

NOTICE OF MEETING

TENDERS SUBCOMMITTEE

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

DATE: **Friday** **14 June 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.

10 June 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)

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(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, 14 JUNE 2002,
COMMENCING AT 9.00 AM.**

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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 CONFIRMATION OF MINUTES

Ordinary - 31 May 2002

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 31 May 2002, including the Public Excluded minutes, as circulated, be taken as read and now be confirmed.



4 **REPLACEMENT OF DEPARTMENTAL AND WORKGROUP PRINTERS - CONTRACT CCIM01009A**

PURPOSE OF THE REPORT

This report seeks approval from the Tenders Subcommittee to award the tender for the Replacement of Departmental and Workgroup Printers.

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, 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. In accordance with the resolution minuted as 633/2002 at the Tender Subcommittee meeting of 5 April 2002, a selective tender was issued inviting responses to enter in a contract with Council for the supply of replacement printers for the current replacement program, 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.

The tender has been set up to award the lump sum price, whilst establishing a pricing model in terms of discount off retail plus reseller margin. In this way the accepted pricing model will apply for all current and future purchases irrespective of changes in pricing or specification from a given manufacturer.

The tender was called for in four categories being:

1. Departmental Printers.
2. Workgroup Printers - Monochrome.
3. Workgroup Printers - Colour A3.
4. Workgroup Printers - Colour A4.

TENDERS RECEIVED

Valid Tenders were received from nine firms per Table 1. All firms responded to all four sections, and hence the categories have been aggregated, given detailed analysis shows there to be no price benefit in awarding individual sections to different vendors.

| Reseller | Office |
|-------------------------------|---|
| Aargue Graphics NZ Limited | 8 Te Pai Place, Henderson. |
| ATL Systems NZ Limited | 128 Khyber Pass Road, Newmarket. |
| Corporate Consumables Limited | Unit 2, 112 Mays Road, Penrose. |
| Datacom Systems Limited | 48 Greys Avenue, Auckland. |
| Fidelis Consulting Limited | 43a Charntay Avenue, Manukau. |
| Fusion Enterprises | 29 Miro Street, New Lynn. |
| Laser Plus | 6 Piermark Drive, Albany. |
| Quality Direct | 5 Owens Road, Epsom. |
| U-Bix Document Solutions | Cnr Khyber Pass Road & Nugent Street, Grafton |

Table 1 - Summary of Tenderers

TENDER EVALUATION

The evaluation of tenders was done substantially against the unit pricing supplied, as we have not identified any variables which would involve evaluation against non-price attributes. The prices shown below reflect our planned replacement program to 30 June 2003. The breakdown across the current and subsequent financial years are detailed under 'Job Costs', below.

| | | Contract Number CCIM01009A |
|----------------------------|------------------|-------------------------------|
| | | 100 |
| | Price | Index |
| ATL Systems | \$197,971 | 59.9 |
| Datacom Systems | \$198,177 | 59.8 |
| Quality Direct | \$202,963 | 57.7 |
| Laser Plus | \$212,032 | 53.5 |
| U-Bix | \$219,786 | 50.0 |
| Corporate Consumables | \$230,828 | 45.0 |
| Aargue Graphics | \$257,962 | 32.6 |
| Fusion Enterprises | \$260,492 | 31.5 |
| Fidelis Consulting | \$267,882 | 28.1 |
| Median Tender Price | \$219,786 | |

Weighting for price is determined by the price formula.

Table 2 - Evaluation matrix for sections C1 - C4 combined, based on replacement program to 30 June 2003

Extension Beyond One Year Contract Period

The tender calls for a term of approximately one year (timed to coincide with the Council's financial year end), with a possible rollover of term for a one further year.

In line with recent protocol the resolution for award will request budget commitment to future Annual Plans and will allow the Director: Corporate & Civic Services to extend the contract for a one more year if appropriate.

JOB COSTS

Expected job costs are as follows:

| | | |
|----------------------------------|--------------------------|------------------|
| Tendering / Project Management | Financial Year 2001/2002 | \$2,400 |
| Initial bulk purchase (13 units) | Financial Year 2001/2002 | \$86,835 |
| Installation | Financial Year 2001/2002 | \$3,200 |
| Ad-hoc purchases (est. 16 units) | Financial Year 2002/2003 | \$111,136 |
| Installation | Financial Year 2002/2003 | \$4,800 |
| Total | Ex GST | \$208,371 |

The Ad-hoc purchases undertaken during Financial Year 2002/2003 are reflective of the current planned replacement program. This may alter as a result of changed business requirements over time. It may also alter as a result of a review of Council's photocopier contract in September this year, as we are mindful that there is considerable convergence between printing and photocopying technology, and we will be seeking to exploit this where appropriate to further reduce total cost of ownership of both platforms.

SOURCE OF FINANCE

Computer equipment purchased by Council is immediately on-sold to a finance company (Rentworks Limited) and leased back to Council for a period of three years. The lease payments are funded through the Annual Plan.

| | Codes | Allocation to this Contract |
|------------------------|-----------------------|-----------------------------|
| Tender Process | 30-4210-16000-001 | \$2,400 |
| Installation | 30-4210-16000-001 | \$8,000 |
| Total Printer purchase | Individual unit codes | \$197,971 |

Recommendations are based on awarding contracts in each financial year as is the Council policy.

The actual amounts may differ from those shown and could change for the following reasons:

- change in exchange rate;
- model superseded and manufacturer's price lower or higher than for base model;
- variation in number of units purchased in Financial Year 2002/2003.

RECOMMENDATIONS

1. That the information be received.
2. That, subject to a satisfactory credit check, a contract for the supply of Departmental and Workgroup Printers be awarded to ATL Systems NZ Limited in the sum of \$86,835 plus \$10,854 GST, totalling \$97,689, for the 2001/02 financial year, and for the sum of \$111,136 plus \$13,892 GST, totalling \$125,028 for the 2002/2003 financial year.
3. That the Director: Corporate & Civic Services be empowered to enter into the contract on behalf of Council.
4. That subject to satisfactory performance by the vendor and manufacturer, the Director: Corporate & Civic Services be authorised to arrange for an extension to the contract for supply of Departmental and Workgroup Printers for the 2003/2004 Financial year, in the sum as determined by the relevant annual plan and other budgetary constraints.

Report prepared by: Simon Leigh, Information Management Operations Manager.

