manages the lifecycle and replacement schedules for printers throughout Council. A number of printers are currently due for replacement, and as no contract currently exists under which new printers can be acquired, and the dollar value of the current replacement programme is well in excess of \$50,000, it is proposed that Council invites the retailer network to tender for the current round of replacements, and to establish an ongoing contract to cover acquisitions for the next twelve months, with potential to renew for a further twelve months by mutual agreement.

CURRENT ENVIRONMENT

The existing mix of printers are almost without exception manufactured by Hewlett Packard, and are managed using a consistent set of tools and processes. Council also has a small number of Fuji-Xerox printers, as well as a number of Fuji-Xerox photocopiers, some of which have the potential to be integrated into the computer network.

Keeping to a minimum number of suppliers helps to drive down the total cost of ownership of the environment, in terms of operational efficiencies, contract management, bulk purchase of consumables, and training for the end user community and technical support staff.

The current round of replacements sees around one third of the current printers due for replacement.

ISSUES

In order to maintain the current relatively homogenous environment, and retain the operational efficiencies mentioned above, Information Management believes it would be to the overall advantage of Council to go out to selective tender for the current round of replacements.

Specifically, IM wishes to be selective in terms of nominating specific make(s) and models of printer within the limits of the current install base, whilst still allowing retailers to respond, in order for Council to secure the best possible pricing within the constraints mentioned,

Accordingly, we seek the endorsement of the Tenders Subcommittee to proceed in this fashion.

RECOMMENDATIONS

1. That the information be received.
2. That approval is granted to allow the tender for replacement of printers to be selective in terms of prescribing make and model of printer, whilst still being open to responses from the general retailer community.

Report prepared by: Simon Leigh, IT Operations Manager.



7 PK02010.4 - PARKS PLANTING

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract PK02010.4 Parks Planting.

BACKGROUND

This contract forms part of Council's parks asset creation programme as provided for in the 2001/2002 Annual Plan.

SCOPE OF WORK

The scope of works includes the supply and planting of plants at the Waitakere Quarry, Kay Road Balefill and a number of reserves throughout Waitakere City.

TENDERS RECEIVED

Tenders were publicly advertised with nine sets of documents being uplifted. Four tenders were received by the closing date of 19 March 2002. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Chelsea Landscape and Garden Ltd	Auckland	\$284,277.05
Techscape Ltd	Auckland	\$298,322.71
Reliable Landscapes Ltd	Auckland	\$324,115.00
Excell Corporation Ltd	Auckland	\$459,501.55
Pre-tender contract estimate		\$325,000.00

Table 1 - Summary of Tender Prices

Techscape Limited submitted an alternative tender. Section 2.8.1 of the Transfund New Zealand's "Competitive Pricing Procedures Manual" requires that only alternative tenders which are within the scope of the RFT and which meet the tendering authority's requirements shall be considered. As the alternative tender submitted by Techscape Limited did not meet the scope of the RFT it was not considered further.

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper	Track Record	Tech Skills	Resource	Management	Method	Price	Total Weight
Tenderer	Weight	5	10	10	5	5	5	60	100
	Tender Sum	Grades							Index
Chelsea Landscape and Garden Ltd	\$284,277.05	55	50	50	50	50	60	59	56
Techscape Ltd	\$298,322.71	70	50	60	65	60	60	54	56
Reliable Landscapes Ltd	\$324,115.00	55	55	50	50	45	50	46	48
Excell Corporation Ltd	\$459,501.55	70	60	60	60	60	50	2	25
Median Tender Price	\$311,218.86								

Table 2 - Summary of Tender Evaluation

The two lowest priced tenders provided were from Chelsea Landscape Limited and Techscape Limited. They have both provided competitive rates that compare favourably with the pretender contract estimate. Both tenderers have also shown a good understanding of the requirements of the project by providing planned methodologies that include contract programmes that address the issue of weed removal and herbicide application successfully.

Chelsea Landscape Limited is a relatively small company and resources and management structure may be stretched given the nature of the project and the programme. They are proposing to use sub contractors for areas of the work including the weed spraying - this is not unusual but will require good management by Chelsea. They provided references for completed projects that were of a similar nature to this contract. Performance has been adequate with the management structure and use of inexperienced staff highlighted as areas of weakness, although projects have been completed on programme. They have identified an independent quality assessor will be used on this contract and provided examples of quality assurance plans which they intend to implement to address these issues.

Techscape Limited is a large company with greater resources and has a lot of experience working for Waitakere City Council and North Shore City Council on similar projects. References highlighted some areas of weakness, particularly on maintenance and arboricultural contracts although previous planting contracts have been completed satisfactorily.

Reliable Landscapes Limited returned the third lowest priced tender, a price within the pre-contract estimate. References for Reliable Landscapes Limited revealed an adequate standard of work. They are a small company and there are concerns that on a project of this nature with a short contract period and a large number of sites that their resources would be stretched. Their methodology did not demonstrate that these issues were satisfactorily addressed.

Excell Corporation Limited has suitable experience, track record and management structure and resources to manage the contract. The tender sum was greatly in excess of the pre-contract estimate. Their methodology did not show a good understanding of the project requirements.

TAGS, ERRORS OR OMISSIONS

There were no tags, errors or omissions in the tender submissions.

CREDIT CHECK

A credit check on Chelsea Landscape and Garden Limited has been requested.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tenders submitted by Chelsea Landscape and Garden Limited and Techscape Limited achieved equal highest index of 56.

Chelsea Landscape and Garden Limited is the lowest price tender by approximately \$14,000 and Techscape Limited is the second lowest priced tender.

Chapter 2.7 of the Competitive Pricing Procedures Manual requires that when more than one tender shares the top overall index, the contract shall be awarded to whichever of these has the lowest price. Therefore it is recommended that the contract be awarded to Chelsea Landscape and Garden Limited.

As part of City Services vision "Quality, Health and Safety are not negotiable" all contractors have had this focus reinforced through this tender statement, contract documents and the subsequent pre-start meeting.

JOB COSTS

	<u>Excl. GST</u>
Tender sum - Chelsea Landscape and Garden Limited	\$284,277.05
Contingency	\$ 28,427.71
Engineering & Supervision	\$ 29,116.00

Total Job Cost	\$341,820.76

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to this Project	Unallocated Balance
Manawa	85-9815-63260	\$20,000	\$9,107	\$10,893	\$0
Paremuka Stream Restoration	85-9815-63630	\$100,000	\$20,000	\$80,000	\$0
Kay Road Operational	46-6510-40640	\$49,160	\$31,717	\$14,000	\$3,443
Kay Road Planting	75-9819-31240	\$528,044	\$505,044	\$23,000	\$0
Manawa Reserve	75-9825-43470	\$55,000	\$11,026	\$43,974	\$0
Manutewhau Stream	75-9825-43480	\$90,000	\$45,507	\$44,493	\$0
Olympic Park	75-9825-39500	\$35,000	\$25,000	\$10,000	\$0
Plantings Park Renewals	75-9823-27240	\$26,500	\$9,000	\$17,500	\$0
Plantings Street Renewals	75-9823-30560	\$27,560	\$10,060	\$17,500	\$0
Quarry Planting	30-4015-29570	\$55,000	\$36,118	\$18,882	\$0
San Bernadino & Flaunty	75-9825-3951	\$20,000	\$2,520	\$17,480	\$0
Shadbolt Park	75-9825-40850	\$30,000	\$4,900	\$25,100	\$0
Taipari Strand	75-9825-43590	\$20,000	\$1,000	\$19,000	\$0
		\$1,056,264		\$341,821	

RECOMMENDATIONS

1. That the information be received
2. That subject to a satisfactory credit check, the tender from Chelsea Landscape and Garden Limited for Contract PK02010.4 Parks Planting in the sum of \$284,277.05 plus \$35,534.63 GST, totalling \$319,811.68 be accepted.
3. That authority to enter into Contract PK02010.4 Parks Planting on behalf of Council be delegated to the Director: City Services.

Report prepared by: Kathryn Howard, Parks Environmental Assets Co-ordinator.



8 STABILISATION OF CITY STREETS 2001/2002

PURPOSE OF THE REPORT

The purpose of the report is to report to the Tenders Subcommittee the various phases involved in tendering the Road Rehabilitation Works 2001/2002, and to seek approval to award Contract TA 02005.3 Stabilisation of City Streets 2001/2002.

BACKGROUND

The 2001/2002 Annual Plan provides funding for the repair and renewal of road pavements within the road maintenance and rehabilitation program implemented annually.

Scope of Works:

The work under the road rehabilitation and maintenance programme provides for the repair and renewal of the failed pavements by in-situ stabilisation (chemical treatment) of the failed areas with Lime and KOBM and/ or cement or through dig outs. First coat sealing follows this repair work to provide protection to the pavement till overall resealing of the road is carried out.

This contract is for the application of chemical treatment (stabilisation) and first coat sealing, to repair the failed areas of road sections that are not reseal sites.

ISSUES

Initially the overall rehabilitation tender was advertised for public tendering (including both dig outs and stabilisation repairs for roads within the City) for the year 2001/2002. The tender closed on the 4 December 2001. Only one tender was submitted (five tender documents having been uplifted). Hiway Stabilizers Limited submitted a significantly expensive tender having premium and uneconomical rates. The overall tender price could not be funded by the approved annual budget and was 25% higher than the Engineer's estimate (Tender Price \$883,322 - Engineer's estimate \$645,996 - Approved Annual Budget \$660,000).

Three options were available for re-consideration of the rehabilitation program:

- additional funding to award the contract;
- negotiation with the sole tenderer to lower the prices. This was not likely to succeed given the tenderer was the sole capable contractor with the resources available to carry out the work;
- rejection of the tender and rescheduling the works by replacing KOBM treatments with lime and cement only which would allow other tenderers the opportunity to compete against Hiway Stabilizers who are the only company who has the KOBM product.

Option (B) was attempted without success. Consequently, Option - C was adopted.

Transfund was consulted at this stage and recommended Option - C also. This option would provide better competitive tendering by allowing other tenderers to participate for the revised tender.

The original tender from Hiway Stabilizers was rejected and all parties were informed accordingly. Consultancy Services were instructed to rapidly compile a revised tender document with an option for deleting the use of KOBM.

Tenders were publicly advertised and closed on 1 February 2002. Again Hiway Stabilizers was the only tenderer submitting and the price was relatively close to its previous tender (re-tender price \$869,655 - Engineer's estimate \$634,670 - Approved Annual Plan budget \$660,000). This tender could not be accepted for the same reasons.

Other options were investigated and discussed with Transfund. The most practical and efficient way to achieve the rehabilitation programme in part or in full was to split the work up into four separate sections:

Variation to existing reseal contract - To include repairs to pavements by stabilisation and/or dig outs at resealing sites within the current Reseal Contract undertaken by Fulton Hogan. This would be as a variation to the current Contract TA 02019.2. The current reseal contract already has rates for repairs to pavement by dig outs. The area of stabilisation under this contract has been limited to the most critical sites. A price for stabilisation repair is being negotiated with Fulton Hogan.

Tender One - To advertise a revised tender limited to stabilisation repairs to pavements not at reseal sites. Contract TA02005.3.

Tender Two - To advertise a revised rehabilitation works tender limited to repairs to pavement within New Lynn and Waitakere Wards. This tender closed on 5 March 2002 and is currently being evaluated. Contract TA02005.4

Tender Three - To advertise a revised rehabilitation works tender limited to repairs to pavement within Henderson and Massey Wards. This tender closed on 5 March 2002 and is currently being evaluated. Contract TA02005.5.

TENDERS RECEIVED

Tenders for Tender One Contract TA002005.3 - Stabilisation of City Streets 2001/2002 were publicly advertised, one set of documents was uplifted and one tender was received by the closing date of 26th February 2002. This is summarised in Table 1 below:

Tenderer	Reg. Office	Tender Price as submitted (excl GST)
Hiway Stabilizers Limited	Silverdale	\$269,864.10
Engineer's Estimate		\$280,871.30

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, the tender was evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

The "Two envelope process" as described in Section 2.7 of the above manual was followed. Under this method, only the first tender envelope is opened and the non-price attributes evaluated before the second envelope containing the tender price is opened, and the tender price duly included in the evaluation.

A summary of the evaluation result is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track	Tech.	Resour.	Manag.	Method.	Price	Contract Number TA 02005.3
	Weights	4	12	5	5	2	2	70	Total Weights
Tenderer	Tender Sum	Grades							INDEX
Hiway Stabilizers Ltd	\$269,864.10	80	50	80	50	50	65	50	53
Med.n Tender Price	\$269,864.10								

Table 2 - Summary of Tender Evaluation

TAGS, ERRORS OR OMISSIONS

The tender from Hiway Stabilizers Limited contained a number of requests for clarification and tags. Through correspondence these clarifications were addressed and all the tags were resolved.

There were no errors or omissions found in the tender.

CREDIT CHECK

A credit check dated 27 February 2002 reported that Hiway Stabilizers Limited has a relatively high risk of paying beyond due date in excess of 60 days. However, there has been no debt recovery action recorded against Hiway Stabilizers in the past seven years. This slowness of payment can be the result of disputes over invoices, merchandise etc and does not imply a cash-flow problem.

The credit check reveals no other adverse information. Hiway Stabilizers Limited was requested to provide a statement from its Bank or Accountant to clarify their financial status. A written statement from its Accountant indicated that the company continues to trade profitably and the accountant has known of no occasion of concern of financial instability.

SUMMARY

The overall rehabilitation tender was split into four separable portions. Costs are known for all portions at this time, (although evaluation for tenders TA02005.4 and TA02005.5 are still underway) and revised tenders are within the Annual Plan budget.

Hiway Stabilizers Limited carried out the previous Road Rehabilitation contract for Waitakere City. There are still minor defects to be attended to in that contract. Tender scores reflect this.

Hiway Stabilizers Limited successfully completed previous stabilisation and seal extension contracts both within Waitakere City and for other clients to a satisfactory standard and within the given timeframes without any real cause for concern. This includes the successfully completed Lone Kauri Rd Seal Extension contract in February 2002 for Waitakere City.

It is currently a sub-contractor on a number of large roading contracts for, among other Principals, North Shore City Council, Franklin and Rodney District Councils and Transit New Zealand.

