

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD
IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,
ON FRIDAY, 28 MAY 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, 14 May 2004

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 14 May 2004, including the Public Excluded minutes, as circulated, be taken as read and now be confirmed.



4 CONTRACT NO. RM03502B - ELECTRICITY SUPPLY

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. RM03502B - Electricity Supply.

BACKGROUND

For the last two electricity supply contract periods, 2000/2002 and 2002/2004, Waitakere City Council has participated in energy purchasing groups to tender electricity supply to Council. During those tendering periods the electricity market was a buyers market and electricity retailers were interested in securing large contracts. For this tender round the Council is no longer participating in the bulk tender purchasing group as the retail market is not looking favourably on large bulk tenders as the retailers are no longer looking for significantly large loads and the bulk tender option is no longer feasible.

In 2004 the electricity market has become very stagnant and electricity retailers have changed their approach to maintaining their customer base to match supply and not actively seeking new large contracts due to the current availability of electricity supply in New Zealand and the spot market process. Electricity prices have been steadily increasing over the last few years as shown in Figure 1 Spot Market Prices below:

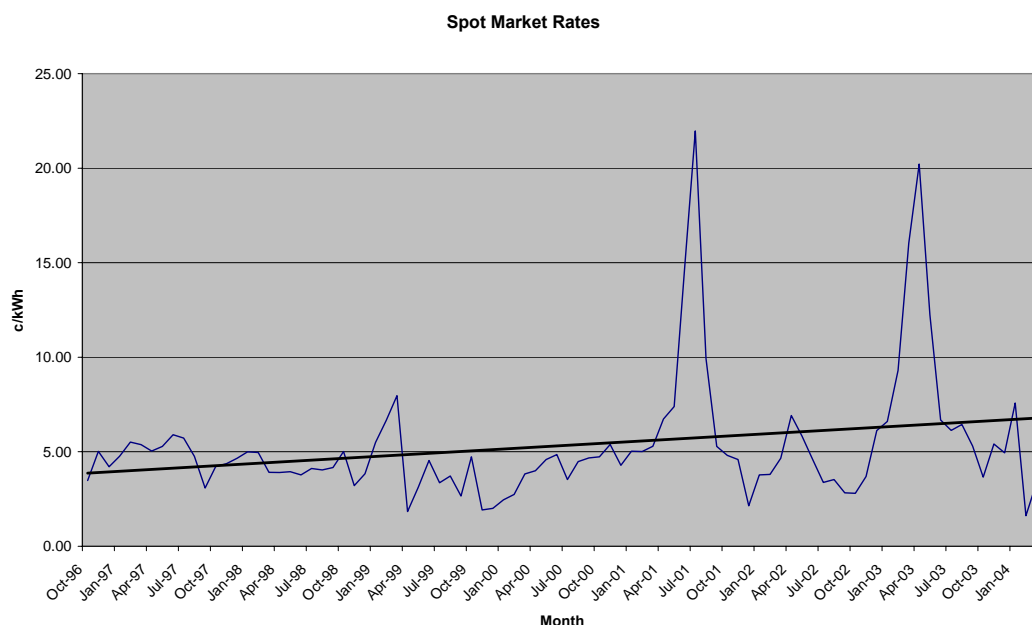


Figure 1 Electricity Spot Market Prices

From the 2000/2002 to 2002/2004 contract period Council experienced a 14% increase in electricity usage prices (excluding line costs) and a 9% price increase for overall electricity costs (including line costs) and was anticipating an increase of approximately 35% of electricity usage prices (excluding line costs) for this next contract period before going out to tender.

Through the tender process Council sought to gain pricing information for two contract periods: a two-year contract term and a three-year contract term to gain an indication of price for a longer contract period versus re-tendering after two years with the continuing trend of significant price increases.

SCOPE OF WORK

Waitakere City Council's 12-month electricity load is estimated below in Table 1 as at January 2004 and is anticipated to grow due to new buildings being developed during the next contract period:

| Load Grouping | Total Kilowatt Hours | Number of Accounts |
|--|----------------------|---------------------|
| Street Lighting | 5,391,132 | 4 accounts |
| Time of Use sites (West Wave, Civic Centre) | 3,861,879 | 5 accounts |
| Non-Time of Use sites | 2,638,341 | 226 accounts |
| Residential | 63,295 | 26 accounts |
| Waitakere Properties Limited | 392,400 | 4 accounts |
| Total | 12,347,047 | 252 accounts |

Table 1 - Council's Annual Electricity Load

To enable competitive tendering it was noted in the tender document that tenderers could submit pricing for one or more of the loads noted in Table 1. This methodology could have resulted in more than one electricity supplier for Council to gain overall coverage of the electricity load groupings but the total load would still require coverage.

TENDERS RECEIVED

Tenders were invited from all six electricity retailers covering Waitakere City with documents being provided to all six retailers. One tender was received by the closing date of 4 May 2004 and one tender was received after the closing date on 6 May 2004. This is summarised in Table 2 below:

| TENDERER | REG OFFICE | TENDER PRICE (EXCL GST) 2 Year Contract Estimate | TENDER PRICE (EXCL GST) 3 Year Contract Estimated |
|---|------------|---|--|
| Genesis Power Ltd [trading as Genesis Energy] | Hamilton | | |
| Excluding Street Lighting | | \$1,414,968.00 | \$2,183,520.00 |
| Street Lighting | | \$696,534.00 | \$1,127,286.00 |
| Mercury Energy Ltd | Auckland | | |
| Excluding Street Lighting | | \$1,597,966.00 | \$2,423,070.00 |
| Street Lighting | | Not included | Not included |

Table 2 - Summary of Tender Prices

The tender prices are for energy usage costs only and do not include daily line charges as these are determined by the network company. The tender prices are estimated on the energy usage above and final costs will depend upon year-to-year energy usage of Council sites. The energy cost for street lighting has been separated to enable comparison of the remaining load since Mercury Energy did not submit tender pricing for street lighting.

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".

| Tender Evaluation | Attributes | Exper. | Track Record | Tech. Skill | Manag. Skill | Method. | Price | Contract Number RM03502B |
|-------------------|----------------|--------|--------------|-------------|--------------|---------|-------|--------------------------|
| | | | | | | | | Total Weights |
| | Weights | 6 | 6 | 6 | 6 | 6 | 70 | 100 |
| Tenderer | Tender Sum | | | | | | | INDEX |
| Genesis Power Ltd | \$2,183,520.00 | 60 | 55 | 60 | 60 | 65 | 50 | 53 |

Table 3 Summary of Tender Evaluation

Mercury Energy Limited did not respond in full to the tender document information requirements removing the ability to evaluate their tender according to the above. Comparisons were made on price as shown in Table 2 to determine the competitiveness of Genesis tender pricing to ensure fair market pricing had been submitted.

Genesis has supplied electricity to Council installations over the last two years through the existing electricity supply contract. A number of issues were experienced during this contract with successful resolution or outcomes, including correcting problems customers experienced when Genesis upgraded their invoicing system, significantly improving the process for lodging issues with the network company for street lighting issues, developing terms and conditions for renewable energy installations, and enabling electronic data transfer for EnergyPro (Council's energy monitoring system), and Genesis assisted with the tender evaluation for Massey Leisure Centre and Library photovoltaic system.

TAGS, ERRORS OR OMISSIONS

Genesis Energy did not submit pricing for Waitakere Properties Limited. Genesis Energy also noted their pricing was for the total load tendered for and not a divisible offer.

Mercury Energy did not respond in full to the tender document, including Council specific issues such as net metering for renewable energy installations, electronic data for energy management purposes, and a number of the attributes for tender evaluation. Mercury Energy also did not submit pricing for Street Lighting and Waitakere Properties Limited.

As part of the tender process prices were sought for electricity supply for Waitakere Properties Limited for when their existing contract is completed in 18 months time. It was anticipated that there may be no offers included in the tender process to pick up the Waitakere Properties Limited electricity installations into this contract given the long time period before their current contract exists. It may be more appropriate for Council to seek for Waitakere Properties Limited to join this contract separately later or ensure the timing of Waitakere Properties Limited next contract co-insides for renewal with Council's next electricity contract.

CREDIT CHECK

A credit check on Genesis Power Limited (trading as Genesis Energy) has been requested.

SUMMARY

Genesis Power Limited, trading as Genesis Energy, is the only tenderer to respond in full to the tender document. It is recommended that the contract for the electricity supply be negotiated with Genesis Power Limited based upon their tender.

It is also recommended that the contract period be based on the three year pricing but attempt to negotiate the period to be reduced to a 33-month contract to enable negotiation to take place in summer for the next contract period as time of the year can sometimes affect electricity pricing.

In selecting the contract period based on 33 to 36 months there would be a price increase of approximately 11% for electricity usage charges (excluding line costs) from year-two to year-three, rather than Council being faced with another 30-35% price increase in 2006. This would buffer Council from price uncertainty for one more year while the electricity market gains further certainty over supply and therefore pricing. The cancellation of Project Aqua continues the uncertainty of future electricity supply in New Zealand at this time.

The electricity supply load coverage by the tenders incurred difficulty in regards to street lighting due to that load being 'unmetered' and calculated on best information on load profile, i.e. types and number of street lights, and number of hours lit each month. Many electricity retailers do not supply electricity to street lighting and do not have the processes established to support the supply to street lighting due to it being unmetered and/or are not eager to supply electricity to streetlights as part of their business, especially in areas where they are not the incumbent grid exit point electricity retailer responsible for accounting for electricity usage by all retailers and then accounting for the unmetered supply. The industry is working on the ability to be able to trade unmetered and non-half hourly sites on standard or agreed profiles so that all these sites can be more easily traded. Council may be faced with the same issue in the next tender round but as the industry is working on the issues potentially it could be resolved by that time.

Council is continuing to develop energy management processes and projects to reduce the energy usage per square meter per facility in order to control Council's susceptibility to spiralling electricity costs and to meet Council's climate change and energy efficiency objectives. Some of these issues will be addressed during consideration of the Annual Plan and through targeting specific areas for energy efficiency initiatives each financial year.

JOB COSTS

Compared to the current 2002/2004 electricity contract the overall price increase for electricity supply costs only, excluding line costs, for the two contract periods are 24% for the two-year contract period and 29% for the three-year contract period as summarised below in Table 4:

| Load Grouping | Current Unit Price | 2 Year Contract | % Increase | 3 Year Contract | % Increase |
|--------------------------|--------------------|-----------------|------------|-----------------|------------|
| Time of Use | \$0.0605 | \$0.0811 | 34% | \$0.0831 | 37% |
| Non Time of Use | \$0.0532 | \$0.0766 | 44% | \$0.0826 | 55% |
| Street Lighting | \$0.0436 | \$0.0646 | 48% | \$0.0697 | 60% |
| Estimated Energy Cost | \$853,643 | \$1,055,251 | 24% | \$1,103,602 | 29% |
| Estimated Line Cost | \$610,000 | \$610,000 | | \$610,000 | |
| Estimated Annual Average | \$1,463,643 | \$1,665,251 | 13% | \$1,713,602 | 17% |

Table 4 - Tender Price Comparison

The total estimated electricity costs for each of the three years is shown below in Table 5 Comparison of Annual Electricity Costs, not taking into account changes in Council's energy use due to changes in business, nor increased line charges as these are determined by the network company, not the electricity retailer.

| | Current | 2004/05 | %↑ | 2005/06 | %↑ | 2006/07 | %↑ |
|-------------------------------------|-------------|-------------|-----|-------------|-----|-------------|-----|
| Time of Use | \$233,643 | \$298,729 | 28% | \$327,479 | 10% | \$336,581 | 3% |
| Non Time of Use | \$373,682 | \$394,667 | 6% | \$394,667 | 0% | \$394,667 | 0% |
| Residential | \$10,274 | \$12,243 | 19% | \$12,243 | 0% | \$12,243 | 0% |
| Street Lighting | \$235,053 | \$375,762 | 60% | \$375,762 | 0% | \$375,762 | 0% |
| | | | | | | | |
| Estimated Energy Cost | \$852,643 | \$1,081,401 | 27% | \$1,110,151 | 10% | \$1,119,253 | 11% |
| Estimated Line Costs | \$610,000 | \$610,000 | | \$610,000 | | \$610,000 | |
| | | | | | | | |
| Estimated Annual Budget Requirement | \$1,462,643 | \$1,691,401 | 16% | \$1,720,151 | 17% | \$1,729,253 | 5% |
| % Increase Compared to Current Year | | | 16% | | 18% | | 18% |

Table 5 - Comparison of Annual Electricity Costs

SOURCE OF FUNDING

Provision is made for electricity supply within the existing Council budgets.

The amount provided in the 2004/05 draft Annual Plan is \$1,700,000, which will allow for a small growth in asset base.

RECOMMENDATIONS

1. That the Contract No. RM03502B - Electricity Supply report be received.
2. That the tender from Genesis Power Limited for Contract No. RM03502B - Electricity Supply be accepted.
3. That the electricity supply contract for Waitakere City Council be negotiated with Genesis Power Limited, based upon the tender submitted.
4. That a contract period of 33 or 36 months be negotiated for the term of the electricity contract with Genesis Power Limited.
5. That the commitment of funds for the 2004/2005, 2005/2006 and 2006/2007 financial years for Contract No. RM03502B - Electricity Supply be approved.
6. That the authority to enter into Contract No. RM03502B - Electricity Supply on behalf of Council be delegated to the Director: Corporate & Civic Services.

Report prepared by: Michelle Dawson, Project Manager Cleaner Production.



5 CONTRACT NO. EW 03 463P - DRINKING WATER QUALITY TESTING

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract No. EW 03 463P - Drinking Water Quality Testing.

BACKGROUND

The Ministry of Health requires the drinking water carried in the Waitakere City Council's water distribution system to be regularly tested in order to comply with the following requirements.

- Demonstrating the Council's compliance with the Drinking Water Standards for New Zealand 2000 (DWSNZ); and
- Maintaining an "A" grading for the water distribution system.

The testing programme also assists Council in the operation of the water distribution system and to provide assurance regarding the quality of the water supply.

The present contract commenced on 1 January 2002, and is due to expire on 30 June 2004. A new contract is required to be in place before then in order to maintain the continuity of testing. The work is an essential 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".

It is proposed to let a contract for three years in order to provide quality assurance. The approval to tender for a contract with a duration of three years was given by the Tenders Subcommittee on 12 March 2004 (resolution no. 407/2004).

SCOPE OF WORK

This contract involves the taking of water samples every second day throughout the year for bacteriological testing and less frequent sampling and testing for chemical parameters, on an ongoing basis. The test result information is recorded on a national water quality result database called WINZ (Water Information New Zealand), and the contract includes entering all test information on this database.

Samples are taken from 88 water sampling stations specially installed on water mains around the city by the Council, as well as other designated sites.

TENDERS RECEIVED

Tenders were publicly advertised with 5 sets of documents being uplifted. Two tenders were received by the closing date of 27 April 2004. These are summarised in Table 1 below:

| TENDERER | REG OFFICE | TENDER PRICE (excl. GST) |
|-------------------------------------|--------------------------|-----------------------------|
| Aqualab (NZ) Ltd | PO Box 80113, Green Bay | \$315,455.00 |
| Gribbles Analytical Laboratories | 35 O'Rorke Road, Penrose | \$395,268.41 |
| Pre-tender contract estimate | | \$320,000.00 |

Table 1 - Summary of Tender Prices

Gribbles Analytical Laboratories advised on the day of tender closing that it had overlooked the fact that it had to requisition cheques from its head office in Australia, and so would not be able to include the tender deposit with the tender. The firm was advised to forward the tender deposit as soon as it was able, and it subsequently did so. This has been regarded as a minor non-conformity to the Gribbles Analytical Laboratories' tender, and has not invalidated it.

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 | Manag. Skill | Method. | Price | Contract No. EW03 463P |
|----------------------------------|--------------|--------|--------------|-------------|--------------|---------|-------|------------------------|
| | | | | | | | | Total Weights |
| | Weights | 15 | 15 | 20 | 15 | 5 | 30 | 100 |
| Tenderer | Tender Sum | | | | | | | INDEX |
| Aqualab (NZ) Ltd | \$315,455.00 | 80 | 85 | 80 | 75 | 80 | 67 | 71 |
| Gribbles Analytical Laboratories | \$395,268.41 | 85 | 80 | 85 | 80 | 80 | 46 | 66 |
| Engineer's Estimate | \$320,000.00 | | | | | | | |

Table 2 - Summary of Tender Evaluation

The attribute scores given are based on the information contained in the tenders submitted as well as from actual experience that Council has with any recent contracts with the tenderers.

The two firms that submitted tenders are the same two firms who tendered for the contract in 2001 (except that Amdel is now a part of Gribbles Analytical Laboratories). Therefore, both tenderers were able to meet the eligibility criteria. In 2001, Aqualab (NZ) Limited won the tender and so is the incumbent contractor.

Being the incumbent, Aqualab (NZ) Limited has submitted a tender that more specifically addresses the requirements of the Council. The firm's performance in its current contract has been good. Aqualab (NZ) Limited is a small firm and appears to have limited resources. However, it has managed to meet its contractual obligations to date, and has indicated in its tender that it plans to employ a full-time technician/sampler should it be awarded this contract.

Gribbles Analytical Laboratories is a part of a large organisation (Gribbles Group). It was able to demonstrate in its tender submission that it is well resourced and has well established processes and systems in place. This firm also has a large client base.

As was permitted in the tender, both firms proposed to subcontract some or all of the chemical testing (as opposed to the *biological* testing) to an approved laboratory in Hamilton.

TAGS, ERRORS OR OMISSIONS

There were no errors or omissions in either of the two tenders. However, in each of the three price schedules, Gribbles Analytical Laboratories deduced that there was an error in the “quantity” of one of the items, corrected it by doubling the quantity from “3” to “6”, and priced accordingly. Aqualab (NZ) Limited also picked up the error but did not make any amendments to the schedules. The action of Gribbles Analytical Laboratories has resulted in its tender price being increased by \$599.79, but because of the large difference in price between the two tenders, this has no effect on the outcome of the tender evaluation.

The tender from Aqualab (NZ) Limited contained two tags signalling conditions for future price increases. These tags were subsequently withdrawn by Aqualab (NZ) Limited in writing when requested by Council. The tender from Gribbles Analytical Laboratories did not have any tags.

CREDIT CHECK

A credit check dated 10 May 2004 on Aqualab (NZ) Limited revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Aqualab (NZ) Limited achieved the highest overall index of 71. This tender is also the lowest priced tender received.

Aqualab (NZ) Limited is the incumbent contractor for this work, and has performed well. It is considered that it will be able to continue to carry out this work satisfactorily for the Council should it be awarded a new contract. Awarding the contract to the incumbent has distinct advantages for Council, as it eliminates the risk involved in setting up a new contractor for this critical work.

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

| Estimated Annual Funding Requirements | 2004/2005 (excl. GST) | 2005/2006 (excl. GST) | 2006/2007 (excl. GST) | Total for Contract (excl. GST) |
|--|----------------------------------|----------------------------------|----------------------------------|---|
| Tender sum - (Aqualab (NZ) Ltd) | \$104,182.50 | \$104,182.50 | \$107,090.00 | \$315,455.00 |
| Contingency | \$5,200.00 | \$5,200.00 | \$5,300.00 | \$15,700.00 |
| Total Job Cost | \$109,382.50 | \$109,382.50 | \$112,390.00 | \$331,155.00 |

SOURCE OF FUNDING

| Budget Description (from Annual Budget line item) | Codes | Budget | Committe d to Other Projects | Allocation to This Project | Unallocated Balance |
|---|-------------------|------------------------------------|------------------------------|----------------------------|---------------------|
| 2004/2005 (LTCCP Yr 2) Water Quality Testing | SFL 85-7555-25840 | \$115,000 | \$0 | \$109,382.50 | \$5,617.50 |
| 2005/2006 (LTCCP Yr 3) Water Quality Testing | SFL 85-7555-25840 | \$105,000 (not inflation adjusted) | \$0 | \$109,382.50 | |
| 2006/2007 (LTCCP Yr 4) Water Quality Testing | SFL 85-7555-25840 | \$105,000 (not inflation adjusted) | \$0 | \$112,390.00 | |

RECOMMENDATIONS

1. That the Contract No. EW 03 463P - Drinking Water Quality Testing report be received.
2. That the tender from Aqualab (NZ) Limited for Contract No. EW 03 463P - Drinking Water Quality Testing in the sum of \$315,455.00 plus \$39,431.87 GST, totalling \$354,886.87 be accepted.
3. That the commitment to the 2004/2005 financial year for Contract No. EW 03 463P - Drinking Water Quality Testing totalling \$104,182.50 plus GST be approved.
4. That the commitment to the 2005/2006 financial year for Contract No. EW 03 463P - Drinking Water Quality Testing totalling \$104,182.50 plus GST be approved.
5. That the commitment to the 2006/2007 financial year for Contract No. EW 03 463P - Drinking Water Quality Testing totalling \$107,090.00 plus GST be approved.
6. That authority to enter into Contract No. EW 03 463P - Drinking Water Quality Testing on behalf of Council be delegated to the Group Manager: Asset Management.

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



6 AQUATIC AND RECREATION CENTRE SYSTEM (CONTRACT NO. IM03201A)

PURPOSE OF THE REPORT

The purpose of this report is to inform the Tenders Subcommittee of the outcome of evaluations of responses to the Request for Proposal for the Aquatic and Recreation Centre Facilities Management System (Contract IM03201A)

BACKGROUND

The Aquatic Centre has a number of disparate computer systems covering Reception, Swim School and Gym membership activities. Council identified the need for an integrated computer system that could support all operations in the expanded facility and provide the tools for better management of the facility.

SCOPE OF WORK

Tenders were called for the supply and implementation of a system for effective management of all operations within the Aquatic & Recreation Centre encompassing:

- Access Control
- Membership Tracking
- Retail Sales & ticketing
- Special Programmes management
- Facilities Booking
- Invoicing

TENDERS RECEIVED

Tenders were publicly advertised, with 13 sets of documents being uplifted. 4 tenders were received by the closing date of 16 February 2004. These are summarised in Table 1 below:

| TENDERER | REG OFFICE | TENDER PRICE (excl.GST) |
|---|--------------------------------|------------------------------------|
| QVisual Limited | 57 Symonds Street Auckland | \$44,400 |
| Sporting Pulse | PO Box 32612 Devonport | \$61,260 |
| ITC Blue Limited | 46A Stanley Street Auckland | \$68,000 |
| Class Software Solution | 606 Ellison Road Hastings | \$75,525 |
| Pre-tender contract estimate (Software + Implementation) | | \$63,500 |

Table 1 - Summary of Tender Prices

TENDER EVALUATION

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

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

| Tender Evaluation | | | | Attributes | Relevant Experience & track record | Technical Skill & Resources | Approach to Implementation | Support & Maintenance | Matching Requirements | Price | Contract Number IM03201A |
|-------------------|------------|--------------|--------------------|--------------------|---|-----------------------------|----------------------------|-----------------------|-----------------------|-------|--------------------------|
| | | | | Weights | 10 | 5 | 10 | 10 | 45 | 20 | 100 |
| Tenderer | Tender Sum | Adjusted Sum | Total cost for Yr1 | Tot Costs for 5yrs | Grades | | | | | | INDEX |
| QVisual Ltd | \$44,400 | \$48,600 | \$85,420 | \$120,008 | 75 | 90 | 90 | 50 | 80 | 60 | 74 |
| Sporting Pulse | \$61,260 | \$72,090 | \$105,910 | \$149,230 | Did not meet mandatory requirement of tender that underlying database should be MS SQL Server | | | | | | |
| ITC Blue Ltd | \$68,000 | \$57,885 | \$94,705 | \$140,705 | 80 | 90 | 90 | 70 | 90 | 55 | 80 |
| Class Software | \$75,525 | \$93,925 | \$127,745 | \$190,945 | 80 | 90 | 90 | 60 | 85 | 40 | 74 |

Table 2 - Summary of Tender Evaluation

Our Request For Proposal advertisement had stipulated that Council was seeking a solution that would operate under Council's Microsoft platforms of SQL Server 7/2000 databases. The Sporting Plus system uses a 'Progress' database and so was eliminated at an early stage and no gradings were applied.

The Class Software solution did not have a user friendly front-end and its pricing placed it outside the budget.

The products from QVisual Limited (QVisual) and ITC Blue Limited (Links) were evenly matched and well backed up by their suppliers who have a wealth of experience in this industry. The evaluation team's impression was that Links was an easier product to use. Feedback from existing customers of both products gave greater confidence in Links' ability to deliver. Other aspects of the Links product which were considered superior to QVisual included Swim school rollovers from one school term to next and the provision of makeups in swim classes; smoother processes for interfacing membership direct debits through the currently contracted third party as well as general membership management.

For price comparisons and evaluations, the tendered sums were adjusted to take into account items such as discounts offered, inclusion of first year maintenance charges and the provision of comparable levels of user licences, facilities and features. The tendered sums did not include any additional hardware that was to be procured. These costs are included in the costs for the first year. The total cost of ownership over five years was used to grade the price factor.

SUMMARY

The lowest priced tender was submitted by QVisual Limited. This tender did not score highest on the Weighted Index Method and therefore is not recommended for award.

The tender that scored the highest in the Weighted Index Method was that submitted by ITC Blue Limited. This was the third lowest tender received and second lowest qualifying tender.

The Links software proposed by ITC Blue Limited is well established in Australia and is currently being rolled out to all the YMCA sites in Australia. It has all the features required to meet the aims and goals of:

- Improving the efficiency of administrative processes relating to the centre's operations;
- Increasing the use of electronic control for access to facilities;
- Facilitating and improving cash handling and reconciliation processes;
- Improving the level of statistical information available for personnel, customer & business management; and
- Improving the level of customer service to all patrons.

Compared to the other tenderers, ITC Blue offer a higher level of support with technical staff based right here in Auckland.

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 - (<i>ITC Blue</i>) | \$ 68,000 |
| Contingency (<i>Use discount of \$6,800 incl in ITC Blue Tender</i>) | |
| Data Conversion | \$ 5,000 |
| Additional Hardware | \$ 11,705 |
| Other (IM Charges including Project Management) | \$ 10,000 |
| | ----- |
| Total Job Cost | \$ 94,705 |

SOURCE OF FUNDING

Funding for this contract has been provided in the 2003/2004 Annual Plan, under the Information Management Capital Project budget.

| | Codes | Budget |
|--|---------------|---------------|
| Information Management Capital Project Budget - West Wave Membership System Project | 75-9516-46810 | \$95,000 |

RECOMMENDATION

That the Aquatic and Recreation Centre System (Contract No. IM03201A) report be received.

Report prepared by: Bigyan Jagmohan, Business Analyst, Information Management.

