



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF MEETING

TENDERS SUBCOMMITTEE

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

DATE: **Friday** **5 August 2005** **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.

29 July 2005

Ngareta Delamere
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8552

MEMBERSHIP:

Councillors JM Clews, QSO, JP (Chairperson)
 RI Clow (Deputy Chairperson)

Chief Executive Officer

Director: City Services

Director: Corporate & Civic Services

Director: Strategy & Development

Director: Quality Assurance

Director: Finance

Maori Issues Manager

Mayor RA 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 A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD IN THE
CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,
ON FRIDAY, 5 AUGUST 2005, COMMENCING AT 9.00 AM**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information 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 Committee by resolution so decides; 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 and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFIRMATION OF MINUTES

Meeting Minutes - 22 July 2005

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 22 July 2005, as circulated, be taken as read and now be confirmed.



4 CONTRACT NO. EW050230A - LEAK DETECTION PROGRAMME

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW05020A - Leak Detection Programme.

BACKGROUND

This contract is for leak detection work to reduce the water losses from the Waitakere City water reticulation network and also to reduce the amount of non-revenue water within the City.

The water reticulation network is divided into 17 supply zones. The flow and pressure within each zone is constantly monitored by a DATRAN Telemetry System. The leak detection work is initiated when the DATRAN system indicates an increase in the minimum night time flow in a zone which is in excess of the acceptable threshold. Leak detection work is also initiated when a reported leak is difficult to locate for repairs. The current Leak Detection contract expires on 15 August 2005.

A report was submitted to the Tenders Subcommittee at its meeting of 15 April 2005 to seek approval to tender for a number of operational maintenance contracts for water supply, wastewater and stormwater including the following:

- Leak Detection Contract (water supply);
- Fluoride Testing (testing of water samples for fluoride to confirm a 'mains leak');
- Flow and pressure Testing (water supply);
- Rainfall Monitoring Contract; and
- Paremuka Pond Geotechnical Monitoring Contract

The reason for this approach is that because the need for this work is assured, and efficiencies can be gained by contracting this work for longer than one year at a time. The Tenders Subcommittee approved this recommendation as follows:

- “1. That the Operational Maintenance Contracts for Water Supply, Wastewater and Stormwater report be received.
2. That approval be given to tender or negotiate the operational maintenance contracts listed in this report for a two or three year period with options for extensions up to a further three years for various ongoing maintenance activities associated with the provision of water supply, wastewater and stormwater services in the City.”

620/2005

SCOPE OF WORK

The contract is to locate leaks in the water reticulation system within Waitakere City and will be on an “as need arise” basis and as directed by the Engineer. The work comprises one or more of the following:

- Investigate and determine the causes when the minimum night time usage in a zone exceeds a given threshold;
- Locate the source of a leak reported to the Council which has been difficult to find;
- Specific tasks such as investigating the consumption of a large night-time user, or pressure measurements to identify problems associated with the reticulation system.

TENDERS RECEIVED

Tenders were publicly advertised with 5 sets of documents being uplifted. One tender was received by the closing date of 12 July 2005. This is summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (EXCL. GST)
Detection Services Limited	PO. Box 58951, Greenmount, Auckland	\$141,210.00
Pre-tender contract estimate		\$163,402.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, the 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 below:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour	Manag. Skill	Method.	Price	Contract No. EW05020A
									Total Weights
	Weights	10	10	10	10	5	15	40	100
Tenderer	Tender Sum	Grades							INDEX
Detection Services Limited	\$141,210.00	80	80	80	80	85	85	50	69
Median Tender Price	\$141,210.00								

Table 2 - Summary of Tender Evaluation

Scores for the non-price attributes were determined on the basis of the information provided in the tender and on recent experience with the tenderer.

Detection Services Limited scored very well in all the non-price attributes as it has a very good track record with Council, and is the incumbent leak detection contractor. Detection Services Limited has a well established team involved in running various contracts in water supply networks.

Although it is the only tender received, the tender price from Detection Services Limited is considered to be very competitive. It is almost 14% less than the pre-tender estimate which was computed from current contract rates.

TAGS, ERRORS OR OMISSIONS

There were no tags, errors or omissions in the tender from Detection Services Limited.

CREDIT CHECK

A credit check on Detection Services Limited dated 7 July 2005 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Detection Services Limited achieved an overall index of 69. This was the only tender received.

Detection Services Limited has undertaken this work for Council previously, is the current contractor, and is performing well. Therefore, it is considered to be well able to carry out this contract satisfactorily.

As part of Council's contracting process "Quality and Health and Safety is not negotiable" the tenderer has had this focus clearly reinforced through the contract document and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

JOB COST

	<u>EXCL. GST</u>
Tender sum - Detection Services Limited	\$141,210.00
Contingency	\$ 0.00

Total Job Cost	\$141,210.00

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Year 2005/2006 (10.5 months)					
Leak Detection Programme	85-7520-26840	\$85,000	\$10,000	\$70,000	\$5,000
Year 2006/2007 (12 months)					
Leak Detection Programme	85-7520-26840	\$85,000	\$Nil	\$72,000	\$13,000

RECOMMENDATIONS

1. That the Contract No. EW05020A - Leak Detection Programme report be received.
2. That the tender from Detection Services Limited for Contract No. EW05020A - Leak Detection Programme in the sum of \$141,210.00 plus \$17,651.25 GST, totalling \$158,861.25 be accepted.
3. That the commitment to the 2006/2007 financial year for Contract No. EW05020A - Leak Detection Programme totalling \$72,000.00 plus GST be approved.
4. That authority to enter into Contract No. EW05020A - Leak Detection Programme on behalf of Council be delegated to the Group Manager: Asset Management.
5. That authority to extend Contract No. EW05020A - Leak Detection Programme for a period of two years be delegated to the Group Manager: Asset Management, subject to satisfactory performance by the contractor.

Report prepared by: Don Samaranayake, Water Assets Engineer.



PUBLIC EXCLUDED MATTER

5 CONTRACT NO. IM 05143A - REPLACEMENT OF GEMS (GOVERNMENT ENTERPRISE MANAGEMENT SYSTEM)

This item will be considered in the Confidential Supplement of the agenda, and has been circulated to members separately with this agenda.

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following part of the proceedings of this meeting namely, Contract No. IM 05143A - Replacement of Gems (Government Enterprise Management System).

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation of the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of the matter to be considered.	Reason for passing this resolution in relation to the matter.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none">Contract No. IM 05143A - Replacement of Gems (Government Enterprise Management System)	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none">enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	<p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 7(2)(i) of that Act which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public as follows:

- The report contains information which if released could affect the Council's negotiations.*

