



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF EXTRAORDINARY MEETING

TENDERS SUBCOMMITTEE

I hereby give notice that pursuant to Standing Order 14.1 an Extraordinary Meeting of the Tenders Subcommittee will be held on:-

DATE: **Wednesday 14 September 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.

7 September 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 AN EXTRAORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON WEDNESDAY, 14 SEPTEMBER 2005,
COMMENCING AT 9.00 AM**

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WAITAKERE CITY, ON WEDNESDAY, 14 SEPTEMBER 2005,
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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 CONTRACT NO. SD04009 - HENDERSON CENTRAL BUSINESS DISTRICT
STREETSCAPE UPGRADE - REGISTRATION OF INTEREST - EVALUATION**

PURPOSE OF THE REPORT

The purpose of this report is to seek from the Tenders Subcommittee, approval to invite tenders for construction works from both a shortlist of registrants and a secondary list for the proposed Rainside Avenue, Ratanui Street to Alderman Drive and Catherine Mall precincts infrastructure renewal project (Henderson Central Business District Streetscape Upgrade).

BACKGROUND

Registrations of Interest (ROI) have been invited from suitably experienced contractors to pre-qualify for an approved shortlist for the construction of the Henderson Central Business District Streetscape Upgrade project. The Registrations of Interest process was selected due to the abundance of similar construction works currently in progress or programmed in Auckland over the same period of time. This project comprises the renewal of approximately 6,000 square metres of street infrastructure including roading works, feature pavements, street lighting, street furniture, stonework and planting. The project budget is in the order of \$1.6 million, of which the construction component is estimated at \$1.3 million.

The Registrations of Interest process was carried out in accordance with the Council's Procurement Manual. The evaluation of respondents was in accordance with the Transit New Zealand weighted attributes method.

The Registrations of Interest documentation contained the following disclaimer:

“Disclaimer

*The acceptance of any submission and the inclusion of any Contractor on a shortlist shall **not** be legally binding to Council and shall in no way guarantee the Contractor an invitation to tender for the works. Council reserves the right to:-*

- Invite or engage other Contractors not included on any shortlist, and*
- Adjust the work programme in any way to suit scope, budget or other requirements.”*

STRATEGIC CONTEXT

In 2001 the Henderson Concept Planning Workshop identified a range of construction projects and general initiatives that would create a strong economic environment and improve the visual amenity. Both of these precinct renewal projects fit within these proposed initiatives.

In 2002 the Council committed to undertake two major development projects in the 'Heart of Henderson,' these being: Waitakere Central combined with a new public transport interchange the new Waitakere Central Library combined with Unitec Campus, car park building, and a series of public plazas to stimulate economic and employment growth in Waitakere City.

The Council's purpose is to lead the urban regeneration of the centre of Henderson and provide a catalyst for the private sector to share the vision and to invest in high density mixed use development that will ultimately result in a sustainable local economy.

THE REGISTRATION OF INTEREST PRE-QUALIFICATION PROGRAMME

There were nine copies of the Registrations of Interest application documents picked up from Waitakere City Council with four completed and complying Registrations of Interest documents being submitted prior to the closing date of 4pm, 18 July 2005.

Table 1 - Summary of Registrants

HEB Contractors Limited (HEB)	Drury Auckland
Dempsey and Wood Civil Contractors Limited (Dempsey and Wood)	Penrose Auckland
Fulton Hogan Limited (Fulton Hogan)	Silverdale Auckland
P & M Paving and Construction Limited (P & M Paving)	Whenuapai Auckland

REGISTRANT EVALUATION

As outlined under the Registrations of Interest requirements, applications have been evaluated in general accordance with the Weighted Attributes Method as described in Sections 2.4, 2.5 and 2.7 of the Transfund New Zealand's "Manual of Competitive Pricing Procedures".

Weightings to the attributes are:

• Relevant Experience	20%
• Track Record	15%
• Proposed Resources	10%
• Key Personnel & Management Structure	25%
• Methodology	15%
• Subcontract Terms	5%
• Quality Management	10%
TOTAL	100%

The following grading summary table outlines the results of the evaluation process. The Registrations of Interest evaluation process has been carried out by Isthmus Group at the request of Waitakere City Council. The evaluation panel was composed of a four person Isthmus Group team comprising of three team members directly involved in the Henderson project as well as an independent senior engineer panellist from within Isthmus.

Registrations of Interest Evaluation Grading Table

Attribute & Weighting	HEB Grade/ Weighted Score		D & W Grade/ Weighted Score		P & M Paving Grade/ Weighted Score		F H Grade/ Weighted Score	
	Grade	Weighted Score	Grade	Weighted Score	Grade	Weighted Score	Grade	Weighted Score
Relevant Experience 20%	70	14.0	80	16.0	85	17.0	80	16.0
Track Record 15%	70	10.5	70	10.5	70	10.5	75	11.25
Proposed Resources 10%	70	7.0	75	7.5	70	7.0	75	7.5
Key Personnel Management 25%	80	20.0	85	21.25	65	16.25	75	18.75
Methodology 15%	85	12.75	75	11.25	60	9	75	11.25
Subcontract Terms 5%	75	3.75	75	3.75	60	3	75	3.75
Quality Management 10%	80	8.0	70	7.0	40	4.0	60	6.0
Total Weighted Scores	76.0		77.25		66.75		74.50	

Registrations of Interest Clarifications

Further clarification was undertaken on two outstanding issues identified by the evaluation panel:

- Additional references were required for Fulton Hogan's nominated paving contractor; and
- The extent and scope of P & M Paving's nominated management person required clarification.

With regard to Fulton Hogan's paving contractor a further reference check has been assessed, this reference check has confirmed the suitability of this nominated sub-contractor.

With regard to P & M Paving's management structure P & M Paving have confirmed in writing a nominated project manager whose role will be in general project administration and that this role will be limited to approximately 20% of the contract period. It was noted by the evaluation panel that due to the complexity of this project that more than 20% of the nominated persons time would be required to administer this project successfully.

Registrations of Interest Evaluation Summary

All four Registrations of Interests received, included a complete and satisfactory Waitakere City Council Health & Safety Pre-Qualification Questionnaire. All four (4) Registrations of Interests received were complying in terms of all other information required under the terms of the Registrations of Interest application documents.

Construction Market

As referred to above, the construction market within Auckland is still extremely buoyant. Although this report is recommending all four registrants be invited to tender for the construction contract, there is by no means any certainty that all or any of the registrants will in fact tender for the work. In particular, for companies like Fulton and Hogan, the proposed works are not significant and they may decide not to tender. There are two further complications which increase the uncertainty of how many organisations will in fact tender and at what price. Firstly, approximately 25% of the total project cost is to be funded from an application made to Land Transport New Zealand (LTNZ). There is no certainty that this funding will be received, although in a separate agenda report to the City Development Committee, 8 September 2005, officers are recommending that Council provide funding for any shortfall in the Land Transport New Zealand application. Secondly, because this project interfaces with completion of the Waitakere Central Library and United Campus, and the Waitakere Central link bridge, (as well as a number of Council and external utility infrastructure projects), the timing of the street upgrade work is critical. To alleviate some of this critical time pressure officers are investigating the possibility of transferring a portion of the project work to the Waitakere Central Library and Unitec Campus project so that the work immediately adjacent to the Waitakere Central Library and Unitec Campus plaza can be completed at the same time as work on the plaza commences, and thereby limiting disruption. The consequence of this may show less interest from the registrants in tendering for the construction contract.

It is important that the construction works are timed to minimise disruption around the busy Christmas period and also the move by Unitec into their new premises. It is also critical that the work is completed in time for the opening of the link bridge and the Waitakere Central Civic Centre. By restricting the invitation to tender to the four registrants, officers consider that too much time will be lost in the event there is a combination of poor interest and unacceptable pricing.

Accordingly, officers strongly recommend that contact is made with a number of other suitably qualified organisations capable of performing the work to ascertain the level of interest in tendering for the work and inviting up to a further three parties to the tender process. This process is allowed for under Waitakere City Council's general conditions of tendering in the procurement manual hence the disclaimer relating to such inserted in the Registrations of Interest documentation.

RESOURCES

Resources to run the tender process are included in the 2005/2006 Annual Plan.

CONCLUSION

The Registrations of Interest document for this process specified the information required and the format of the registrant's submissions. This document also identified that only the highest ranked registrants would be short listed for invitation to tender for this project.

Based on the normal scoring ranges, a grade of 65 represents an "above-average" score. The four registrants all have scores of more than 65 and therefore are considered to be experienced and capable of carrying out the projects in a competent manner.

While in normal circumstances four tenders would be deemed appropriate for a project of this size, particularly given the calibre of the four registrants, as commented above there is a high likelihood of a poor response to the tender process. Accordingly, officers recommend that further work be done to identify other suitably qualified parties that may be interested in tendering for the work in addition to the four registrants listed in the table above. The weighted attributes method will be used for evaluating tenders to ensure that any new companies tendering for the work meet the necessary non-financial attributes considered during the Registrations of Interest process.

RECOMMENDATIONS

1. That the Contract No. SD04009 Henderson Central Business District Streetscape Upgrade - Registration of Interest - Evaluation report be received.
2. That the four (4) following registrants be invited to tender for construction works for the Henderson Central Business District Streetscape Upgrade project:
 - HEB Contractors Limited;
 - Dempsey and Wood Civil Contractors Limited;
 - Fulton Hogan Limited;
 - P & M Paving and Construction Limited.
3. That the Director: Quality Assurance be delegated authority to identify up to a further three suitably qualified companies that may be interested in tendering for the Henderson Central Business District Streetscape Upgrade project.
4. That a further report be brought back to the Tenders Subcommittee on the result of the tender.

Report prepared by: Janet Hannan, Principal Advisor, Urban Development.

