



## NOTICE OF MEETING

# TENDERS SUBCOMMITTEE

I hereby give notice that an Ordinary Meeting of the Tenders Subcommittee will be held on:-

**DATE:**        **Friday**                    **12 March 2004**                    **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 March 2004

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: Strategy & Development

Director: Quality Assurance

Director: Finance

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.)

# WAITAKERE CITY COUNCIL



**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD  
IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,  
ON FRIDAY, 12 MARCH 2004, COMMENCING AT 9.00 AM.**

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**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD  
IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,  
ON FRIDAY, 12 MARCH 2004, 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 - Friday, 27 February 2004

**RECOMMENDATION**

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 27 February 2004, as circulated, be taken as read and now be confirmed.



4 **CONTRACT TA 03535.B - PAREMUKA BRIDGE PHYSICAL WORKS**

**PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract TA 03535.B - Paremuka Bridge Physical Works.

**BACKGROUND**

The proposed Paremuka Bridge is designed to provide a link between Munroe Road to Summerland Drive.

Paremuka Bridge is an important part and a step forward of the proposed Regional Arterial Route. This part will run through the Braeburn subdivision and directly link two largely residential areas. It is anticipated that the final route will contribute to, a strong road network, providing access to existing and new developments, and consequently increase reduce travel costs in Waitakere City. It will also provide easy and safe travel for residents and by-pass traffic.

Council approved construction of the Paremuka Bridge in the 2003/2004 Annual Plan.

**SCOPE OF WORK**

This contract is for the construction of a new bridge linking Munroe Road to Summerland Drive. The scope of work includes embankment construction, road construction, relocation of services, stormwater works, prestressed concrete girders (2 spans 30m each), the construction of other bridge components, and installation of infrastructure in accordance with Waitakere City Council standards.

**TENDERS RECEIVED**

Tenders were publicly advertised with five sets of documents being uplifted. Three tenders were received by the closing date of 20 January 2004. These are summarised in Table 1 below:

| <b>TENDERER</b>                         | <b>REG OFFICE</b> | <b>TENDER PRICE<br/>- Conforming<br/>Design<br/>(EXCL. GST)</b> | <b>TENDER PRICE<br/>- Alternative<br/>Design<br/>(EXCL. GST)</b> |
|---|-------------------|---|--|
| HEB Contractors Limited                 | Auckland          | 1,909,746.98  | 1,849,746.98   |
| Fulton Hogan Limited                    | Auckland          | 1,944,678.66  |  |
| Gibbons Contractors Limited             | Auckland          |   | 2,501,435.2  |
| <b>Pre-tender contract<br/>estimate</b> |                   | 1,850,000   |  |

**Table 1 - Summary of Tender Prices**

HEB Contractors submitted two tenders, one is a conforming tender and the other is an alternative tender involving changes to the design of the bridge girders arrangement, cross section dimensions and numbers.

Fulton Hogan submitted one conforming tender.

Gibbons Contractors submitted an alternative tender involving changes to the design of bridge girders arrangement, cross section dimensions and length.

## 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 \$25,000.

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 for all tenders before the second envelope containing the tender price is opened, and the tender prices duly included in the evaluation.

Each of HEB Contractors Limited and Gibbons Contractors Limited submitted an alternative tender, and so they were evaluated in accordance with Section 2.8 of the Transfund Manual. This requires all non-alternative tenders to be evaluated first, with the alternative tender being compared against the best of the non-alternative tenders.

The price of the alternative tender is *not* included in the calculation of the median tender price, although it is evaluated against it.

The Tender Sum of submitted tenders have been adjusted to reflect the costs associated with tags, conditions, methodology or alternative designs. These additional costs are summarised in Table 2 below:

| Tenderer                   | Tender Sum     | Additional Costs | Provisional Sum | Total Tender Sum for Tender Evaluation |
|----------------------------|----------------|------------------|-----------------|--|
| HEB - Conforming Tender    | \$1,909,746.98 | \$3,000.00       | \$25,000.00     | \$1,887,746.98                         |
| HEB - Alternative tender   | \$1,849,746.98 | \$15,000.00      | \$25,000.00     | \$1,839,746.98                         |
| Fulton Hogan               | \$1,944,678.66 | \$5,000.00       | \$25,000.00     | \$1,924,678.66                         |
| Gibbons                    | \$2,501,435.20 | \$100,000.00     | \$25,000.00     | \$2,576,435.20                         |
| <b>Median Tender Price</b> | \$1,927,212.82 |                  |                 | \$1,906,212.82                         |

**Table 2 - Summary of Tender Prices after adjustment**

A summary of the evaluation results is shown in Tables 3A, 3B and 3C:

### Conforming Tender

| Tender Evaluation          | Attributes     | Exper. | Track Record | Tech. Skill | Resour. | Manag. Skill | Method. | Price | Contract Number TA 03535B |
|----------------------------|----------------|--------|--------------|-------------|---------|--------------|---------|-------|---------------------------|
|                            |                |        |              |             |         |              |         |       | Total Weights             |
|                            | Weights        | 5      | 5            | 5           | 5       | 5            | 5       | 70    | 100                       |
| Tenderer                   | Tender Sum     | Grades |              |             |         |              |         |       | INDEX                     |
| Fulton Hogan Ltd           | \$1,924,678.66 | 83     | 87           | 84          | 83      | 82           | 83      | 49    | 59                        |
| HEB Contractors Ltd        | \$1,887,746.98 | 72     | 72           | 71          | 74      | 75           | 88      | 51    | 58                        |
| <b>Median Tender Price</b> | \$1,906,212.82 |        |              |             |         |              |         |       |                           |

**Table 3A - Summary of Tender Evaluation – Conforming Design Tender**

**Alternative  
Tender**

| Tender<br>Evaluation       | Attributes     | Exper.   | Track<br>Record | Tech.<br>Skill | Resour.  | Manag.<br>Skill | Method.  | Price     | Contract<br>Number TA<br>03535B |
|----------------------------|----------------|----------|-----------------|----------------|----------|-----------------|----------|-----------|---------------------------------|
|                            |                |          |                 |                |          |                 |          |           | Total<br>Weights                |
|                            | <b>Weights</b> | <b>5</b> | <b>5</b>        | <b>5</b>       | <b>5</b> | <b>5</b>        | <b>5</b> | <b>70</b> | <b>100</b>                      |
| Tenderer                   | Tender Sum     | Grades   |                 |                |          |                 |          |           | INDEX                           |
| HEB - Alternative          | \$1,839,746.98 | 72       | 72              | 71             | 74       | 75              | 75       | 53        | 59                              |
| Gibbons Contractors<br>Ltd | \$2,576,435.20 | 53       | 70              | 57             | 64       | 54              | 58       | 15        | 28                              |
| <b>Median Tender Price</b> | \$2,208,091.09 |          |                 |                |          |                 |          |           |                                 |

**Table 3B - Summary of Tender Evaluation - Alternative Design Tender**

**Final Tender Evaluation**

| Tender<br>Evaluation       | Attributes     | Exper.   | Track<br>Record | Tech.<br>Skill | Resour.  | Manag.<br>Skill | Method.  | Price     | Contract<br>Number TA<br>03535B |
|----------------------------|----------------|----------|-----------------|----------------|----------|-----------------|----------|-----------|---------------------------------|
|                            |                |          |                 |                |          |                 |          |           | Total<br>Weights                |
|                            | <b>Weights</b> | <b>5</b> | <b>5</b>        | <b>5</b>       | <b>5</b> | <b>5</b>        | <b>5</b> | <b>70</b> | <b>100</b>                      |
| Tenderer                   | Tender Sum     | Grades   |                 |                |          |                 |          |           | INDEX                           |
| Fulton Hogan Ltd           | \$1,924,678.66 | 83       | 87              | 84             | 83       | 82              | 83       | 49        | 59                              |
| HEB - Alternative          | \$1,839,746.98 | 72       | 72              | 71             | 74       | 75              | 75       | 53        | 59                              |
| <b>Median Tender Price</b> | \$1,906,212.82 |          |                 |                |          |                 |          |           |                                 |

**Table 3C - Summary of Tender Evaluation - Final Tender Evaluation**

When evaluating the conforming-design tenders (Table 3A), Fulton Hogan scored the highest index of 59. HEB scored the highest index of 59, for the alternative-design tender (Table 3B).

Fulton Hogan and HEB scored the same index when evaluated in accordance with Section 2.8 of the Transfund Manual.

A detailed analysis for the tender prices has been undertaken for tenders submitted by Fulton Hogan and the alternative tender submitted by HEB, as they scored the highest index. Tender prices were higher than the Engineer's Estimate especially for Preliminary, General and Establishment items.

**Fulton Hogan Tender compared to HEB Alternative Tender:**

The following summarises the tender comparison between Fulton Hogan and HEB tenders:

1. Both tenderers scored the same index, 59.
2. Fulton Hogan Tender Sum is higher than HEB tender by \$94,931.68 or 5%.
3. Fulton Hogan construction costs for Preliminary, General and Establishment items are higher by \$170,028.50 or 67%.
4. Fulton Hogan construction costs for Bridge Works are lower by \$140,923.92 or 11%.

5. Fulton Hogan construction costs for Road Works are higher by \$65,827.10 or 18%.
6. Fulton Hogan scored higher in all non-priced attributes.
7. Fulton Hogan tender is a conforming tender. Fulton Hogan proposed to manufacture the bridge girders as per the tender drawings and specifications at their prestressed concrete factory in Henderson. Fulton Hogan confirmed that all works will be as specified in the Tender Documents. This will minimise all risks and provide Council with the opportunity to implement any Integrated Artworks to the girders finishing facade.
8. HEB tender is an alternative design tender. They proposed to use an alternative beam shape, using existing moulds, with six instead of five girders and different girder configuration. In their submission, HEB proposed to use Smithbridge Limited for bridge works. Smithbridge Limited is owned by HEB and located in Tauranga.

There is a higher risk associated with accepting an alternative design tender. Some of the risks involved are:

- delays in providing the design for the new bridge girders;
- delays in checking and analysing the bridge structures;
- delays in preparing, submitting, checking and approving the revised contract drawings;
- the risk regarding the accountability of the design of the whole structure. In the new structure, some parts have been designed by Connell Wagner and other parts would be designed by HEB's Consultant;
- the risk in accepting an alternative design tender, as the design will be carried out after awarding the Contract.

Therefore, it is recommended that Contract TA 03535.B - Paremuka Bridge Physical Works be awarded to Fulton Hogan Limited.

#### **TAGS, ERRORS OR OMISSIONS**

##### **Fulton Hogan Tender:**

1. The tender from Fulton Hogan Limited contained seven tags/conditions.
2. Fulton Hogan was requested to provide additional information on the following issues:
  - more information about their methodology;
  - details on their subcontractors;
  - clarification on one paragraph in the methodology;
  - confirmation on materials, methodology and compliance with the tender specification and drawings.
3. Fulton Hogan responded with a letter providing the required information and details, clarifying the item in question and confirming their compliance to the tender specification and drawings. Fulton Hogan stated in their letter that the first three tags/conditions would not be withdrawn. An amount of \$5,000 has been added to Fulton Hogan tender sum to accommodate the costs associated with these conditions.
4. There were no errors or omissions in Fulton Hogan tender.

### **HEB Contractors Conforming Tender**

1. There were no tags, errors or omissions in HEB Contractors Limited tender.
2. Some issues in HEB submission have been raised by the tender evaluation team including the following:
  - confirmation or receiving Notice to Tenderers number 2 and 4;
  - more information about their methodology;
  - confirmation on materials, methodology and compliance with the tender specification and drawings.
3. HEB Contractors responded with a letter providing the required information, confirmation on receiving of Notice to Tenderers number 2 and 4 and confirming the compliance with the tender specification and drawings.
4. HEB proposed to use their prestressed casting plant located in Tauranga. An amount of \$3,000 has been added to HEB conforming tender sum to accommodate the costs associated with travelling of Council staff, Quality Assurance Officer and the Consultant, from Auckland to Tauranga during the construction period, in order to inspect the plant, material used and the casting of prestress girders.

### **HEB Contractors Alternative Tender:**

In addition to the issues mentioned above regarding HEB Conforming Tender, an additional amount of \$12,000 has been added to HEB alternative tender sum to accommodate the cost associated with checking and approving the alternative design.

### **Gibbons Contractors Tender:**

1. The tender from Gibbons Contractors Limited contained five tags/conditions. Gibbons was advised that all tags and conditions will be checked and an additional estimated cost will be added to the Tender Sum.
2. The following issues have been raised by the tender evaluation team when evaluating Gibbons tender:
  - the information submitted for the alternative design is insufficient. Gibbons was requested to submit detailed methodology and assurance that the alternative design will conform in all regards to TNZ Bridge Manual. Gibbons was asked to advise on the accountability of the alternative design, peer review and associated costs;
  - Gibbons was requested to provide more information about their methodology;
  - Gibbons was requested to provide clarification on some tags and confirmation on some construction materials.
3. There were no errors or omissions in Gibbons tender.
4. Gibbons responded with a letter addressing the above issues, providing the required information and details and, clarifying the items in question and confirming the compliance with the tender specification.
5. Gibbons stated in their letter that they accept Transport Assets advice regarding the costs associated with some of the tags. Gibbons withdrew one tag. An estimated amount of \$100,000 has been added to Gibbons Contractors Limited Tender Sum to accommodate:
  - the costs associated with the outstanding tags;
  - the costs associated with checking and approving of the alternative design.

## CREDIT CHECK

A credit check dated 21 January 2004 revealed Fulton Hogan Limited has a "high" risk of paying in a severely delinquent manner (90+ days past terms). 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 and in view of the low risk of exposure to Council in awarding this Contract (the cost to Council in re-tendering this Contract in the event of Fulton Hogan Limited being dissolved is offset by the Contractor's bond that is lodged at the start of the Contract), is considered to be of no concern.

A statement confirming the Tenderer's financial status and their ability in meeting the financial terms and conditions of this Contract have been supplied by the Chief Financial Officer of Fulton Hogan Limited.

## SUMMARY

The results of the tender evaluation as summarised in Table 3C shows that the tender submitted by Fulton Hogan Limited achieved the highest index of 59. This tender is also the second lowest conforming-design priced tender and the third lowest submitted 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

|                                   |                |
|-----------------------------------|----------------|
| Tender sum - Fulton Hogan Limited | \$1,944,678.66 |
| Contingency                       | \$ 250,000.00  |
| Engineering & Supervision         | \$ 150,000.00  |
| Services Relocation               | \$ 50,000.00   |
| Art Works and Other Expenditure   | \$ 154,721.34  |
|                                   | -----          |
| Total Job Cost (excl. GST)        | \$2,549,400.00 |

## Transfund Submission

Council submitted a funding application in February 2004 to Transfund New Zealand. It is expected to get Transfund respond / approval early March 2004.

Therefore, it is recommended that the Tender award be subject to receiving Transfund confirmation of funding.

## SOURCE OF FUNDING

Sources of funding for this project are as follows:

| Budget Description<br>(from Annual Budget<br>line item) | Codes             | Budget    | Committed to<br>Other<br>Projects | Allocation<br>to This<br>Project | Unallocated<br>Balance |
|---|-------------------|-----------|-----------------------------------|----------------------------------|------------------------|
| Capital Works<br>Subsidised / Munroe<br>Bridge          | 75-9810-43360-280 | 1,709,000 | Nil                               | 1,709,000                        | 0                      |
| 150mm New<br>Watermain                                  | 85-9821-43360-280 | 102,400   | Nil                               | 102,400                          | 0                      |
| 300mm New<br>Watermain                                  | 85-9821-31310-280 | 138,000   | Nil                               | 138,000                          | 0                      |
| Funding in Draft<br>2004/2005 Annual Plan               |                   | 600,000   | Nil                               | 600,000                          | 0                      |
| Total   |                   | 2,549,400 |                                   | 2,549,400                        |                        |

As the Paremuka Bridge project will be run through two financial years, i.e. 2003/2004 and 2004/2005, a resolution will be required to this effect.

## RECOMMENDATIONS

1. That the Contract TA 03535.B - Paremuka Bridge Physical Works report be received.
2. That the tender from Fulton Hogan Limited for Contract TA 03535.B - Paremuka Bridge Physical Works in the sum of \$1,944,678.66 plus \$243,084.83 GST, totalling \$2,187,763.49 be accepted, subject to Transfund New Zealand funding approval.
3. That the tender for Contract TA 03535.B - Paremuka Bridge Physical Works be awarded to other than the lowest priced tender, because the weighted attributes tender evaluation method requires the tendering authority to enter into a contract only with the tender that scores the highest overall index.
4. That it be a recommendation to the Finance and Operational Performance Committee that the 2003/2004 allocated budget for Contract TA 03535.B - Paremuka Bridge Physical Works totalling \$1,709,000.00 plus GST be carried forward to 2004/2005 financial year.
5. That it be a recommendation to the Finance and Operational Performance Committee that the water supply 2003/2004 allocated budget for Contract TA 03535.B - Paremuka Bridge Physical Works totalling \$240,400.00 plus GST be carried forward to 2004/2005 financial year.
6. That the commitment to the 2004/2005 financial year for Contract TA 03535.B - Paremuka Bridge Physical Works totalling \$600,000.00 plus GST be approved, \$541,000.00 plus GST will be subsidised by Transfund and \$59,000.00 plus GST will be funded by Council only.
7. That authority to enter into Contract TA 03535.B - Paremuka Bridge Physical works on behalf of Council be delegated to the Director: City Services.

Report prepared by: Nabeel Hammad, Principal Transport Engineer, Information.



## 5 **DRINKING WATER QUALITY TESTING CONTRACT**

### **PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Tenders Subcommittee to tender for a three-year contract for the routine testing of the City's drinking water quality as required by the Ministry of Health to ensure that water quality standards are maintained.

### **BACKGROUND**

The drinking water quality testing contract involves taking water samples every second day throughout the year for bacteriological testing, and less frequent sampling and testing for chemical parameters, on an ongoing basis. This testing is required for the following reasons:

- to demonstrate the Council's compliance with the Drinking Water Standards New Zealand 2000 (DWSNZ);
- to maintain an "a" water quality grading for the distribution system; and
- for quality assurance and management of the water network, and for following up on water quality complaints.

Information from test result is recorded on a national water quality result database called WINZ (Water Information New Zealand), and the contract includes entering all test information on to this database.

The work is a high risk item for Council in that failure to carry out the required testing will result in a downgrading of the water supply distribution system from 'a' to 'c'.

The current contract is due to expire on 30 June 2004, and so it is vital that a new contract is in place to commence on 1 July 2004.

### **PROPOSED TENDER PROCESS**

It is proposed to publicly tender this contract in order to thoroughly test the market. However, due to the importance of this work, firms that tender will have to meet strict criteria in order that their tenders may qualify for evaluation.

Eligible tenderers will be required to be registered laboratories that meet all of the following requirements.

#### **Ministry of Health Approved Laboratory**

The laboratory will have to be approved by the Ministry of Health for bacteriological water quality testing, otherwise the results are deemed to be invalid by the Ministry of Health. The laboratory must confirm that it will undertake all of the bacteriological testing in-house, as this is the core part of the contract. However, the subcontracting of Trihalomethanes and metals testing to an approved third party laboratory will be acceptable.

#### **Location**

The laboratory must be located in the Auckland area, as the risks associated with transporting samples outside of the Auckland area for testing are unacceptable. Water testing standards recommend that bacteriological testing be carried out within six hours. Furthermore, in some circumstances, testing is required to be carried out over three consecutive days. In such cases, it is important that water samples are delivered to the laboratory as quickly as possible, otherwise the quality of the sample will be affected, and this could result in the downgrading of the Council's water supply. Hence it is considered that the use of laboratories outside of Auckland will be a significant risk.

### **Sample Collection**

The collection of samples is an important part of the contract, and due to the importance and complexity of the sample collection programme the laboratory must be directly involved, and responsible for, the collection of the samples. The use of a separate company for sample collection is considered to create an unacceptable risk to the testing programme.

### **Conflict of Interest**

The laboratory must be independent in order to avoid any conflict of interest that could be perceived to affect the creditability of the laboratory. Therefore, in particular, Watercare Laboratory Services Ltd will be advised not to tender, as it is a part of Watercare Services Ltd, the bulk supplier of the water that is to be tested.

### **PROPOSED CONTRACT DURATION**

If the Council wishes to maintain an "Aa" grading, drinking water quality testing will be required on an on-going basis.

It is proposed to seek tenders for a contract period of three years, to run from 1 July 2004 to 30 June 2007.

The reasons for seeking a three-year contract are as follows:

1. The work is required under the New Zealand Drinking Water Standards 2000 and the testing work will therefore be required on an ongoing basis.
2. The work involves setting up a complex sample collection and testing programme of over 1000 samples per year.
3. Tests results are to be entered into the Ministry of Health database WINZ directly by the laboratory, and this requires staff training and reliable systems to be put in place.
4. The Ministry of Health requires reporting on results on a calendar year basis, and a twelve month contract covering one financial year will actually comprise two discrete six month periods of testing, adding to the risk of non-compliance due to changing over contractors etc. Therefore, the three-year contract, incorporating two complete calendar years of testing, provides much better continuity.

It is considered that a three-year contract will be more economic than contracts of a shorter duration due to reduced set up and software familiarisation costs. This will enable contractors to better plan future workload and employ staff on a longer-term basis, resulting in lower costs. This was confirmed at the last time of tendering when the best rates were achieved for the longest term contract.

In addition, review clauses and opportunities for revision of the testing requirements will be incorporated into the specification to ensure sufficient flexibility to meet changing water quality testing needs. The contract documentation will also include KPI's and the provision to terminate the contract due to unacceptable performance.

## FUNDING REQUIREMENTS

The letting of a three-year contract would involve committing future years' budgets. The Long Term Council Community Plan includes sufficient budget for this work as outlined below:

| FINANCIAL YEAR | LTCCP BUDGET PROVISION |
|----------------|------------------------|
| 2004/2005      | \$105,000              |
| 2005/2006      | \$105,000              |
| 2006/2007      | \$105,000              |

## CONCLUSION

The routine testing of the City's drinking water quality is required by the Ministry of Health to ensure that water quality standards are maintained. Open public tendering is considered to be the appropriate method for tendering this contract, with strict evaluation criteria on the qualification of the tenderers. A three-year contract is considered to be the optimum length for a contract of this nature.

## RECOMMENDATIONS

1. That the Drinking Water Quality Testing Contract report be received.
2. That approval be given to invite tenders for a contract with a duration of three years, for the testing of drinking water quality.

Report prepared by: Richard Taylor, Assets & Network Manager.

