



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 17 November 2006 **TIME:** 9.00 am

VENUE: Waitakere Central, 6 Henderson Valley Road, Henderson,
Waitakere

to consider the business as set out herein and to take any necessary action connected therewith.

10 November 2006

Ngareta Delamere
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8552

MEMBERSHIP:

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

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)

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

(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 AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 17 NOVEMBER 2006,
COMMENCING AT 9.00 AM**

TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE NO.</u>
1	APOLOGIES	1
2	URGENT BUSINESS	1
3	CONTRACT NO. TA05030F - PINE AVENUE FOOTPATH AND ROADING	1
4	CONTRACT NO. TA06003B - ROAD EMERGENCY, DRAINAGE AND SPECIAL WORKS 2006/2007	4
5	ELECTRONIC TENDERING LGTENDERS	7
6	CONTRACT NO. SP04012U - ESTABLISHMENT, FIT OUT AND OPERATION OF A COFFEE KIOSK AT HENDERSON LINK BRIDGE	12
7	CONTRACT NO. SP06001A - ENGINEERING DESIGN SERVICES FOR STURGES ROAD BRIDGE	15
	<u>PUBLIC EXCLUDED MATTER</u>	20
8	HENDERSON YOUTH FACILITY PROJECT SERVICE PROVIDER CONTRACT	20

**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 17 NOVEMBER 2006,
COMMENCING AT 9.00 AM**

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 Chairman 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. TA05030F - PINE AVENUE FOOTPATH AND ROADING

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA05030F - Pine Avenue Footpath and Roding.

BACKGROUND

Council has an ongoing programme of improvements to footpaths and roading as part of its Sustainable and Integrated Transport community outcomes. The outcome achieved is the provision of a safe transport network that encourages walking as a means of travel. The east side of Pine Avenue has existing open drains and no footpath on a busy arterial road. The footpath will allow safe access to the local shopping centre and associated drainage works will address localised flooding issues.

SCOPE OF WORK

The contract is for the improvement of 360 linear metres of road, works include the following:

- Construction of kerbing and footpath and affiliated seal and berm works in Pine Avenue between Parrs Cross Road and Forest Hill Road and opposite the Henderson Valley Road intersection.
- Improvements to the intersection of Pine Avenue and Henderson Valley Road, including a new intersection layout comprising a right-turning lane into Henderson Valley Road.

- Stormwater reticulation for the above areas, including new catchpits and manholes.
- Road markings and delineation.
- Reinstatement of driveways as affected by new footpath construction.

TENDERS RECEIVED

Tenders were publicly advertised with nine (9) sets of documents being uplifted. Five (5) tenders were received by the closing date of Tuesday, 18 October 2006. These are summarised in Table 1 below:

TENDERER	REG. OFFICE	TENDER PRICE (excl. GST)
HEB Smithbridge Limited	Drury	\$296,787.96
M Keoghan Contractors 2006 Limited	Manurewa	\$307,695.00
Traffic Systems Limited	Mission Bay	\$313,623.90
Civil Underground Limited	Onehunga	\$345,111.00
Fulton Hogan Limited	North Harbour	\$407,913.18
Pre-tender contract estimate		\$330,405.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

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

These procedures require that where the tender includes Provisional Sums (work valued by the Principal and placed with in the Schedule of Prices) they are deducted from the Tender Sum prior to evaluating each tender.

In this contract there were no Provisional Sums assigned.

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

ATTRIBUTE EVALUATION AND GRADING:

Tender Evaluation	Attributes	Experience	Track Record	Technical skills	Resource	Management	Method	Price	Contract Number TA05030F	
									Total Weights	
	Weights	10	10	5	5	5	5	60	100	
Tenderer	Tender Sum	Grades							INDEX	
HEB Smithbridge Limited	\$296,787.96	78	73	74	76	71	81	56	64	
M Keoghan Contractors 2006 Limited	\$307,695.00	75	76	73	67	75	70	52	60	
Traffic Systems Limited	\$313,623.90	76	75	77	73	72	74	50	60	
Civil Underground Limited	\$345,111.00	67	40	66	65	35	68	40	Disqualified	
Fulton Hogan Limited	\$407,913.18	75	68	76	77	74	74	20	41	
Median Tender Price	\$313,623.90									

* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

Table 2 - Summary of Tender Evaluation

Civil Underground Limited has been scored very low on Track Record and Management Skills as a result of their performance for Council on several projects over the past 12 months. This has resulted in their disqualification from the tender evaluation.

M Keoghan Contractors 2006 Limited is a new company formed recently. This company has been scored based on the previous record of the director of this company, Mike Keoghan. M Keoghan Contractors 2006 Limited has carried out numerous contracts for Council in recent years to a very good standard.

HEB Smithbridge Limited and their earlier company HEB Contractors Limited has recently completed Henderson Valley Road Stage 1, Clark Street widening and reconstruction, Lincoln Road widening and Glengarry Road widening and footpath contracts, and several other smaller contracts for Waitakere City Council, all to a good standard.

TAGS, ERRORS OR OMISSIONS

M Keoghan Contractors 2006 Limited and Fulton Hogan Limited had small arithmetic errors in their tender. This had no impact on tender evaluation so the matter was not progressed.

There were no other tags, errors or omissions.

CREDIT CHECK

A credit check on HEB Smithbridge Limited, dated August 2006, indicates that the company was founded in 2005, and incorporated on 22 August 2005 in Auckland District, having an address of 11 Hall Street, Pukekohe. The credit check revealed no adverse information. The company had previously stated that the new company amalgamated HEB Contractors Limited and Smithbridge Contractors Limited.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by HEB Smithbridge Limited achieved the highest index of 64. This tender is the lowest priced tender.

The recent history of HEB Smithbridge Limited is that the company has provided satisfactory workmanship and management skills. They are a large well-resourced company, well experienced in this type of contract.

As part of City Services vision "Quality and Health and Safety is not negotiable" 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

	excl. GST
Tender Sum - HEB Smithbridge Limited	\$296,787.96
Contingency	\$ 29,712.04
Engineering & Supervision	<u>\$ 21,500.00</u>
Total Job Cost	<u>\$348,000.00</u>

SOURCE OF FUNDING

Codes	Budget 2005/2006	Committed to other projects	Allocation to this project	Unallocated Balance
75-9888-30530	\$850,000	\$502,000	\$348,000	\$0
			\$348,000	

RECOMMENDATIONS

1. That the Contract No. TA05030F - Pine Avenue Footpath and Roding report be received.
2. That the tender from HEB Smithbridge Limited for Contract No. TA05030F - Pine Avenue Footpath and Roding in the sum of \$296,787.96 plus \$37,098.50 GST, totalling \$333,886.46 be accepted.
3. That authority to enter into Contract No. TA05030F - Pine Avenue Footpath and Roding, on behalf of Council be delegated to the Group Manager: Projects Services.

Report prepared by: Jagath Rupasinghe, Engineer Roding, Roding Projects.



4 CONTRACT NO. TA06003B - ROAD EMERGENCY, DRAINAGE AND SPECIAL WORKS 2006/2007

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA06003B - Road Emergency, Drainage and Special Works 2006/2007.

BACKGROUND

This contract forms part of Council's asset maintenance programme as provided for in the Annual Plan 2006/2007 and specifically reacting to emergency response situations within the road reserve.

Currently these works are undertaken through the Road Emergency and Special Works and the Road Drainage Maintenance Contracts. Both these existing contracts are due to expire on 30 November 2006.

SCOPE OF WORK

This contract will provide a 24-hour, 7 days per week service to respond to all road emergency call outs throughout the City. It includes the supply of all management, supervision, labour, materials, plant and incidentals necessary for "first call" repairs or to make safe works at sites of slips, flooding, blocked cesspits and drains, fallen trees, spillages, traffic accidents etc. within the road reserve anywhere in Waitakere City. In addition minor "special works" may be requested where they do not fit other contracts. Quantities are provisional and payment will be made on a measure and value basis.

The contract period is for an initial period of seven months to 30 June 2007 with two possible 12-month extensions dependant on Contractor performance.

TENDERS RECEIVED

Tenders were publicly advertised with eight (8) sets of documents being uplifted. Two (2) tenders were received by the closing date of Tuesday, 31 October 2006. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Techscape Limited	North Harbour	\$288,455.45
Fulton Hogan Limited	Silverdale	\$339,656.30
Pre-tender contract estimate		\$286,351.85

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 Land Transport New Zealand's "Competitive Pricing Procedures Manual".

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.

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 \$52,900.

A summary of the evaluation results is shown in Table 2 below.

Tender Evaluation	Attributes	Exper.	Track Record	Eco City	Buy Waitakere	Resour.	Manag Skill	Method	Price	Contract Number TA 06003B
										Total Weights
	Weights	5	5	10	10	10	5	5	50	100
Tenderer	Tender Sum	Grades								INDEX
Techscape Limited	\$235,555.45	93	83	80	78	75	82	87	60	63
Fulton Hogan Limited	\$286,756.30	78	80	65	65	72	80	82	40	50
Med.n Tender Price	\$261,155.88									

Table 2 - Summary of Tender Evaluation

Techscape Limited has been the incumbent Contractor for Waitakere City Council's Road Emergency and Special Works and Road Drainage Maintenance Contracts for the past eight years. Under these contracts they are currently providing a twenty-four hour emergency service to Waitakere City Council for emergencies arising from road, water and drainage facilities. Their performance on these contracts has always been to a very good standard.

Fulton Hogan Limited is also an experienced Contractor in this field with good track records.

TAGS, ERRORS OR OMISSIONS

There were no tags, errors or omissions in any of the tenders received.

CREDIT CHECK

A credit check on Techscape Limited has been requested.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Techscape Limited achieved the highest index of 63. This tender is also the lowest priced tender.

Techscape Limited's submission proposes to continue using the same staff currently employed on the existing contracts. They have proven to be capable contractors who work to a good quality and with good communication and management and are well regarded by Council Staff.

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

excl. GST

Tender - Techscape Limited	\$288,455.45
Contingency	\$ 27,544.55
Engineering and Supervision	\$ 33,000.00

Total Job Cost	\$349,000.00

SOURCE OF FINANCE

Budget description 2006/2007 Annual Plan	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Urban Maintenance	46-7114-24250	1,211,000	1,149,825	51,000	10,175
Rural Maintenance	46-7118-24250	740,000	698,000	42,000	0
Flood Damage	75-9811-33100	1,000,000	735,000	200,000	65,000
General Road Maintenance	46-7174-24700	76,000	51,000	25,000	0
Urban Maintenance	46-7114-24360	106,000	95,000	11,000	0
Flood Damage	46-7142-24360	25,000	9,000	16,000	0
Professional Service Environment	46-7178-24360	38,000	34,000	4,000	0
	TOTAL			\$ 349,000	

RECOMMENDATIONS

1. That the Contract No. TA06003B - Road Emergency, Drainage and Special Works 2006/2007 report be received.
2. That subject to a satisfactory credit report, the tender from Techscape Limited for Contract No. TA06003B - Road Emergency, Drainage and Special Works 2006/2007 in the sum of \$288,455.45 plus \$36,056.93 GST, totalling \$324,512.38 be accepted.
3. That authority to enter into Contract No. TA06003B - Road Emergency, Drainage and Special Works 2006/2007 on behalf of Council be delegated to the Group Manager, Project Services.
4. That authority to extend Contract No. TA06003B - Road Emergency, Drainage and Special Works 2006/2007 for an additional one year to end on 30 June 2008 based on the satisfactory performance by the Contractor be reported back to the Tenders Subcommittee for approval.

Report prepared by: Harish Singh, Principal Engineer.



5 ELECTRONIC TENDERING LGTENDERS

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee for Waitakere City Council to adopt electronic distribution for its tender documents using the Local Government Online Limited (LGOL) e-Tendering portal LGTenders on the Internet at lgtenders.co.nz.

BACKGROUND

LGOL in partnership with TenderLink has established an e-Tendering portal specifically providing for the publication, distribution, download and management of local government tenders as well as an electronic tenders box providing the option of lodging tender submissions electronically.

LGOL is a company owned by the Local Government Associations of New Zealand. LGOL selected TenderLink as the technology provider for its e-Tendering Portal after a review of all available technology. TenderLink is a New Zealand-based private company that is a well-established operator of on-line tendering services.

A1-A2

LGOL's proposal paper which provides further background to the LGTenders initiative is attached at pages A1 to A2. While there are other potential suppliers in this market space it is understood that LGOL chose to collaborate with TenderLink in developing the LGTenders E-Tendering portal after a fair and considered selection process.

A3-A7

All Auckland Territorial Local Authorities (TLAs) except Waitakere have adopted the LGTenders facility for the purposes of distributing their tender documents either in full or in part. As at December 2005 TenderLink reported that 71 of 86 Councils had committed to the technology. A review undertaken by Hamilton City Council, as reported in an article written by TenderLink's Rhys Greensill published in the Society of Local Government Manager's (SOLGM) magazine Pulse (attached at pages A3 to A7) and based on a review undertaken by that Council, indicated the move to on-line tendering was a success, saving the Council money while also being well-received by the contractor market. Indications are that other TLAs have also been positive in their move to this facility.

Waitakere City Council currently produces hard-copy tender documents for invited and open tenders with tender documents either being posted or couriered to invited tenderers or advertised for collection from the One Stop Shop with a non-refundable document fee charged for open tenders.

Advertisement of tenders is generally undertaken through placement of an advertisement in the New Zealand Herald. Tenders are also advertised on the Council's web-site and included as a free listing in publications such as the Tenders Gazette.

ISSUES

If the Council were to move to distributing tenders through the LGTenders online facility there are costs/risks and benefits that need to be considered from the perspective of the Council and its potential suppliers. These are summarised below.

Direct costs of tendering process

An analysis of costs associated with our current tendering process versus adopting the LGTenders solution for all open tenders indicates that the Council would achieve savings in the direct cost of the tender process in the order of \$15,600 per year. These savings include reduced advertising costs although in part there is a transfer of the expense for newspaper advertising to TenderLink as the Council is charged \$150.00 for each open tender it uploads. There would also be a reduction in print and copy costs although this is balanced to a degree by the loss of our current cost recovery though the charging of a non-refundable tender document fee.

Some other Councils identified significant savings within their business cases in respect of the administrative labour costs for producing tender documents for distribution. For Waitakere City Council there would be a small reduction in labour costs, particularly in respect of reducing the workload at the One Stop Shop but otherwise the saving is relatively small due to the efficiency of our existing processes and the continued need to compile, print and copy the document sets for the purposes of the hard copy contract signing set and working copies provided to Consultants/Contractors.

However, if the Council implements the LGTenders solution it is envisaged that use of the facility would also be encouraged for invited tender processes in addition to open tender processes. This would provide a benefit through improved internal control over the issue of these types of tenders but with a cost of \$50.00 per uploaded private tender charged by TenderLink this would likely make the change cost neutral to Council overall.

The cost and time of printing tender documentation is transferred to the Council's suppliers. The supplier can however read the documents online if they wish and may only choose to print out documentation if they want to prepare a tender submission. Suppliers will generally need to subscribe to the system in order to receive notification of tenders that they are interested in and the current charge for this subscription is \$145 per annum for access to West and South Auckland tenders or \$195 per annum for access to all Auckland. As an alternative to subscribing potential suppliers can also avail themselves of a Pay to View facility for an individual tender charged at \$45 per tender.

Offsetting these additional direct costs suppliers will save time and cost through having tenders in categories they have registered interest being automatically notified to them and in no longer having to attend Council's offices to pick up and pay for tender documents.

Time to market

There is currently a three day lead time for having tender advertisements placed in the newspaper. Production of the hard-copy documents also means that once a document is signed off as ready to tender there is a one day minimum lead time (concurrent with the advertising lead-time) before the documents are ready for pick-up. Adoption of the LGTenders solution would reduce the lead time for getting the tender to market to a matter of hours and suppliers would have immediate access to the documents to enable them to assess their interest and to commence preparation of their submissions. Together these factors mean that the time between having a tender approved for issue and the close of the tenders could be reduced. This will be beneficial to project managers in meeting critical milestones within the works programme.

Entry barrier for contractors

A key consideration for the Council in assessing the suitability of an online tendering solution is continued accessibility of our tenders to the market, and specifically, based on historical supplier interest in our tenders, the Auckland market.

As described above there are costs imposed on potential suppliers if the Council adopts the LGTenders solution however a number of the Council's suppliers will already be subscribers to the TenderLink and/or LGTenders service. The current annual subscription fee is considered to be a relatively small cost for suppliers to pay for access not only to our tender offerings but also those of other TLAs and for West Auckland only access represents the equivalent of picking up five tender documents each year under our current process.

However suppliers will also bear the cost of printing tender documents where they choose to do so. It is also expected that a few of Council's suppliers may need to upgrade their computer skills and IT infrastructure which would need to include dial-up Internet access and for physical works contractors it may also be necessary to have a printer that caters for printing of A3 sized construction drawings.

Given the take up by other Auckland TLAs and the programme of communication that will be undertaken with suppliers it is considered that these additional costs and requirements present a minimal barrier to prospective suppliers tendering for Council business.

Future Changes in Service Pricing

As the LGTenders service is increasingly used by TLAs throughout New Zealand there is the potential for monopoly pricing issues to arise with the risk that pricing changes are uncontrolled.

This risk can be managed by the Council continuing to monitor contractor uptake and satisfaction with the service and reverting to our current process if future changes in the service offering make it less appealing. It will remain in the Council's best interests to ensure tenders are available to the widest possible market.

This risk can be further mitigated by ensuring that appropriate certainty over pricing both to the Council and its potential suppliers is incorporated into the contract agreement to be entered into with LGOL.

Possible duplication of effort if hard-copy tender document distribution is still required

The benefits to be gained by use of online tendering have been quantified on the basis that it is the default mechanism used for open tender document distribution. While the occasional tender may lend itself to using hard-copy document distribution many of the benefits gained from online tendering would be negated if a dual process was required for the distribution of any one tender - in fact we would likely face an overall increase in cost if this were to be the case.

It is therefore recommended that the Council adopt the electronic tendering method in full as the default mechanism for distributing open tenders with a view to also using the system for distributing invited tenders after a three to six month transition period.

Compliance with Transfund procurement requirements

A8-A9

Transfund have issued General Circular No. 04/14 "Electronic Notification of Invitation to Tender Transfund Procurement Procedure Policy" attached at pages A8 to A9. Transfund state that the invitation to tender is required to be advertised in print media but also allows for the invitation to be notified electronically. For this purpose TenderLink places an omnibus advert in the New Zealand Herald at least weekly for tenders that TLAs have placed in the LGTenders system and where they have requested such a supplementary print advertisement. The cost of this advertisement is on charged to the TLAs participating in each ad on a cost-share basis. Transfund is monitoring their position and this requirement may be relaxed at some time in the future. Additional cost savings would result if Transfund's position changed and if the LGTenders solution met Council's expectations such that there was no need for placing paid print advertisements for tenders.

Electronic tender box

The LGTenders solution includes an electronic tender box which provides the facility to receive electronic tender submissions with the close of tenders and the opening of tenders undertaken online. As the receipt, closure and opening of tenders is a key risk area within the tender process it is not proposed that the Council adopt the use of the electronic tenders box at this stage although it may be trialed and used for registrations of interest and invited quotes if there is assessed to be no tender process risk. In addition, any future use of the online tender box more fully, would be subject to the outcome of a detailed audit by Audit New Zealand and their approval for use of this function. At that time a further report seeking Tenders Subcommittee approval would be appropriate.

Contractual arrangements

A proforma LGTenders Service Level Agreement has been provided to the Council for consideration. The parties to the proposed agreement would be the Council and Local Government Online Limited as the service provider. Local Government Online Limited in turn has an agreement with TenderLink Limited.

While the pro forma agreement is largely acceptable, the final form of agreement will need to be negotiated with LGOL particularly in respect of achieving appropriate certainty and control over pricing.

It is recommended that the final form of agreement to be entered into be subject to approval by the Council's Legal Services Manager and that the Group Manager: Project Services be delegated the authority to enter into that agreement on the Council's behalf.

Implementation programme and costs

The proposed implementation programme to be managed by the Manager: Operations Support is outlined below:

- Undertake further internal communication on the change and the implementation plan;
- Prepare a list of current and active past suppliers and send them a letter explaining the Council's move to the LGTenders system, explaining the costs and benefits to them, advising them of the details of our implementation plan and seeking feedback on any concerns they may have;
- Place an advertisement in the New Zealand Herald and Western Leader advising of the Council's intention to move to the LGTenders system. Estimated cost for this item is \$800;
- Review the Council's standard Conditions of Tender to identify any changes that are required in order to conform with the change to electronic tendering;
- Develop internal procedures for operation of the online tendering process;
- Install Adobe Acrobat software for staff that will be involved in uploading tenders to the system. Estimated cost for this item is \$1,750;
- Arrange training dates for administrators and users (4 and 2 hours respectively). This is likely to involve only those administrative staff currently involved in the tender process in different areas of the Council. TenderLink will also provide assistance "hand holding" in the loading of the first tenders by key users;
- TenderLink will load suppliers into the system and send them passwords and an introductory letter explaining the system. Suppliers new to the system will receive a 30 day free trial. TenderLink will also ring each supplier to verify the data loaded and establish their willingness to receive tenders. This is likely to be carried out over a four to six week period;
- TenderLink will conduct follow-up with suppliers within the final 10 days of the trial period to verify their willingness to continue and to fine tune profiles.

TenderLink will provide the services outlined above at nil cost to the Council however this offer will expire after 1 January 2007 in which case an implementation fee of \$2,000 would be charged by TenderLink.

Subject to the Tenders Subcommittee's approval, the preparatory communication, documentation and procedure reviews are proposed to be undertaken in November 2006 after which the migration of suppliers to the system and the initial loading of tenders to the system could commence in December 2006 / January 2007.

RESOURCES

As stated above moving tender distribution, for all of the Council's open tenders online, is expected to produce savings in the order of \$15,600 per year but may prove to be cost neutral overall if invited tenders are also distributed through the LGTenders system.

There are one-off implementation costs including training, software and resource committed to the implementation. Excluding staff time hard costs are estimated to be in the order of \$2,550 for Adobe Acrobat software and advertising but it is expected to be able to absorb this cost within existing budgets.

TenderLink will provide the services outlined above at nil cost to the Council however this offer will expire after 1 January 2007 in which case an implementation fee of \$2,000 would be charged by TenderLink.

CONCLUSION

LGOL in partnership with TenderLink has established an e-Tendering portal specifically providing for the publication, distribution, download and management of local government tenders as well as an electronic tenders box providing the option of lodging tender submissions electronically.

Overall, there are benefits to the Council in adopting electronic distribution for its tender documents using the LGTenders solution and the potential risks identified in this report are minor and able to be managed. Other Councils have reported positive outcomes after moving to the system with suppliers also receiving the change well.

RECOMMENDATIONS

1. That the Electronic Tendering LGTenders report be received.
2. That approval in principle be given for Waitakere City Council officers to adopt electronic distribution as the default mechanism for distributing open tenders using the Local Government Online Limited e-Tendering portal LGTenders on the Internet at lgtenders.co.nz.
3. That a contract agreement acceptable to the Council's Legal Services Manager be negotiated with Local Government Online Limited with the authority to enter into this contract on behalf of the Council delegated to the Group Manager: Project Services.
4. That the move to online tendering be reviewed within six months of implementation with the results reported back to the Tenders Subcommittee.

Report prepared by: Andrew Crann, Manager: Operations Support.



6 CONTRACT NO. SP04012U - ESTABLISHMENT, FIT OUT AND OPERATION OF A COFFEE KIOSK AT HENDERSON LINK BRIDGE

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SP04012U - Establishment, fit out and operation of a coffee kiosk at Henderson Link Bridge.

BACKGROUND

The Waitakere Central Link Bridge construction is nearing completion and with the new Henderson Central Island Station going live on 24 October 2006, a large number of rail commuters, visitors to Council offices and Council staff are using the Link Bridge on a daily basis. In terms of the lease with New Zealand Railways Corporation (Ontrack), Council is expected to keep the Link Bridge open 24 hours per day and 7 days per week. A coffee kiosk would provide refreshments for the public as well as provide vigilance against vandalism.

Recently a Registration of Interest process was undertaken to test the market interest in establishing a coffee kiosk. A short list of two tenderers was approved at the meeting of the Tenders Subcommittee on 25 August 2006 and at the Finance and Operation Performance Committee meeting of 9 October 2006, approval was given to permit the licensing of a small area for a coffee kiosk. This tender evaluation report provides the outcomes of the tender process.

SCOPE OF WORK

The scope of work is to manufacture, install, fit out and operate a small kiosk on the Link Bridge that sells fast moving consumer refreshments to the general public. The successful tenderer is required to pay Council a monthly license fee for the benefit of operating a retail outlet.

The tenderer will operate Mondays to Fridays from 7 am to about 4 pm and will sell beverages and light snacks.

TENDERS RECEIVED

Tenders were invited from two selected tenderers following a registration of interest process held earlier. Only one tender was received by the closing date of 24 October 2006. This is summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE OFFERED (excl. GST)
Supreme Beanz Limited	Auckland	\$303.33 per month
Esquires New Zealand Limited		No bid
Pre-tender contract estimate		\$335.00 per month

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	Attributes	Exper.	Track	Tech. Skills	Manag.	Resources	Price	Contract Number
Evaluation			Record		Skill			SP04012U
	Weights	15%	5%	30%	5%	5%	40%	100%
Tenderer	Tender Sum							INDEX
Supreme Beanz Limited	\$303.33	78	78	80	72	67	40	63
Esquires New Zealand Limited	No bid							
Engineer's Estimate	\$ 335.00							

* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

Table 2 - Summary of Tender Evaluation

Supreme Beanz Limited currently operate a mobile coffee business out of a van. They visit Council twice per day and sales of coffee to Council staff have been high. The Project Team is not aware of any adverse comments on performance, cleanliness or quality and Supreme Beanz Limited has built up a loyal and complimentary following. Their coffee is priced at market rates of \$3.00. The Project Team has no hesitation in recommending Supreme Beanz Limited be granted a license to operate a coffee kiosk.

Establishment of a market related license fee is imprecise, but based on current license fees obtained for the two booths in Ratanui Street, which are provided free of charge by Adshel to the concessionaires, achieving a rental of about \$580 per month each, the Project Team believes a rental of about \$335 per month would permit a fair return be made plus permit repayment of the kiosk manufacturing costs recouped over a five year license period. The license fee offer of \$303 per month thus seems reasonable, particularly when bearing in mind that the goals of the Council to establish a coffee kiosk were not revenue generation but to provide a public service and to reduce vandalism levels.

TAGS, ERRORS OR OMISSIONS

Supreme Beanz Limited have tagged their tender as follows:

- The Project Team had proposed a kiosk size of 2.2 metres long by 0.7 metres wide. Supreme Beanz Limited are unable to operate successfully from such a small “footprint” as the health regulations require two washing sinks and on site storage is also needed to keep food safe. The size proposed by Supreme Beanz Limited of 3 metres long x 0.9 metres wide is acceptable to the Project Team and may be increased further in size if desired, subject to Council approval of plans:
 - Supreme Beanz Limited requires separate storage for dry products and a place to store a second fridge. The Project Team is able to accept this tag and offer storage in the storeroom provided under the escalator. This store will eventually house the scissor lift hoist, to be used for window cleaning and spare glass panels. There is more than adequate storage space available to accommodate Supreme Beanz Limited plus the hoist and spare glass;
 - Supreme Beanz Limited have proposed that the project architects give consideration to building an enclosed kiosk at the end of the link bridge to provide protection from wind and rain splash. Supreme Beanz Limited has consequently withdrawn this tag after discussion with the Project Team as the kiosk is designed to be an outdoor facility and an enclosure would hide the new artwork at the end of the link bridge;
 - Supreme Beanz Limited proposes that the prescribed daily operating hours of 7:00 am to 7:00 pm be reduced to closing at about 4:00 pm, based on the fact that late afternoon sales are always minor. The Project Team is prepared to accept this tag with the proviso that a final decision be made once the kiosk has been operating for a while to determine sales patterns.

CREDIT CHECK

A credit check dated 27 October 2006 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Supreme Beanz Limited achieved an index of 63. This tender is also the only tender received.

As part of Council's contracting process “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.

KIOSK LICENSE FEE

excl. GST

Tender sum - Supreme Beanz Limited \$303.33 per month

A formal license contract has been drafted by Council's Legal Services Division that provides a three year license period with a right to renew for a further two years. A license fee “rent review” would take place after three years.

The license requires Supreme Beanz Limited to keep the site clean and tidy, to pay for the use of power and water and to comply with the usual statutory health requirements.

SOURCE OF FUNDING

Council will not incur any costs but conversely will receive payment of \$303 excluding GST per month.

RECOMMENDATIONS

1. That the Contract No. SP04012U - Establishment, Fit Out and Operation of a Coffee Kiosk at Henderson Link Bridge report be received.
2. That the tender offer from Supreme Beanz Limited for Contract No. SP04012U - Establishment, Fit Out and Operation of a Coffee Kiosk at Henderson Link Bridge in the sum of \$303.33 plus \$37.92 GST, totalling \$341.25 per month be accepted.
3. That authority to enter into a contract with Supreme Beanz Limited for Contract No. SP04012U - Establishment, Fit Out and Operation of a Coffee Kiosk at Henderson Link Bridge on behalf of Council be delegated to the Director: City Services.

Report prepared by: Joe Schady Senior Engineer, Special Projects.



7 CONTRACT NO. SP06001A - ENGINEERING DESIGN SERVICES FOR STURGES ROAD BRIDGE

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SP06001A - Engineering Design Services for Sturges Road Bridge.

BACKGROUND

The existing road over rail bridge at Sturges Road (Bridge 58), Henderson was built in about 1940 by New Zealand Railways Corporation (Ontrack) to permit vehicle traffic to pass over the single rail track to new housing developments in south Massey. The present condition of this bridge is poor with severe Alkali Silicate Reaction (ASR) producing extensive cracking. The long term safety and life of this structure is limited. Ontrack has posted a load limit on the bridge in an attempt to ensure vehicle and rail safety. In late 2006 Ontrack intends to commence with double tracking of stage 4 of the Western Line from Mt. Lebanon Lane to Swanson Station. The existing piers of bridge 58 are aligned such that it is not possible to achieve double tracking without undertaking major structural changes.

Council's Transport Assets section had identified the need to replace this bridge because of its poor condition and the cost implication associated with its ongoing maintenance. The August 2005 Waitakere City Strategic Cycle Network study has identified Sturges Road as a cycle route, therefore in order to accommodate the cycleway route and to address future capacity requirements for the nearby intersection of Sturges Road /Swanson Road, a new and wider bridge is needed. A decision has been made by Ontrack and Council to demolish the old bridge and to rebuild a new, wider and more transport friendly bridge in its place. It is desired to have the new bridge completed by about mid 2007.

Council has allocated a \$300,000 budget in the draft Annual Plan 2006/2007 for the project and a further \$3,000,000 in the proposed Annual Plan 2007/2008. An agreement with Ontrack will be forthcoming whereby Ontrack will fund like- for- like bridge replacement plus extra costs associated with raising the bridge to achieve greater electrification clearance.

Ontrack has committed to fund 75% of all professional consulting fees up to a maximum of \$337,500 and Council has agreed to pay 25% of the fees. This cost share applies for bridge works only and Council will fund all professional fees of a non rail nature.

Ontrack has been kept informed of the outcome of the tender evaluation processes in regard to this project and Ontrack has reviewed this report and is happy to accept Council's recommendation, as detailed below.

SCOPE OF WORK

The design contract comprises the design of a new and wider road over rail bridge, the design of a wider road carriageway with cycle lanes and walkways, design of a car drop off point, and the re design of the Sturges and Swanson Roads intersection. The contract also provides for advice in the removal and demolition of the old bridge. The planned works extends over a length of 300 metres of Sturges Road between Vintage Drive and Swanson Road.

TENDERS RECEIVED

Tenders were invited from three selected tenderers, following a Registration of Interest process held earlier in the year. Two tenders were received by the closing date of 17 October 2006. The third invited tenderer, MWH New Zealand Limited declined to bid. The bids are summarised in Table 1 below:

Table 1 - Summary of Tender Prices

Initial Tenders		
Tenderer	Reg Office	Tender Price (excl. GST)
Beca Infrastructure Limited	Auckland	\$545,000
Connell Wagner Limited	Auckland	\$241,208
Pre-tender contract estimate		\$409,333

Table 2 - Tenders Adjusted for tags as Detailed in Table 4

Tenderer	Tags	Tender Price (excl. GST)
Beca Infrastructure Limited	Nil	\$545,000
	Adjusted Price	\$545,000
Connell Wagner Limited	Initial tender price	\$241,208
	No. 11 Geotechnical Investigation	\$46,910
	No. 18 Four month extension	\$56,916
	Adjusted Price	\$345,034

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".

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.

A summary of the evaluation results is shown in Table 3:

Table 3 - Summary of Tender Evaluation

Tender	Attributes	Exper.	Track	Tech. Skills	Manag.	Method.	Price	Contract Number
Evaluation			Record	& Resources	Skill			SP06001A
	Weights	20%	10%	10%	10%	20%	30%	Total Weights
Tenderer	Tender Sum							INDEX
Connell Wagner Ltd	\$345,034.00	74	77	82	74	83	66	74
Beca Infrastructure Ltd	\$545,000.00	76	78	75	72	53	17	53
Engineer's Estimate	\$ 409,333							

* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

The five non-price attributes clearly showed that Connell Wagner Limited were ranked mostly higher than Beca Infrastructure Limited and also had the lowest tender price being about \$200,000 lower than Beca Infrastructure Limited. Connell Wagner Limited accordingly received the highest total index of 74.

The price offered by Beca Infrastructure Limited was well above the Engineer's estimate and together with a low Methodology score, indicates that Beca Infrastructure Limited were not serious contenders for the work.

The price from Connell Wagner Limited reflects innovative, unique and cost effective solutions resulting in decreased road embankment volumes, decreased retaining wall lengths and heights and shallower deck beams.

Reference checking of Connell Wagner Limited Bridge Division's recent work for Council indicated acceptable structural work on a previous bridge design with a scorecard of "7 out of 10" rated by the Council bridge engineer. Connell Wagner Limited have indicated that they have adequate resources to undertake the work. Recently Connell Wagner Limited won a "highly commended" award from the Austroads Bridge Conference 2006 for innovative work on the strengthening of the bridge to the Huntly Power Station in order to carry 250 tonne boiler components. The Project Team are of the opinion that Connell Wagner Limited will provide a good quality design.

TAGS, ERRORS OR OMISSIONS

Connell Wagner Limited have 21 tags to their tender. The tags and their impact on the tender outcome are summarised in Table 4 below:

Table 4 - Tender Tags

TAG	Description	IMPACT	DECISION
1	WCC and other utility services to be provided in electronic format.	WCC is able to do this with no extra effort. Other services are minor such as power cables and telephone cables and have small impact on the project.	Accept. Provide small contingency sum to cover possible manual drafting methods, if needed.
2	Utility services will not be identified by means of potholing.	Pot holing is required but will form part of the construction works contract.	Accept.
3	Topographical information within the rail corridor will be provided by Ontrack.	Ontrack has offered to provide survey data free of charge.	Accept.
4	Traffic volumes will be provided by WCC for the purposes of evaluating Transit edge protection specifications.	WCC is able to provide this information.	Accept.
5	100 hours of consultation are allowed with WCC and Ontrack professional staff.	WCC and Ontrack requirements are well understood and the tag is fair.	Accept.
6	Initial consultations assumed to have taken place with Ontrack and bridge needs are well known and unlikely to change.	WCC and Ontrack requirements are well understood and the bridging needs are known.	Accept.
7	Three stakeholder liaison meetings have been allowed.	This is fair and reasonable	Accept.
8	Two design options will be considered.	This is fair and reasonable	Accept.
9	"Nominal" time has been budgeted for consent queries.	This is fair and reasonable	Accept.
10	Planning and environmental consents have not been allowed for.	No consents are needed for the bridge as this will be applied for by Ontrack as an Outline Plan of Works. The road works resource consent application will follow later by a separate consultant.	Accept.
11	Surprisingly, Connell Wagner Limited omitted to price for the geotechnical investigation.	Geotechnical testing and evaluation is critical to the bridge supports and needs to be included in the tender price.	Connell Wagner Limited have priced this tag at \$46,910 which is included in their adjusted tender price.
12	WCC will provide standard General Conditions of Contract for construction tender documentation.	This will be provided as a matter of course.	Accept.
13	WCC will undertake the tender process for construction.	This will be actioned as an ongoing project requirement.	Accept.
14	The Project Quantity Surveyor will provide a schedule of prices.	This will be provided as a matter of course.	Accept.
15	The Project Quantity Surveyor will provide evaluation of payment claims and extras.	This will be provided as a matter of course	Accept.

TAG	Description	IMPACT	DECISION
16	A single contractor will be appointed for the construction works.	WCC is in agreement.	Accept.
17	Connell Wagner Limited has allowed 16 hours per week on average for site inspections and management.	WCC finds this reasonable	Accept.
18	Connell Wagner Limited assumes a construction period of four months.	WCC finds this to be too short and additional supervisory time of a further four months needs to be included in the tender price in case matters are delayed due to the complexity of working over the rail tracks.	Connell Wagner Limited have priced this tag at \$56,916 which is included in their adjusted tender price.
19	Connell Wagner Limited advises that should the programme be extended due to causes from others, then an additional fee would be charged.	WCC finds this to be limiting in light of tag number 18 a further four months needs to be included in the tender price.	Connell Wagner Limited have agreed to remove this tag.
20	Connell Wagner Limited will provide a \$1m limit of liability not \$2m as required.	WCC finds this to be limiting in light of the risks involved in working over the rail line and additional professional insurance will need to be taken out by Connell Wagner Limited.	Connell Wagner Limited have agreed to remove this tag.
21	Connell Wagner Limited proposes to provide a "certificate of insurance currency".	WCC requires certificates from the insurer.	The certificate has been inspected and this tag is accepted, particularly as Council has accepted this certificate for prior work undertaken by Connell Wagner Limited.

As the tender price from the second tenderer Beca Infrastructure Limited is substantially higher than the adjusted tender of Connell Wagner Limited, no point is served by evaluating and clearing the tags of Beca Infrastructure Limited's tender, which in any event are of a minor nature and would have minimal influence over their tender price.

CREDIT CHECK

A credit check dated 19 October 2006 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Connell Wagner Limited achieved the highest index of 74. This tender is also the lowest priced tender.

As part of Council's contracting process "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

	excl. GST
Adjusted tender sum - Connell Wagner Limited	\$345,034
Contingency	\$ 69,007

Total Job Cost	\$414,041

SOURCE OF FUNDING

Budget Description (from Annual Plan 2006/2007)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Renewals - Sturges Road Bridge Replacement	75-9860-53090-022	\$300,000	-	\$103,511	\$196,489
Ontrack *	-	\$337,500	-	\$310,530	\$26,970
Totals		\$637,500	-	\$414,041	\$223,459

* As per agreement dated 25 August 2006.

RECOMMENDATIONS

1. That the Contract No. SP06001A - Engineering Design Services for Sturges Road Bridge report be received.
2. That the tender from Connell Wagner Limited for Contract No. SP06001A - Engineering Design Services for Sturges Road Bridge in the sum of \$345,034.00 plus \$43,129.25 GST, totalling \$388,163.25 be accepted.
3. That authority to enter into Contract No. SP06001A - Engineering Design Services for Sturges Road Bridge on behalf of Council be delegated to the Director: City Services.

Report prepared by: Joe Schady Senior Engineer, Special Projects.



PUBLIC EXCLUDED MATTER

8 HENDERSON YOUTH FACILITY PROJECT SERVICE PROVIDER CONTRACT

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

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following part of the proceeding of this meeting, namely, Henderson Youth Facility Project Service Provider Contract.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to 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 is 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.
Henderson Youth Facility Project Service Provider Contract.	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> • protect information where the making available of the information - <ul style="list-style-type: none"> (i) Would disclose a trade secret; or (ii) Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. • protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; • enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. 	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.

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 Sections 7(2)(b)(i), 7(2)(b)(ii) and 7(2)(h) 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.*

