



NOTICE OF EMERGENCY INAUGURAL MEETING

TENDERS SUBCOMMITTEE

I hereby give notice that pursuant to Standing Order 14.3 an Emergency Inaugural Meeting will be held on:-

DATE: **Wednesday 5 December 2001** **TIME:** **2.30 pm**

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.

11 December 2001

Sharon Simiona
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8820

MEMBERSHIP:

Chief Executive
Director: City Services
Director: Corporate & Civic Services
Director: Enterprises
Director: Finance
Director: Strategic Group
Director: Strategic Projects
Maori Issues Manager
Finance and Operational Performance Committee Chairperson
City Development Committee Deputy Chairperson

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 EMERGENCY INAUGURAL MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON WEDNESDAY, 5 DECEMBER 2001,
COMMENCING AT 2.30 PM**

TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE NO.</u>
1	APOLOGIES	1
2	ELECTION OF CHAIRPERSON	1
3	ELECTION OF DEPUTY CHAIRPERSON	2
4	CONTRACT 01EWC001: ONSITE WASTEWATER MANAGEMENT SYSTEMS INSPECTION AND CLEANING	2
5	CONTRACT 01EWP001 - DRINKING WATER QUALITY TESTING 2002	7
6	CONTRACT NO 70610 - PAVEMENT, SHOULDER AND WATER CHANNEL MAINTENANCE 1999/2000	12
7	PK02012.2 - TE PAI NETBALL COURTS SURFACE UPGRADE	13
8	CONTRACT PK 02012.3 - PARKS CARPARKS UPGRADES 2001/2002 STAGE 2	16
9	CONTRACT PK 02012.4 - PARKS CARPARKS UPGRADES 2001/2002 STAGE 3	19
10	CLEANING SERVICES - COMMUNITY CENTRES	22

**AGENDA FOR AN EMERGENCY INAUGURAL MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON WEDNESDAY, 5 DECEMBER 2001,
COMMENCING AT 2.30 PM**

The Chief Executive or his representative will open the meeting and call for apologies.



1 APOLOGIES



2 ELECTION OF CHAIRPERSON

Pursuant to Section 114L(3) of the Local Government Act 1974, the local authority may appoint a member of any committee to be the Chairperson of that committee, and that power may be exercised by the committee where the local authority, on the appointment of the committee, does not appoint a Chairperson. Pursuant to Section 101P of the Local Government Act 1974, the election shall be on the basis of open voting with one vote by each member (and no person having a casting vote) unless the Committee resolves to use the voting system described in Section 114K which reads as follows:

- “(1) For the purposes of -
- (a) The appointment of the Chairperson of Deputy Chairperson of a committee; and
 - (b) The election or appointment of a representative of a local authority for any purpose, -
- the local authority of (except where the local authority has otherwise directed) the committee may, by resolution, determine that the person be elected or appointed by a system of voting that requires that, except as provided in subsection (2) of this section, the person to be elected or appointed receive the votes of a majority of the membership of the local authority or committee present and voting, and that requires that, where more than one round of voting is required, the least successful candidate in a round of voting shall not be a candidate in the next round of voting.*
- (2) *Where the system of voting described in subsection (1) of this section is adopted, section 114J(1)(b) of this Act shall not apply, and every equality of votes that is not to be determined by a further round of voting shall be determined by lot in such manner as the local authority or committee determines.”*

The Chief Executive or his representative will call for nominations for the position of Chairperson. In the event that more than one nomination is received the Committee will be asked to determine the basis of voting (i.e. as provided by either Section 101P or Section 114K).

The Committee will then be requested to elect a Committee Member to be Chairperson.

RECOMMENDATIONS

1. That the information be received.
2. That the Tenders Subcommittee elect one member to be Chairperson of the Tenders Subcommittee.



3 ELECTION OF DEPUTY CHAIRPERSON

Pursuant to Section 114L(3) of the Local Government Act 1974, any committee may from time to time appoint a Deputy Chairperson to act in the absence of the Chairperson.

The election of a Deputy Chairperson shall be conducted on the same basis as election of the Chairperson as prescribed under Section 101P of this Act unless the Tenders Subcommittee resolves to use the voting system described in Section 114K.

RECOMMENDATIONS

1. That the information be received.
2. That the Tenders Subcommittee elect one member to be the Deputy Chairperson of the Tenders Subcommittee.



4 CONTRACT 01EWC001: ONSITE WASTEWATER MANAGEMENT SYSTEMS INSPECTION AND CLEANING

PURPOSE OF THE REPORT

The purpose of this report is to seek the Committee's approval to award Contract 01EWC001 Onsite Wastewater Management Systems Inspection and Cleaning.

BACKGROUND

The scope of this contract is to provide inspection and cleaning of onsite wastewater management systems to 5028 properties in Waitakere City on a three yearly cycle. This service is provided to properties outside the Inner Drainage Area and its cost is recovered through a uniform annual charge on these ratepayers. The 2001/2002 Annual Budget provides funding for this programme.

The purpose of this contract is to ensure onsite wastewater management systems are working effectively through a proactive programme that reduces the likelihood of failure.

One of the major causes of onsite wastewater management system failure (including septic tanks) is the carry over of solids into the irrigation system. This contract provides for the removal of these solids before failure occurs and includes a "warrant of fitness" type inspection to reduce the risk that these systems could cause a Public Health Nuisance and pollute streams.

The contract provides positive public health and environmental outcomes that contribute to the Council's objectives for the management of water quality in natural water bodies.

As the current inspection and cleaning contract expires at the end of December 2001, tenders were advertised for a new contract to ensure delivery of this service.

SCOPE OF WORK

The contract is for the programmed inspection and pump-out of on site wastewater treatment systems in the outer drainage area of Waitakere City. These systems include septic tanks, long drops, Hi-tech systems, and grease traps.

The contractor is also required to report back to Council detailed information on the location and condition of these systems.

Tenderers were asked to price three distinct term options as follows:

- one year contract;
- two year contract (one year + one year right of renewal); and
- three year contract (one year + one year right of renewal + one year right of renewal).

TENDERS RECEIVED

Tenders were publicly advertised with seven sets of documents being uplifted. Three tenders were received by the closing date of 16 October 2001. These are summarised in Table 1 below:

TENDERER	REGISTERED OFFICE	TENDER PRICE (excluding GST)				
		1 Year Contract (\$)	2 Year Contract (\$)	2- Year Average Annual Cost (\$)	3 Year Contract (\$)	3-Year Average Annual Cost (\$)
Liquid Waste Disposal Ltd	Mc Laughlin Rd, Wiri, Auckland	309,027.25	609,139.05	304,569.53	912,690.75	304,230.25
Onyx Group Ltd	Level 1, 2 Fred Thomas Dr, Takapuna	402,949.23	737,512.59	368,756.30	1,068,855.50	356,285.17
Techscape Ltd	8 Mathews Rd, Albany	889,955.22	1,764,811.18	882,405.59	1,884,488.13	628,162.71

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated generally in accordance with the "Weighted Attributes Method" contained in Transit 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 be deducted from the Tender Sum prior to the evaluation.

In this contract the value of Provisional Sums is \$10,000, which has been deducted from the Tender Price for the evaluation.

A summary of the evaluation results is shown in Tables 2, 3 and 4 for each of the three contract options, that is, for one year, two years (one year with a further one year right of renewal) and three years (one year plus a further two year right of renewal).

1 YEAR	Attributes	Relevant Experience & Track Record	Technical Skills and Resources	Mngt Skills	Methodology	Disposal Methods	Customer Focus	Price	Contract # 01EWC001 (76840)
		Total Weights							
Tender Evln	Weights	10	10	5	15	15	10	35	100
Tenderer	Tender Sum	Grades							INDEX
Liquid Waste Disposal Ltd	\$299,027.25	80	80	80	80	95	65	74	79
Onyx Group Ltd	\$392,949.23	70	70	70	65	50	60	50	58
Techscape Ltd	\$879,955.23	70	70	80	75	50	80	-74	19
Med.n Tender Price	\$392,949.23								

Table 2 - Summary of Tender Evaluation one Year Term

2 YEAR	Attributes	Relevant Experience & Track Record	Technical Skills and Resources	Manag- Skills	Methodology	Disposal Methods	Customer Focus	Price	Contract Number 01EWC001 (76840)
		Total Weights							
Tender Evln	Weights	10	10	5	15	15	10	35	100
Tenderer	Tender Sum	Grades							INDEX
Liquid Waste Disposal Ltd	\$599,139.05	80	80	80	80	95	65	68	76
Onyx Group Ltd	\$727,512.59	70	70	70	65	50	60	50	58
Techscape	\$1,754,811.18	70	70	80	75	50	80	-91	13
Med.n Tender Price	\$727,512.59								

S

Summary of Tender Evaluation Two Year Term

3 YEAR	Attributes	Relevant Experience & Track Record	Technical Skills and Resources	Management Skills	Methodology	Disposal Methods	Customer Focus	Price	Contract Number 01EWC001 (76840)
		Total Weights							
Tender Evaluation	Weights	10	10	5	15	15	10	35	100
Tenderer	Tender Sum	Grades							INDEX
Liquid Waste Disposal Ltd	\$902,690.75	80	80	80	80	95	65	65	75
Onyx Group Ltd	\$1,058,855.50	70	70	70	65	50	60	50	58
Techscape	\$1,874,488.13	70	70	80	75	50	80	-27	35
Med.n Tender Price	\$1,058,855.50								

Summary of Tender Evaluation Three Year Term

Liquid Waste Disposal Limited is the incumbent service provider. They have held this position for the past three years and have carried out the contract works to a good standard, as reflected in their attribute grading. They are familiar with Council's procedures and contract specifications and have developed a good working relationship with Council staff.

Liquid Waste Disposal Limited also have all the necessary consents to undertake the work required and their tender contains significantly more detail with regard to the attributes used in the evaluation. Hence they scored more highly on most attributes.

As on site wastewater management is not a current business activity for either Onyx Group Limited or Techscape Limited they would both require additional consents to fulfil the requirements of this contract. This could cause delays in commencement of the contract.

Techscape Limited proposes using a sub-contractor for the one and two year contract options but plan to purchase a liquid treatment plant for the three-year contract option. Hence, while their tender contains constant unit rates for the one and two year terms the purchase of a treatment plant results in lower unit rates for the three-year term option.

TAGS ERRORS OR OMISSIONS

Onyx Group Limited made a mistake in their tender in that they omitted to add the \$10,000 Provisional Sum in their tender price for the one-year contract option. The two and three contract options were correct. This error has been excluded from the one Year evaluation.

As the Onyx Group Limited tender is not the lowest and a three-year term contract is recommended, the error in their tender for the one-year option is not an issue.

CREDIT CHECK

A credit check on Liquid Waste Disposal Limited dated 23 October 2001 revealed no adverse information.

CONSIDERATION OF OPTIONS

A comparison of the weighted attribute indices for each of the three contract options demonstrates that Liquid Waste Disposal Systems Limited ranked highest in each option and has the lowest tender prices.

The one-year contract term with two further rights of annual renewals up to a maximum contract period of three years is considered the best overall option as:

- Liquid Waste Disposal Systems Limited has shown a significant price advantage over other tenderers. A frequent tender process is unlikely to gain Council any further price advantage by competition through regular contestability in the market since competitors need to purchase liquid treatment plant facilities and obtain various resource consents to perform the work required;
- The contract requires a high degree of knowledge of specific sites in the City and involvement with the ratepayer. There are significant operational benefits in forming a long term partnership with a contractor who has performed to a good standard to ensure these requirements are met;
- Savings are made, as the contract does not require re-tendering. This saving is estimated a minimum of \$2,500 pa in advertising, fees and disbursements (i.e. \$5,000 for two additional years);
- Staff and contractor training and other contract management costs are less; and
- The contract contains key performance indicators (KPIs) to encourage contractor performance and price efficiencies. The contract can be terminated at any time as a result of non-performance. Hence any additional risk associated with a longer-term contract is minimal.

As there are financial, operational and administrative advantages to Council and minimal risk in entering into a longer term contract it is recommended that Council accept the three-year term contract option.

SUMMARY

The results of this evaluation, as summarised in Tables 2, 3, and 4, show that the tender submitted by Liquid Waste Disposal Services Limited achieved the highest overall index in all three contract options and is also the lowest priced tender for each option.

A maximum contract period for up to three years provides the best option in terms of cost efficiency and is relatively low risk to Council as the contract can be terminated at any stage due to non-performance.

Liquid Waste Disposal Services Limited is the incumbent service provider for Waitakere City. They currently have a superior environmental treatment system with a dewatering process that puts treated water into the wastewater system with the residue sludge used as manure on maize farms.

Industry reference checks have shown that Liquid Waste Disposal Services Limited is capable and experienced for the work tendered.

Liquid Waste Disposal Services Limited has all the trade waste and disposal consents required for this contract, hence is able to deliver the contract without commencement delays.

They have a willing attitude to innovate, and they provide a reliable courteous service to customers.

JOB COSTS

	Excl. GST
Tender sum - (Liquid Waste Disposal Services Limited)	\$912,690.75
Contingency (10%)	\$ 91,269.08
Customer Service, Supervision and Contract Management (8%)	<u>\$ 73,015.26</u>
Total Job Cost	<u>\$1,076,975.09</u>

SOURCE OF FUNDING

Budget Description (from Annual Plan Line Item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
2001/02 Annual Budget - Septic Tank Management	SFL 85 - 7365 - 38300	\$ 376,500	\$165,865	\$209,411.82	\$1,223.18
2002/2003 Funding Required				\$358,991.70	
2003/2004 Funding Required				\$358,991.70	
2004/2005 Funding Required				\$149,579.88	
TOTAL				\$1,076,975.09	

RECOMMENDATIONS

1. That the information be received.
2. That the tender from Liquid Waste Disposal Services Limited for Contract 01EWC001 Onsite Wastewater Management Systems Inspection and Cleaning in the sum of \$912,690.75 plus \$114,086.34 GST, totalling \$1,026,777.09 be accepted.
3. That the commitment to the 2001/2002 financial year totalling \$209,411.82 plus \$26,176.48 GST, totalling \$235,588.30 for Contract Number 01EWC001 Onsite Wastewater Management Systems Inspection and Cleaning be approved.
4. That the commitment to the 2002/2003 financial year totalling \$358,991.70 plus \$44,873.96 GST, totalling \$403,865.66 for Contract Number 01EWC001 Onsite Wastewater Management Systems Inspection and Cleaning be approved.
5. That the commitment to the 2003/2004 financial year totalling \$358,991.70 plus \$44,873.96 GST, totalling \$403,865.66 for Contract Number 01EWC001 Onsite Wastewater Management Systems Inspection and Cleaning be approved.
6. That the commitment to the 2004/2005 financial year totalling \$149,579.88 plus \$18,697.48 GST, totalling \$168,277.36 for Contract Number 01EWC001 Onsite Wastewater Management Systems Inspection and Cleaning be approved.
7. That the Director, City Enterprises, be delegated the authority to enter into this contract on behalf of the Council

Report prepared by: Tony Miguel, Network and Operations Manager, EcoWater Solutions.



5 CONTRACT 01EWP001 - DRINKING WATER QUALITY TESTING 2002

PURPOSE OF THE REPORT

The purpose of this report is to seek the Committee's approval to award Contract 01EWP001 Drinking Water Quality Testing 2002.

BACKGROUND

The 2001/2002 Annual Budget provides funding for the provision of mains drinking water supply sampling, testing and reporting of water quality for the Waitakere City Council water distribution system.

SCOPE OF WORK

The primary requirement for this testing program is to maintain compliance with the Drinking Water Standards for New Zealand 2000 (DWSNZ) and maintain an "A" grading for EcoWater's water supply distribution system. In addition, the testing will be used to assist in the operation of the distribution system, and provide assurance regarding the quality of the water supply with regard to public health standards.

Tenderers were asked to price three distinct term options as follows:

- A six month contract period commencing 1 January 2002 and expiring 30 June 2002;
- An 18 month contract period commencing 1 January 2002 and expiring 30 June 2003 (six months + one year right of renewal); and
- A 30 month contract period commencing 1 January 2002 and expiring June 2004 (six months + one year right of renewal + one year right of renewal).

TENDERS RECEIVED

Tenders were publicly advertised with four sets of documents being uplifted. Two tenders were received by the closing date of 20 November 2001. These are summarised in Table 1 below.

TENDERER	REGISTERED OFFICE	TENDER PRICE				
		(excluding GST)				
		6 Month Contract (\$)	18 Month Contract (\$)	18- Month Average Annual Cost (\$)	30 Month Contract (\$)	30-Month Average Annual Cost (\$)
Aqua Lab (NZ) Ltd	PO Box 80113 Green Bay	37,608.00	112,824.00	75,216.00	185,640.00	74,256.00
Amdel NZ Ltd	PO Box 12545 Auckland	52,535.00	157,605.00	105,070.00	276,195.00	110,478.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated generally in accordance with the “Weighted Attributes Method” contained in Transit New Zealand’s “Competitive Pricing Procedures Manual”.

A summary of the evaluation results is shown in Tables 2, 3 and 4 for each of the three contract options, that is, for six months, 18 months (six months with a further one year right of renewal) and 30 months (six months plus a further two year right of renewal).

6 MONTHS	Attributes	Experience	Track Record	Technical Skill	Management Skill	Method	Price	Contract Number 01EWP001
								Total Weights
	Weights	20	15	5	15	5	40	100
Tenderer	Tender Sum							INDEX
Aqualab (NZ) Ltd	\$37,608.00	85	85	80	80	80	67	76
Amdel New Zealand Ltd	\$52,535.00	70	70	80	80	80	33	58
Median Tender Price	\$45,071.50							
Engineer's Estimate	\$45,360.00							

Table 2 - Summary of Tender Evaluation Six Month Term

18 MONTHS	Attributes	Experience	Track Record	Technical Skill	Management Skill	Method	Price	Contract Number 01EWP001
								Total Weights
	Weights	20	15	5	15	5	40	100
Tenderer	Tender Sum							INDEX
Aqualab (NZ) Ltd	\$112,824.00	85	85	80	80	80	67	76
Amdel New Zealand Ltd	\$157,605.00	70	70	80	80	80	33	58
Median Tender Price	\$135,214.50							
Engineer's Estimate	\$136,080.00							

Table 3 - Summary of Tender Evaluation 18 Month Term

30 MONTHS	Attributes	Experience	Track Record	Technical Skill	Management Skill	Method	Price	Contract Number 01EWP001
								Total Weights
	Weights	20	15	5	15	5	40	100
Tenderer	Tender Sum							INDEX
Aqualab (NZ) Ltd	\$185,640.00	85	85	80	80	80	70	78
Amdel New Zealand Ltd	\$276,195.00	70	70	80	80	80	30	57
Median Tender Price	\$230,917.50							
Engineer's Estimate	\$226,800.00							

Table 4 - Summary of Tender Evaluation 30 Month Term

Aqualab (NZ) Limited is the incumbent service provider. They have demonstrated their capability to perform the contract requirements through the water monitoring work they have completed for EcoWater Solutions since June 1999 and offer a significant cost advantage over the next highest tenderer. Both tenderers have similar technical and management skills; hence the most significant attribute is price.

Aqualab (NZ) Limited is familiar with Council's procedures and contract specifications and has developed a good working relationship with Council staff.

TAGS ERRORS OR OMISSIONS

Aqualab (NZ) Limited made a mistake in their tender for the 30 month term contract of \$2,400. This error is to the advantage of Council. The tenderer has confirmed by writing that the tender price of \$185,640 stands.

The Aqualab (NZ) Limited tender contains a tag that if there are significant changes in the rate of exchange, petrol and the cost of consumables over the longer term contracts they would expect common sense to prevail and would be able to re-negotiate on these issues.

Such possible changes have been included as a contract contingency.

CREDIT CHECK

A credit check on Aqualab (NZ) Limited has been requested.

CONSIDERATION OF OPTIONS

A comparison of the weighted attribute indices for each of the three contract options demonstrates that Aqualab (NZ) Limited ranked highest in each option and has the lowest tender prices.

The six month contract term with two further rights of annual renewals up to a maximum contract period of 30 months is considered the best overall option as:

- Aqualab (NZ) Limited has shown a significant price advantage over the other tenderer. A frequent tender process is unlikely to gain Council any further price advantage by competition through regular contestability as the market of companies with appropriate skills is very limited;
- The contract requires a high degree of knowledge of specific sites in the City and skills to ensure an "A" grading for the water distribution network is maintained. There are significant operational benefits in forming a long term partnership with a contractor who has performed to a good standard to ensure these requirements are met;
- Savings are made, as the contract does not require re-tendering. This saving is estimated a minimum of \$2,500 pa in advertising, fees and disbursements (i.e. \$5,000 for two additional years) plus an additional saving of \$2,400 due to a numerical error by the tenderer;
- Staff and contractor training and other contract management costs are less; and
- The contract contains key performance indicators (KPIs) to encourage contractor performance and price efficiencies. The contract can be terminated at any time as a result of non-performance. Hence any additional risk associated with a longer-term contract is minimal.

As there are financial, operational and administrative advantages to Council and minimal risk in entering into a longer term contract it is recommended that Council accept the 30-month term contract option.

SUMMARY

The results of this evaluation, as summarised in Tables 2, 3, and 4, show that the tender submitted by Aqualab (NZ) Limited achieved the highest overall index in all three contract options and is also the lowest priced tender for each option.

A maximum contract period for up to 30 months provides the best option in terms of cost efficiency and is relatively low risk to Council as the contract can be terminated at any stage due to non-performance.

Aqualab (NZ) Limited is the incumbent service provider for Waitakere City. They have demonstrated they are capable and experienced for the work tendered.

JOB COSTS

Tender sum - (Aqualab NZ Limited)	Excl. GST \$185,640.00
Contingency (5%)	\$9,282.00
Supervision and Contract Management (6%)	\$11,138.00
Total Job Cost	\$206,060.00

SOURCE OF FUNDING

Budget Description (from Annual Plan Line Item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
2001/02 Annual Budget - Water Quality Testing	SFL 85 – 7555 - 25840	\$ 117,000	\$52,000	\$41,212	\$23,788
2002/2003 Funding Required				\$82,424	
2003/2004 Funding Required				\$82,424	
TOTAL				\$206,060	

RECOMMENDATIONS

1. That the information be received.
2. That subject to a satisfactory credit check the tender from Aqualab NZ Limited for Contract 01EWP001 Drinking Water Quality Testing 2002 in the sum of \$185,640.00 plus \$23,205.00 GST, totalling \$208,845.00 for a 30-month term contract be accepted.
3. That the commitment to the 2001/2002 financial year totalling \$41,212.00 plus \$5,151.50 GST, totalling \$46,363.50 for Contract Number 01EWP001 Drinking Water Quality Testing 2002 be approved.
4. That the commitment to the 2002/2003 financial year totalling \$82,424.00 plus \$10,303.00 GST, totalling \$92,727.00 for Contract Number 01EWP001 Drinking Water Quality Testing 2002 be approved.
5. That the commitment to the 2003/2004 financial year totalling \$82,424.00 plus \$10,303.00 GST, totalling \$92,727.00 for Contract Number 01EWP001 Drinking Water Quality Testing 2002 be approved.
6. That the Director, City Enterprises, be delegated the authority to enter into this contract on behalf of the Council.

Report prepared by: Tony Miguel, Network and Operations Manager, EcoWater Solutions.



6 **CONTRACT NO 70610 - PAVEMENT, SHOULDER AND WATER CHANNEL MAINTENANCE 1999/2000**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval of the Tenders Subcommittee to increase the contract sum for the physical works maintenance contract to enable the approved Annual Budget for this contract to be used for essential pavement, shoulder and water channel maintenance over 2001/2002.

BACKGROUND

The approved contract sum including all variations is \$2,761,799 for the 34 months contract period. The approved 2001/2002 annual budget provides \$1,118,000 for pavement, shoulder and water channel maintenance work. A variation of \$595,900 is required to the contract sum to fulfil Annual Plan work programmes. The Alternative option would be to tender for a new contract, an option which has not been recommended through independent audit.

ISSUES

Contract period

The contract was let, August 1999 , with a period of 34 months, ending 30 June 2002.

Contract Rates

This contract is a measure and value contract with fixed unit rates. The tendered rates were highly competitive at August 1999, and currently represent excellent value for Council. As confirmed by OPUS Consultants independent audit.

The contract rates have been used to advantage with \$354,946 of additional work carried out since August 1999 by means of approved incremental variations. These variations included work carried out on behalf of Ecowater, Waitakere Properties and to carry out work left by the receivership of Landmark Resources Limited in 1999.

Comparison of Contract Rates

An independent peer review has been carried out to compare the option of continuing work under the current contract with the option of terminating the current contract and re-tendering for the balance of the work under a new contract.

OPUS International Consultants Limited was engaged for this review. The OPUS report recognises that the current market rates are fluctuating considerably, especially the bitumen cost. There is evidence that tenderers are pricing a large portion of risk into their bitumen based repair items to cover the event of an unexpected price rise. The OPUS report confirms that the current contract 70610 rates fall inside the range of rates of the current market; there is therefore a risk that re-tendering could result in higher rates.

Proposed Variation

The proposed variation will conform with the approved annual budget for the subject work type, and allow work to continue at the current level. The best available strategy is to take advantage of the low contract rates allowing more work to be done. Furthermore, the OPUS report confirms that Waitakere City Council would save on the significant outlay for re-tendering.

CONCLUSION

The OPUS report concludes that with the current market uncertainty and vital material price fluctuations, Waitakere City Council will receive higher tendered rates on the bitumen repair items if this contract is re-tendered. The report also recommends that it is in Waitakere City Councils best interest to extend the contract with the current contractor if the current contractors performance is satisfactory. Council is reasonably satisfied with the current contractors performance. The current contract has no provision for escalation of costs and therefore any increase in rates is not anticipated.

Consequently, it is efficient to continue pavement, shoulder and water channel maintenance under Contract 70610 and in accordance with the approved 2001/2002 budget provision. A variation of \$595,900 to the contract sum is required.

The revised job cost is summarised as:

Approved contract amount (August 1999)	\$2,406,853.29
Approved variations to date	\$ 354,946.00
Proposed variation to increase contract sum	<u>\$ 595,900.00</u>
Revised Job Cost	\$3,357,699.29

RECOMMENDATIONS

1. That the information be received.
2. That approval be given to issue a variation to the value of works in Contract (70610), Pavement, Shoulder and Water Channel Maintenance 1999/2002 by the sum of \$595,900 plus \$74,487.50 GST totalling \$670,387.50.
3. That the Director: City Services be delegated the authority to approve the issuing of the variation to contract 70610 recommended in (2) above.

Report prepared by: Ara Ovanessoff, Transport Engineer.



7 PK02012.2 - TE PAI NETBALL COURTS SURFACE UPGRADE

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract PK02012.2 - Te Pai Netball Courts Surface Upgrade.

BACKGROUND

There are currently 41 public courts in the City, 24 of which are at Te Pai Park. Of these 24 courts, 21 are asphalt surface and three have been resurfaced with a 3mm thick cushioned synthetic surface. The cushioned surface was installed in early 1999 with the performance and durability being monitored and has proved both successful and popular with users. The surfacing upgrade programme has therefore recommended a further seven courts at Te Pai Park be resurfaced with a cushioned synthetic surface.

The benefits of a cushioned synthetic surface are improved playability and increased safety as the high friction rubberised surface reduces impact on players and minimises the risk of injuries resulting from slipping.

SCOPE OF WORK

This contract is for the upgrade of seven netball courts at the Te Pai Netball Courts from an asphaltic concrete surface to a cushioned synthetic surface. It involves dismantling and reassembling fencing, existing pavement repairs, placing synthetic surface and line painting.

TENDERS RECEIVED

Tenders were publicly advertised with two sets of documents being uplifted. Two tenders were received by the closing date of 30 October 2001. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl.GST)
Action Sports Limited	Panmure	\$143,330.50
Astrograss Allweather Surfaces Limited	Remuera	\$191,914.25
Pre-tender contract estimate		\$190,000.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

The tender from Action Sports Limited is considered to be a non-conforming tender on the following basis:

Section A3, Statement of Attributes, Methodology requires

“Tenderers are required to provide full details of the type of synthetic surfacing system proposed. The type of surface proposed will be required to be equivalent to, or better than, the existing synthetic surfacing system, placed on adjacent courts.”

Section 2.4 Specific Clauses, Clause 2 - Materials

“The Contractor should be aware that the main sport which uses this complex is netball, which is played in wet weather when moisture will be present on the surface of the courts. Therefore, consideration must be given to the degree of texture necessary to be exposed in the final surface to ensure that the surface remains non-slip and safe for players even when wet. This may require a slightly coarser surface texture than would be employed for a synthetic surface system in a purely tennis situation”.

The tenderer was required to provide references to courts they had previously surfaced to enable evaluation with the above requirements. A number of these references were contacted and the general comments made were that the courts were slippery when wet.

On the basis of the comments received from the references and other expert advisors it has been decided that the surface proposed by Action Sports Limited does not conform with the requirements of the Request for Tender and has not been evaluated further.

The tender from Astrograss Allweather Surfaces Limited conforms to the non-price attribute requirements.

Astrograss Allweather Surfaces Limited installed the three cushioned synthetic surfaces at Te Pai Park in 1999 for Waitakere City Council. Astrograss Allweather Surfaces Limited performed well for Waitakere City Council and their proposed surface, Synpave Rebound Pro, is recommended by netball associations throughout New Zealand and Australia.

In accordance with the conditions of tendering, the remaining tender was 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. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number PK 02012.2
		Total Weights							
	Weights	5	15	5	5	5	15	50	100
Tenderer	Tender Sum	Grades							INDEX
Astrograss Allweather Surfaces Ltd	\$191,911.00	80	75	80	80	80	75	50	71
Med.n Tender Price	\$191,911.00								

* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

Table 2 - Summary of Tender Evaluation

TAGS, ERRORS OR OMISSIONS

An error in the addition of the tender price from Astrograss Allweather Surfaces Limited was found, the tender price was \$191,911.00 and the sum of the schedule of prices was \$191,914.25. The tenderer has confirmed that the original tender price will stand. There were no tags or omissions in the tender.

CREDIT CHECK

A credit check on Astrograss Allweather Surface Limited revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Astrograss Allweather Surfaces Limited achieved an index of 71.

Astrograss Allweather Surfaces Limited installed the three cushioned synthetic surfaces at Te Pai Park in 1999 for Waitakere City Council. Astrograss Allweather Surfaces Limited performed well for Waitakere City Council and their proposed surface, Synpave Rebound Pro, is recommended by netball associations throughout New Zealand and Australia.

JOB COSTS

	Excl.GST
Tender sum - Astrograss Allweather Surfaces Limited	\$191,911.00
Contingency	\$ 4,276.00
Engineering & Supervision	<u>\$ 10,813.00</u>
Total Job Cost	<u>\$207,000.00</u>

SOURCE OF FUNDING

Budget Description	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Courts Renewals	75-9823-36380	\$62,000	25,000	\$37,000	
Te Pai Courts Rubber Surface	75-9825-36500	\$170,000	-	<u>\$170,000</u>	-
				\$207,000	

The contract works are to be funded from both capital and renewal budgets as the works comprise both an element of surface renewal and capital improvement. The courts renewals budget will also be used to fund works to re-surface two asphalt courts at Crum Park. These works will be handled under a separate contract.

RECOMMENDATIONS

1. That the information be received.
2. That the tender from Astrograss Allweather Surfaces Limited for Contract PK 02012.2 Te Pai Netball Courts Surface Upgrade in the sum of \$191,911.00 plus \$23,988.88 GST, totalling \$215,899.88 be accepted.
3. That authority to enter into Contract PK02012.2 Te Pai Netball Courts Surface Upgrade on behalf of Council be delegated to the Director of City Services.

Report prepared by: Peter Sewell, Parks Asset and Contracts Engineer.



8 CONTRACT PK 02012.3 - PARKS CARPARKS UPGRADES 2001/2002 STAGE 2

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract PK 02012.3 - Parks Carparks Upgrades 2001/2002 Stage 2.

BACKGROUND

This contract forms part of Council's Parks asset creation programme as provided for in the 2001/2002 Annual Plan and specifically the sealing of existing metal carparks.

SCOPE OF WORK

This contract is for the sealing of existing metal carparks at Fred Taylor Park, Whenuapai, Moire Park, Massey and Herald Island Domain, Herald Island. The works include kerbing, drainage, pavement construction, sealing and an element of stormwater quality treatment.

The carparks are to be sealed as they are well used and a sealed surface provides the opportunity to formally mark car park spaces, maximise the capacity of the carparks and improve safety for car park users.

TENDERS RECEIVED

Tenders were publicly advertised with twenty sets of documents being uplifted. Nine tenders were received by the closing date of Thursday, 15 November, 2001. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl.GST)
J.W. Neill Limited	Albany	\$ 207,454.50
Thom Contractors Limited	Greenhithe	\$ 207,927.00
Hick Brothers Construction Limited	Silverdale	\$ 209,806.00
Giles Civil Limited	North Shore	\$ 216,946.50
Arrow Civil Engineers Limited	Onehunga	\$ 219,309.00
Auckland Civil Limited	Albany	\$ 233,876.20
Fulton Hogan Limited	Penrose	\$ 275,173.68
Hibiscus Contractors Limited	Silverdale	\$ 278,791.00
Civil Construction Group Limited	Herne Bay	\$ 284,270.00
Pre-tender contract estimate		\$ 228,000.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated generally 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 \$1000.00.

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number PK 02012.3
									Total Weights
	Weights	10	10	5	5	5	5	60	100
Tenderer	Tender Sum	Grades							INDEX
J.W. Neill Ltd	\$206,454.50	65	70	65	60	65	60	55	59
Thom Contractors Ltd	\$206,927.00	65	60	65	65	60	65	55	58
Hick Brothers Const. Ltd	\$208,806.00	60	65	65	70	65	65	54	58
Giles Civil Ltd	\$215,946.50	65	60	60	70	70	60	51	56
Arrow Civil Engineers Ltd	\$218,309.00	70	45	60	60	55	55	50	53
Auckland Civil Ltd	\$232,876.20	70	65	70	70	70	60	43	53
Fulton Hogan Ltd	\$274,173.68	70	60	70	75	60	65	24	41
Hibiscus Contractors Ltd	\$277,791.00	70	75	65	70	70	65	23	42
Civil Construction Group Ltd	\$283,270.00	60	55	65	60	60	55	20	36
Med.n Tender Price	\$218,309.00								

Table 2 - Summary of Tender Evaluation

J.W.Neill Limited is a very experienced contractor who has carried out many subdivision infrastructure works in the Waitakere City area. Independent comments from three different sources all spoke highly of their competence, workmanship and management skills. Two consultants rated J.W.Neill Limited as their preferred contractor for subdivision works which incorporate similar facets of work to this project.

Thom Contractors Limited has also carried out works for council in the past two years and has generally performed to a good standard. Thom Contractors Limited was also well regarded by independent sources.

Hick Brothers Construction Limited is also a well known subdivision contractor well regarded in the industry.

The other contractors are all known to council and have been rated based on recent experiences with Council works, information contained in their tender submission and consultation with referees where necessary.

TAGS, ERRORS OR OMISSIONS

Hick Brothers Construction Limited made two minor addition errors in their tender. As they are unable to alter their tendered sum the errors had no bearing on the outcome of the evaluation and have not been addressed further with the Contractor.

Hibiscus Contractors Limited included a tag in their tender where it was proposed to use a different metal from that specified on one site. As this was to have no impact on the tender evaluation it was not addressed further with the Contractor.

There no other errors, tags or omissions.

CREDIT CHECK

A credit check on J.W.Neill Limited revealed nothing adverse.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by J.W.Neill Limited achieved the highest index of 59. This tender is also the lowest priced tender.

J.W.Neill Limited is a very experienced contractor known to council from their work on subdivisions within Waitakere City. It is well regarded by independent consultants and council's recent subdivision supervisor.

JOB COSTS

	Excl. GST
Tender sum - J.W.Neill Limited	\$207,454.50
Contingency	\$ 20,000.00
Engineering & Supervision	\$ 25,000.00
Total Job Cost	\$252,454.50

SOURCE OF FUNDING

Budget Description	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Fred Taylor Car Park	75-9825-43420	\$65,000	\$0	\$65,000.00	\$0
Moire Park Car Park & Through Road Upgrade	75-9825-43490	\$205,000	\$ 27,000	\$178,000.00	\$0
Carpark - Sealing of existing metal carparks	75-9825-31570	\$70,000	\$ 60,000	\$10,000.00	\$0
				\$253,000.00	

RECOMMENDATIONS

1. That the information be received.
2. That the tender from J.W.Neill Limited for Contract PK 02012.3 - Parks Carparks Upgrades 2001/2002 Stage 2 in the sum of \$207,454.50 plus \$25,931.81 GST, totalling \$233,386.31 be accepted.
3. That authority to enter into Contract PK02012.3 - Parks Carparks Upgrades 2001/2002 Stage 2 on behalf of Council be delegated to the Director of City Services.

Report prepared by: Peter Sewell, Parks Asset and Contracts Engineer.



9 CONTRACT PK 02012.4 - PARKS CARPARKS UPGRADES 2001/2002 STAGE 3

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract PK 02012.4 - Parks Carparks Upgrades 2001/2002 Stage 3.

BACKGROUND

This contract forms part of Council's Parks asset creation and renewal programmes as provided for in the 2001/2002 Annual Plan and specifically the sealing of existing metal carparks and the resealing of an existing court surface.

SCOPE OF WORK

This contract is for the sealing of existing metal carparks at Prospect Park and Kaurilands Domain, Glen Eden. It also includes the resurfacing of the existing tennis courts at Crum Park, Green Bay. Works include kerbing, drainage, pavement construction, sealing and an element of stormwater quality treatment.

The carparks are to be sealed as they are well used and a sealed surface provides the opportunity to formally mark car park spaces, maximise the capacity of the carparks and improve safety for car park users.

TENDERS RECEIVED

Tenders were publicly advertised with eighteen sets of documents being uplifted. Seven (7) tenders were received by the closing date of Thursday, 15 November, 2001. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl.GST)
Thom Contractors Limited	Greenhithe	\$ 137,542.00
Stonedale Civil Limited	Hunua	\$ 143,973.00
Giles Civil Limited	North Shore	\$ 144,376.60
Auckland Civil Limited	North Shore	\$ 151,604.35
Arrow Civil Engineers Limited	Onehunga	\$ 152,133.00
Hibiscus Contractors Limited	Silverdale	\$ 186,316.50
Civil Construction Group Limited	Herne Bay	\$ 199,318.00
Pre-tender contract estimate		\$ 147,000.00

Table 1 - Summary of Tender Prices

Stonedale Civil Contractors Limited also offered a reduction within its tender submission on the basis of depositing excess excavated material in another area of Prospect Park. This is not considered to be an appropriate methodology and was therefore not considered for further evaluation.

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated generally 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 \$1000.00.

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number PK 02012.4
									Total Weights
	Weights	10	10	5	5	5	5	60	100
Tenderer	Tender Sum	Grades							INDEX
Thom Contractors Ltd	\$136,542.00	65	60	65	65	60	65	59	61
Stonedale Civil Ltd	\$142,973.00	65	60	60	60	60	60	55	58
Giles Civil Ltd	\$143,376.00	65	60	60	70	70	60	55	58
Auckland Civil Ltd	\$150,604.35	70	65	70	70	70	60	50	57
Arrow Civil Ltd	\$151,133.00	70	45	60	60	55	65	50	53
Hibiscus Contractors Ltd	\$185,316.50	70	75	65	70	70	65	27	44
Civil Construction Group Ltd	\$198,318.00	60	55	65	60	60	55	18	34
Med.n Tender Price	\$150,604.35								

Table 2 - Summary of Tender Evaluation

Thom Contractors Limited is an experienced contractor that has carried out a number of roading and footpath contracts for council over the past ten years. The most recent projects were Bruce McLaren Road Kerb and Channel and Grassmere Road Footpath carried out in 1999. Work is generally to a good standard and well organised. Independent opinions from another council within the Auckland region and two consultants also rated them as an above average experienced contractor. Site inspections of its recent works outside Waitakere City indicated generally good workmanship although one project lacked some finishing aspects such as concrete joints and cesspit plastering.

The other contractors are all known to council and have been rated based on recent experiences with council works, information contained in their tender submission and consultation with referees where necessary.

TAGS, ERRORS OR OMISSIONS

Stonedale Civil Contractors Limited made a \$500.00 addition error but as this had no impact on the evaluation it was not addressed further with the Contractor.

There were no other tags, errors or omissions.

CREDIT CHECK

A credit check on Thom Contractors Limited revealed nothing adverse.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Thom Contractors Limited achieved the highest index of 61. This tender is also the lowest priced tender.

Thom Contractors Limited is an experienced civil contractor that has generally carried out works to a good standard for both Council and other outside organizations.

JOB COSTS

	Excl. GST
Tender sum - Thom Contractors Limited	\$137,542.00
Contingency	\$ 15,000.00
Engineering & Supervision	<u>\$ 17,000.00</u>
Total Job Cost	\$169,542.00

SOURCE OF FUNDING

Budget Description	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Prospect Park Stage 2 Park Development	75-9825-3750	\$100,000	\$5,000	\$95,000	\$0
Courts Renewals	75-9823-6380	\$62,000	\$37,000	\$25,000	\$0
Carpark - Sealing of existing metal carparks	75-9825-1570	\$70,000	\$20,000	\$50,000	\$0
				\$170,000	

RECOMMENDATIONS

1. That the information be received.
2. That the tender from Thom Contractors Limited for Contract PK 02012.4 - Parks Carparks Upgrades 2001/2002 Stage 3 in the sum of \$137,542.00 plus \$17,192.75 GST, totalling \$154,734.75 be accepted.
3. That authority to enter into Contract PK02012.4 - Parks Carparks Upgrades 2001/2002 Stage 3 on behalf of Council be delegated to the Director of City Services.

Report prepared by: Peter Sewell, Parks Asset and Contracts Engineer.



10 CLEANING SERVICES - COMMUNITY CENTRES

PURPOSE OF THE REPORT

The purpose of this report is to seek approval of the Subcommittee to invite selected tenderers for the provision of cleaning services for Council owned community centres.

BACKGROUND

The current contracts for cleaning services for Community Centres includes the provision of interior facility and window cleaning (excluding the provision of sanitary and sanitation services) and is now due for renewal. It is proposed to re-tender it for a three year period, in line with industry standards for this type of contract.

The community centres to be included in this contract are:

- New Lynn Community Centre;
- Kelston Community Centre;
- Titirangi War Memorial Hall;
- Ceramco Park Function Centre;
- Te Atatu South Community Centre;
- Te Atatu Peninsula Community Centre.

ISSUES

A registration of interest for the City-wide Cleaning contract, which covers other Council facilities, was put to the Tenders Subcommittee on 7 July 2000 with a recommendation that of the twenty one registrations of interest, seven of the providers met the scale of resources and experience to support a contract of that size and type.

The following organisations subsequently submitted a tender price for the City-wide Cleaning Contract:

- Red Coats Cleaning Services;
- Quality Services Enterprises;
- Manchester Property Care;
- McKellar Property Services;
- Jensen and Rothville;
- Professional Cleaning Services.

There are substantial costs and time involved in short listing contracts both to the contractors and Council. It is therefore proposed that this shortlist also be utilised as the basis of the shortlist for the Community Centre cleaning contract on the basis that:

- the services of the two contracts are substantially similar;
- the previous process was advertised and open to all suitable service providers;
- the likely service providers are the same for both contracts.

There are two contractors - Dynamik Cleaning Services and Target Cleaning - currently jointly carrying out the cleaning services for community centres. It is appropriate that they also be given the opportunity to bid for this work.

RECOMMENDATIONS

1. That the information be received.
2. That the following contractors be shortlisted for invitation to tender for the provision of cleaning services for Council owned community centres:
 - Red Coats Cleaning Services;
 - Quality Services Enterprises;
 - Manchester property Care;
 - McKellar property Services;
 - Jensen and Rothville;
 - Professional Cleaning Services;
 - Dynamik Cleaning Services;
 - Target Cleaning.

Report prepared by: Bruce Page, Property Officer.

