



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** **9 March 2007** **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.

pp

2 March 2007

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)

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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 AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 9 MARCH 2007,
COMMENCING AT 9.00 AM**

TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE NO.</u>
1	APOLOGIES	1
2	URGENT BUSINESS - UNIVERSAL DRIVE EXTENSION EARTHWORKS CONTRACT	1
3	CONFIRMATION OF MINUTES	2
4	TRANSPORT ASSETS PROFESSIONAL SERVICES 2006-2009	2
5	CONTRACT NO. IM04119A - EXTENSION OF NEW ZEALAND POST	4
6	CONTRACT NO.S IM02044B AND IM02044C - EXTENSION OF PHOTOCOPIER CONTRACTS	5
7	CONTRACT NO. TA06041C - RANGEVIEW PARK 'N' RIDE	6
	<u>PUBLIC EXCLUDED MATTER</u>	9
8	REQUEST FOR PROPOSAL 2006 FOR BUSINESS PARTNER TO ROLLOUT COUNCIL'S COMMUNITY AREA BROADBAND NETWORK	9

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1 APOLOGIES



2 URGENT BUSINESS - UNIVERSAL DRIVE EXTENSION EARTHWORKS CONTRACT

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.

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PURPOSE OF THE REPORT

The purpose of this report is to recommend to the Tenders Subcommittee acceptance of an Urgent Business item to award a contract for the Universal Drive Extension project.

BACKGROUND

The Annual Plan 2006/2007 provides for the construction of a new road which is an extension of Universal Drive, from Lincoln Road to Central Park Drive.

The Council is bound under a contract with the property owners to complete earthworks for a portion of this road before the end of the earthworks season on 30 April 2007.

Due to a number of delays it has not been possible to advertise the earthworks contract until 26 February 2007 and in order to meet the deadlines the contract must be awarded on 9 March 2007.

ISSUES

As stated above there is some urgency in awarding this tender to meet contract requirements. Tenders close on 6 March 2007 and a report will be distributed electronically to the Tenders Subcommittee on 8 March 2007.

RESOURCES

Funding of \$2,000,000 has been provided in the 2006/2007 Annual Plan for the first stage of this project. Not all the funding will be required for the earthworks and the balance will be carried over for the remaining works, subject to Council's approval.

CONCLUSION

There is an urgent need to award this contract and it will not be possible to follow the normal process for reporting to the Tenders Subcommittee. Accordingly, it is recommended that this item be considered as Urgent Business.

RECOMMENDATIONS

1. That the Urgent Business - Universal Drive Extension Earthworks Contract report be received.
2. That the Universal Drive Extension Earthworks contract be considered as Urgent Business in order to enable the tender to be let in time for Council to meeting contractual commitments.

Report prepared by: Tony Miguel, Group Manager: Asset Management.



3 CONFIRMATION OF MINUTES

Meeting Minutes - Friday, 23 February 2007

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 23 February 2007, as circulated, be taken as read and now be confirmed.



4 TRANSPORT ASSETS PROFESSIONAL SERVICES 2006-2009

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to invite tenders from a number of consultants that have registered interest for providing professional services to assist Council staff with the delivery of major projects included in the 2006-2016 Long Term Council Community Plan.

BACKGROUND

The 2006-2016 Long Term Council Community Plan provides for a number of transport projects that are complex in nature and require specialist skills including project management, resource consents, property purchases, securing funding from Land Transport New Zealand and ARTA, and managing work programmes and relationships with Transit New Zealand, ARTA and ONTRACK.

Some of the projects of this nature include the following:

- Te Atatu Corridor Bus/HOV and safety improvements;
- Henderson Integration Projects;
- New Lynn Transit Oriented Development;
- State Highway 16 and 18;
- NORSGA Planning;

- Lincoln Corridor projects;
- Bus Overlay Studies Implementation, as well as Real Time Passenger Information Signs and Bus Advance Signals.

ISSUES

Council has adopted a ten year roading and transport programme based on the assumption of a full staff complement for Transport Assets. This included approval for additional five full-time equivalents, but due to the shortage of skilled staff, Transport Assets has consistently carried four full-time equivalent vacancies during the last 12 months.

In order to address this issue, it is proposed to prepare three Transport Assets Professional Services contracts to provide project management, and technical support for the projects detailed above. Due to the long term nature of these contracts, it is proposed to call for contracts for a period of up to three years (1+1+1) which can be terminated at any time if sufficient Council resources are available, or alternatively, if the consultant's performance is not satisfactory.

Tenders will be invited from consultants registered on the Asset Group Register of Preferred Consultants, with the outcomes reported back to the Tenders Subcommittee for approval.

RESOURCES

The 2006-2016 Long Term Council Community Plan provides for these projects. It is estimated that cost of the annual contract per consultant will be between \$100,000 and \$300,000 depending on the scope of the contract. After the tendering process is concluded, the full tender evaluation report will be submitted to the Tenders Subcommittee for approval.

CONCLUSION

The Council is committed to implementing a number of improvements to the transportation network and related infrastructure which have been provided for in the 2006-2016 Long Term Council Community Plan.

Due to staff shortages, it is recommended that authority be given to invite tenders for Professional Services to assist Council in delivering the projects. The outcome of the tenders will be reported back to Tenders Subcommittee for approval.

RECOMMENDATIONS

1. That the Transport Assets Professional Services 2006-2009 report be received.
2. That approval be given to invite tenders among registered consultants to provide Transport Assets Professional Services 2006-2009 of up to a 3-year (1+1+1) contract period, with the results reported back to the Tenders Subcommittee for approval.

Report prepared by: Tony Miguel, Group Manager: Asset Management.



5 CONTRACT NO. IM04119A - EXTENSION OF NEW ZEALAND POST

PURPOSE OF THE REPORT

The purpose of this report is to seek the Tenders Subcommittee's approval to extend the existing contract with New Zealand Post by 12 months till 30 November 2007 with an option to extend a further 12-month period. It is proposed that no tender be held, as New Zealand Post is the only known provider of volume post and other services Council requires.

BACKGROUND

Council's existing contract is with New Zealand Post for volume post services and also includes business reply and free post and permit post.

EVALUATION

There are a number of small to medium size organisations that offer a range of services from mail sorting to courier and street delivery services. However, in the main these providers do not have access to P O Boxes, Private Bags, Rural Delivery, Overseas mail and do not process returned mail. In some cases they also utilise New Zealand Post for delivery services.

As New Zealand Post appear to be the only organisation able to provide a complete mail service including volume post, Council have held discussions with them on the proposed extension of their contract. The rates proposed by New Zealand Post for the 12-month period are fair and reasonable.

SOURCE OF FINANCE

Based on Council's postal service spend over the past two years it is anticipated to spend in the order of \$360,000 on the proposed contract for which provision has been made in the 2007/2008 Annual Plan and subsequent years in the Long Term Council Community Plan.

SUMMARY

As New Zealand Post is the only known and acceptable service provider to provide a complete volume post service, it is recommended that the Tenders Subcommittee approve the extension of the existing New Zealand Post contract till 30 November 2007 with an option to extend a further 12 months without going to tender.

RECOMMENDATIONS

1. That the Contract No. IM04119A - Extension of New Zealand Post Contract report be received.
2. That Council extend its existing New Zealand Post contract till 30 November 2007 with an option to extend a further 12 months without going to competitive tender on the basis that New Zealand Post is the only known and acceptable provider of the required comprehensive solution to Council's volume post service requirements.
3. That the Director: Corporate & Civic Services be delegated authority to enter into the contract on behalf of Council, and authority to exercise the right of extension if he is satisfied with the level of service.

Report prepared by: Hugh Smith, Information Manager.



6 **CONTRACT NO.S IM02044B AND IM02044C - EXTENSION OF PHOTOCOPIER CONTRACTS**

PURPOSE OF THE REPORT

The purpose of this report is to seek the Tenders Subcommittee's approval to extend Council's existing Departmental and High Volume Photocopier Contracts, IM02044B and IM02044C with Fuji Xerox NZ Limited for a further period of 3 months so that Council can expand its new Multifunctional Device (MFD) Infrastructure System to include its remote sites.

BACKGROUND

In June 2006, the Tenders Subcommittee approved an extension to the Xerox contract till 31 July 2008 to cover all of Council's printing and copying needs.

Council have about 15 devices at remote sites that are aging and are not covered by the main agreement and these devices now need to be upgraded and incorporated into the main MFD agreement with Fuji Xerox.

PROPOSED SOLUTION

Xerox has proposed 2 options to Council for upgrading the remote site devices. Both options involve including the remote sites within the main Council contract:

- The first option is to increase the click rate for all printing, and would cost Council an extra \$64,000 a year approximately;
- The second option is to extend the existing agreement term by a further 3 months till November 2008. This will have a marginal overall black and white rate increase and the same colour rate for all devices and would actually reduce the overall cost to Council by approximately \$6,000 a year, as the current remote devices have a higher click rate for colour.

The second option is recommended.

SOURCE OF FINANCE

Funding for this equipment will be through existing Unit photocopier, consumables and printing operational budgets provided for in the Council's Annual Plan for 2006/2007 and 2007/2008 Long Term Council Community Plan.

SUMMARY

In order to upgrade Council's remote site's printing and copier devices and gain an estimated saving of \$6,000 per annum over the next 24 months, it is in Council's interest to expand its Multifunctional Device infrastructure investment by extending its existing Departmental and High Volume Photocopier Contracts with Fuji Xerox NZ Limited for a further period of 3 months and to include remote sites currently on separate contracts.

RECOMMENDATIONS

1. That the Contract No's IM02044B and IM02044C - Extension of Photocopier Contracts report be received.
2. That Council's existing Contracts with Fuji Xerox NZ Limited for the supply of Departmental and High Volume Photocopiers (currently due to expire on 31 July 2008) be extended to include Council's remote sites and to run for a further period of 3 months till 31 October 2008.

3. That approval be given for the following total contract commitments in each financial year as follows:
 - a) in the sum of up to \$933,000 plus \$116,625 GST, totalling \$1,049,625 for the 2007/2008 financial year;
 - b) in the sum of up to \$311,000 plus \$38,875 GST, totalling \$349,875 for the period to 31 October 2008 in the 2008/2009 financial year.
4. That the Director: Corporate & Civic Services be given the delegated authority to enter into the contract extension on behalf of Council.

Report prepared by: John McLeod, Service Delivery Manager.



7 **CONTRACT NO. TA06041C - RANGEVIEW PARK 'N' RIDE**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from Tenders Subcommittee to award physical works Contract No. TA06041C - Rangeview Park 'n' Ride.

BACKGROUND

The construction of the Rangeview Park 'n' Ride facility has been programmed for the 2006/2007 financial year. Resource consent approval from the Council has been received and approval from the Auckland Regional Council is being processed and expected to be granted within two weeks. Three more Park 'n' Ride facilities at Swanson Station, Sturges Station and Sunnyvale Station are also being designed and the construction works are planned for 2007/2008 and 2008/2009 financial years. The Council's objective is to complete the Rangeview Park 'n' Ride in conjunction with ONTRACK's western line duplication programme and the Sunnyvale Station upgrade due for completion in 2007.

SCOPE OF WORK

The contract works are for the construction of 3,600 m² of car park including traffic areas, upgrading of the intersection at Seymour Road with signal controlled devices, widening of the carriageway, new kerb and channel, footpath and a traffic island. A new 320 m² rain garden, for stormwater management, is proposed at the southern end of the car park adjacent to the western boundary and the railway embankment.

TENDERS RECEIVED

In January 2007 a Request for Expressions on Interest for the Rangeview Park 'n' Ride was publicly advertised. Following the close of submissions an evaluation was carried out with four prospective tenderers being short listed based on their experience, track record, resources, technical skills and management skills. An approval to invite these four companies was requested and approved by the Tenders Subcommittee on 9 February 2007.

The four (4) companies short-listed were invited to submit a price to undertake the physical works for the Rangeview Park 'n' Ride. Three (3) tender were received by the closing date of 27 February 2007. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
HEB Smithbridge Limited	PO Box 226, Drury, Auckland	\$953,376.95
Demsey & Wood Civil Contractors Limited	PO Box 24 484, Royal Oak, Auckland	\$963,932.14
Arrow Civil Engineers Limited	33 Alfred Street, Onehunga, Auckland	\$984,700.00
Pre-tender contract estimate		\$1,249,813.00

Table 1 - Summary of Tender Prices (excluding Provisional Sums)

TENDER EVALUATION

P & M Paving and Construction Limited, although short-listed for the physical works, did not submit a tender due to their current work loads.

Non-price evaluation for four attributes, relevant experience, track record, technical skills and management skills, were undertaken during the registration of interest by the Council. Summary of the evaluation is provided in Table 2.

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual". These procedures require that where the tender includes Provisional Sums (work valued by the Principal and placed within the Schedule of Prices) they are deducted from the Tender Sum prior to evaluating each tender. In this contract the value of Provisional Sums is \$148,000 including a contingency sum.

The "two envelope process" as described in Section 2.7 of the above manual was followed. Under this method, 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 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Total Weights
		Weights	5	5	4	3	3	10	
Tenderer	Tender Sum	Grades							INDEX
HEB Smithbridge Limited	\$805,376.95	80	78	75	73	68	90	51	60
Demsey & Wood Civil Contractors Limited	\$815,932.14	80	77	73	75	68	75	50	58
Arrow Civil Engineers Limited	\$836,700.00	75	70	75	60	70	65	47	54
Median Tender Price	\$815,932.14								

Table 2 - Summary of Tender Evaluation

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

The tender submitted by HEB Smithbridge Limited is the lowest priced tender received and approximately 23% of the pre-tender estimate. They provided a complete submission and illustrated good experience and capability to undertake works of this nature.

TAGS, ERRORS OR OMISSIONS

The tender from Dempsey & Wood Civil Contractors Limited and Arrow Civil Engineers Limited did not contain any tags or omissions but contained arithmetic errors. These errors have not been clarified with the tenderer because they did not score the highest overall index and resolution would not have affected the outcome.

The tender from HEB Smithbridge Limited did not contain any tag, errors or omissions.

CREDIT CHECK

A credit check on HEB Smithbridge Limited dated 11 November 2006 revealed no adverse information.

JOB COSTS

	excl. GST
Tender sum - HEB Smithbridge Limited	\$ 953,376.95
Contingency	\$ 100,000.00
Engineering & Supervision	\$ 75,686.00
Other- Consents	\$ 23,000.00

Total Job Cost	\$1,152,062.95

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Sunnyvale (Rangeview/Seymour)	75-9895- 50900	\$1,000,000.00	\$0.00	\$1,000,000.00	\$0.00
Transport Strategic Projects Park 'n' Ride	75-9895- 44080	\$2,288,000.00	\$2,135,937.00	\$152,063.00	\$0.00

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 60. This tender is also the lowest priced conforming tender. It is considered that HEB Smithbridge Limited have the necessary expertise and resources to undertake a project of this nature.

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.

RECOMMENDATIONS

1. That the Contract No. TA06041C - Rangeview Park 'n' Ride report be received.
2. That the tender from HEB Smithbridge Limited for Contract No. TA06041C - Rangeview Park 'n' Ride in the sum of \$953,376.95 plus \$119,172.12 GST, totalling \$1,072,549.07 be accepted.

3. That authority to enter into Contract No. TA06041C - Rangeview Park 'n' Ride on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Stephen Boyle, Manager Contracts & Quality, Project Services.

PUBLIC EXCLUDED MATTER

8 REQUEST FOR PROPOSAL 2006 FOR BUSINESS PARTNER TO ROLLOUT COUNCIL'S COMMUNITY AREA BROADBAND NETWORK

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, Request for Proposal 2006 for Business Partner to Rollout Council's Community Area Broadband Network.

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.
Request for Proposal 2006 for Business Partner to Rollout Council's Community Area Broadband Network.	The withholding of information is necessary in order to: <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).	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 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 Council's negotiations.*