

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON FRIDAY, 18 JULY 2003,
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 - 4 July 2003

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 4 July 2003, as circulated, be taken as read and now be confirmed.



4 PK 02541B - PIHA TOILETS AND CAR PARK UPGRADE

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract PK 02541B - Piha Toilets and Car Park Upgrade.

BACKGROUND

The Piha Reserve Management Plan was adopted in September 1999 and included a development plan for the Piha area. Council approved funding in the 2000/2001 Annual Plan for Stage I of this development which includes the upgrade of the Mid Beach (North Piha) and Les Waygood Park toilets, associated wastewater systems and Les Waygood Park car park.

SCOPE OF WORK

The work involves the erection and completion of alterations and additions to public toilets and changing facilities at two locations. Piha Strand (north Piha) comprises of alterations to an existing toilet facility. Les Waygood involves the construction of new facilities, including car park and landscaping and demolition and removal of the existing toilet block. The wastewater treatment system installation will be carried out under a separate contract.

TENDERS RECEIVED

Tenders were publicly advertised with three sets of documents being uplifted. No tenders were received by the closing date of 29 April 2003. The tender was re advertised with two documents uplifted and one tender received by closing date of 27 May 2003. The details are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Edge City Builders	New Lynn	\$366,500
Pre-tender contract estimate		\$335,550*

Table 1 - Summary of Tender Prices

* excludes car park and landscaping - refer Tags, Errors or Omissions

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. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number PK02541B
									Total Weights
	Weights	10	5	5	5	5	5	65	100
Tenderer	Tender Sum	Grades							INDEX
Edge City Builders	\$366,000.00	60	55	55	55	40	45	50	51
Med.n Tender Price	\$366,000.00								

Table 2 - Summary of Tender Evaluation

The project architects, Graham & Keys, have raised concerns about the involvement of Edge City Builder's contract manager, Mr Nick Farelly, with a company, NJ Builders Ltd, which went into liquidation in April 2000. Whilst there were no issues with quality of workmanship by NJ Builders at the time there were financial issues involved and these are discussed below.

A pre-letting meeting was held with Edge City Builders to discuss this issue and Mr Nick Farelly, who is proposed as the contract manager for this project, represented Edge City Builders Ltd. Mr Farelly advised that he was an employee of NJ Builders in 2000, not a director, and the company had gone into liquidation following non-payment of a significant amount of money by a debtor. This non-payment was apparently not related to quality of work but because the debtor had been affected by the Hartner Construction crash.

Mr Nick Farelly is now an employee of Edge City Builders Ltd, which was established in 2001. A credit check on the company revealed no adverse information.

Several references were contacted regarding the performance of Edge City Builders Ltd. These references included Auckland Zoo and staff from Council's Consultancy Services department.

Auckland Zoo had no issues with the quality of work produced by Edge City Builders. Edge City Builders have completed three projects for Auckland Zoo ranging in value from \$60,000 to \$300,000. The only negative comments Auckland Zoo made were that Edge City Builders had overrun the project completion date on one of the projects.

Consultancy Services provided satisfactory references on the workmanship by Edge City Builders Ltd who recently completed the Soffitt-Awning Replacements contract at Council's Civic Centre building and who also have a response maintenance contract to carry out carpentry repair work.

Edge City Builders were questioned on the comments from several of their references that they had not meet previous contract timelines. They advised that this was due to the sourcing of specialist material. They now had good contacts and were confident that this would not occur again. In relation to the Piha Toilets Project they indicated that they would be able to complete the project in the contractual timeframe.

TAGS, ERRORS OR OMISSIONS

Two omissions were identified in the schedule of prices relating to the car park construction and landscaping items, which had not been priced. These omissions were discussed at the pre-letting meeting and Edge City Builders advised that they had not priced these items as they were unable to find appropriate subcontractors at the time of tender. Therefore a decision has been made to treat these omissions as an acceptable tag and to tender these items of work separately.

An arithmetic error was found in the schedule of prices. The tenderer was therefore requested to confirm the tendered sum of \$366,500.00 in writing, which they have done.

The original tender submission from Edge City Builders Ltd did not include the Statement of Attributes, Safety Records and a list of sub contractors they intend to use. These details were requested and have been provided satisfactorily, however the fact that an incomplete tender submission was provide originally has been reflected in the relatively low score of 40 for Management Skills.

The methodology statement provided in the Statement of Attributes covers only the minimal requirement and has been reflected in the relatively low score of 45 for Methodology.

CREDIT CHECK

A credit check dated 28 May 2003 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Edge City Builders achieved an index of 51 which is satisfactory. This tender is also the lowest priced tender.

As part of City Services vision "Quality and Health and Safety is not negotiable" all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

JOB COSTS

	<u>EXCL. GST</u>
Tender sum - Edge City Builders	\$366,500
Contingency	\$ 36,650
Professional Services	\$ 28,290

Total Job Cost	<u>\$431,440</u>

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Toilet / Changing Room Renewal	75-9823-31560	\$458,600	\$350,000	\$97,740	\$10,860
Piha Toilets	75-9825-34330	\$333,700	-	\$333,700	
TOTAL		\$792,300	\$350,000	\$431,440	\$10,860

RECOMMENDATIONS

1. That the information be received.
2. That the tender from Edge City Builders for Contract PK 02541B - Piha Toilets and Car Park Upgrade in the sum of \$366,500 plus \$45,812.50 GST, totalling \$412,312.50 be accepted.
3. That authority to enter into Contract PK 02541B - Piha Toilets and Car Park Upgrade on behalf of Council be delegated to Director: City Services.

Report prepared by: Melinda King, Parks Project Manager - Data



5 APPROVAL TO EXTEND CONTRACT PK 02101 - TREE MAINTENANCE AND PLANTING, PARKS, RESERVES AND STREETSCAPES

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to extend contract PK 0201.1 - Tree Maintenance and Planting, Parks, Reserves and Streetscapes with Asplundh Tree Expert (NZ) Limited for a further period of two years.

BACKGROUND

Approval was given by the Tenders Subcommittee on 31 May 2002 for the tender of a contract for the supply of arboricultural maintenance services throughout the City as follows:

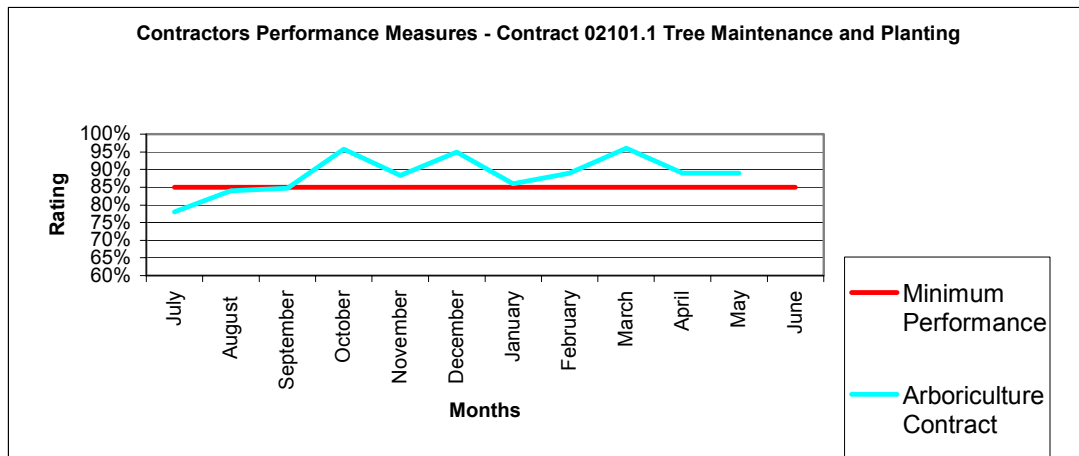
“That subject to a satisfactory credit check the tender from Asplundh Tree Expert (NZ) Limited for Contract PK020101.1 - Tree Maintenance and Planting, Parks, Reserves and Streetscapes in the sum of \$611,720.00 plus 76,465.00 GST, totaling \$688,185.00 be accepted.”

1025/2002

The original contract period was one year with a renewal period of a further 2 + 2 years subject to the quality of the contractor’s performance and at the discretion of Council. Extension of the contract is required to continue maintenance of the City’s tree asset through programmed and reactive arboricultural works.

ISSUES

In the initial year of the contract Asplundh Tree Expert (NZ) Limited has performed well, maintaining contractors Performance Measures above minimum performance ratings of 85%, as shown in the group below.



Contractor Performance Measures included in the contract are as follows:

- response and completion times;
- request for service (RFS);
- completion of programmed Works;
- customer service complaints;
- general standards of arboricultural works;
- health and Safety; and
- reporting.

The contractor has adopted a proactive approach to the contract works throughout the year and has demonstrated:

- performance in service delivery;
- a willingness to develop processes and systems that streamline tree management processes;
- a familiarity with Waitakere City parks;
- a willingness to develop a continued partnership with Council; and
- a willingness to be innovative.

Asplundh Tree Expert (NZ) Limited has also reviewed productivity tracking and has been able to reduce the unit rate per programmed tree to \$39.00 as opposed to \$43.00 per tree. This provides a 9% saving on every tree pruned saving \$29,000.00. This additional funding could now be allocated to aftercare maintenance allowing for visits to an additional 2636 juvenile trees.

JOB COSTS

EXCL. GST

2003/2004 and 2004/2005 - 24 months contract period	
Contract Sum	\$1,253,036.30
Contingency	\$ 125,303.70
Total Job Cost for 24 months	<u>\$1,378,340.00</u>

Note that the contract sum allows for additional planting as described above.

SOURCE OF FUNDING

2003/2004 (12 months)

Account	Budget	Committed to other Projects	Allocation to this Project	Unallocated Balance
Arboricultural maintenance	\$689,170.00	\$0	\$689,170.00	\$0
Totals	\$689,170.00	\$0	\$689,170.00	\$0

2004/2005 (12 months)

Account	Budget	Committed to other Projects	Allocation to this Project	Unallocated Balance
Arboricultural maintenance	\$689,170.00	\$0	\$689,170.00	\$0
Totals	\$689,170.00	\$0	\$689,170.00	\$0

CONCLUSION

Asplundh Tree Expert (NZ) Limited has performed well and savings have been achieved in the delivery of the contract. Accordingly it is recommended that the contract be renewed for two years with a further provision for two years thereafter.

RECOMMENDATIONS

1. That the information be received.
2. That Contract PK02101.1 Tree Maintenance and Planting, Parks Reserves and Streetscapes with Asplundh Tree Expert (NZ) Limited be extended in terms of the right of renewal provided for in the Contract for the 2003/2004 and 2004/2005 periods in the sum of \$1,378,340.00 plus \$172,292.50 GST totalling \$1,550,632.50.

3. That approval be given to committing \$689,170.00 plus \$86,146.25 GST, totalling \$775,316.25 against the 2004/2005 Annual Plan.
4. That authority to exercise the right of renewal for the periods of the 2005/2006 and 2006/2007 financial years be delegated to the Director: City Services, subject to Council providing the budget for each of these years and ongoing satisfactory performance by the contractor.

Report prepared by: Roscoe Webb, Parks Project Manager, Arboriculture and Quality Assurance.

