



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** **25 January 2008** **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.

17 January 2008

Sharlene Riley
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8851

MEMBERSHIP:

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

Chief Executive Officer
Director: City Services
Director: Corporate & Civic Services
Director: Strategic Performance
Director: Strategic Planning
Director: Public Affairs
Director: Finance

Mayor RA Harvey, QSO, JP (ex officio)
Deputy Mayor PA Hulse (ex officio)

(Quorum 3 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, 25 JANUARY 2008,
COMMENCING AT 9.00 AM**

TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE NO.</u>
1	APOLOGIES	1
2	URGENT BUSINESS	1
3	CONFLICTS OF INTEREST	1
4	CONFIRMATION OF MINUTES	1
5	AFTER HOURS NOISE CONTROL 2008/2009 - CONTRACT NEGOTIATION	2
6	CONTRACT NO. TA06056C - TRIANGLE ROAD SLIP RETAINING WALL AND TOE SUPPORT	4
7	CONTRACT NO. EW07034D - SEWER RENEWALS AT MINI CATCHMENT 5 AREA 2, NEW LYNN	8
8	CONTRACT NO. EW07002F - WASTEWATER UPGRADE 137 UNIVERSAL DRIVE TO 23 DAYTONA ROAD	11

**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 25 JANUARY 2008,
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 CONFLICTS OF INTEREST

The Council has acknowledged in its Code of Conduct that Elected Members need to be vigilant to stand aside from decision making when a conflict arises between their role as a member of the Council and any private or other external interest they might have. This note is provided as a reminder to members to check that no such conflicts arise in relation to any items on this agenda.



4 CONFIRMATION OF MINUTES

Meeting Minutes - Friday, 21 December 2007

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 21 December 2007, as circulated, be taken as read and now be confirmed.



5 AFTER HOURS NOISE CONTROL 2008/2009 - CONTRACT NEGOTIATION

GLOSSARY

Icon Security Group Limited (Icon)

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to enter into negotiations with Icon Security Group Limited (Icon) as a preferred supplier to provide after hours noise control services for 2008/2009 with an option for extension to 2009/2010.

BACKGROUND

Icon is currently the Council's after hours noise control contractor, the contract is scheduled to expire on 30 June 2008 after having run for 24 months. Icon were also the previous contractor for after hours noise control and have been working in this field for the Council since July 2004. Icon has performed at a high level in what is a difficult area of enforcement.

ISSUES

It is Council's policy when procuring goods, works or services to:

- Achieve the right outcomes and best value for money for it's ratepayers and citizens;
- Manage risk while allowing staff to exercise business judgement and be innovative;
- Be able to demonstrate fairness;
- Reflect best management practice which includes:
 - Value for money, competitive prices and cost controls;
 - Timelines;
 - Technical standards of workmanship, physical quality and performance;
 - Increase staff effectiveness and efficiency in the management of tenders and contracts;
 - Avoidance of legal actions or disputes; and
 - Meeting all corporate, political, legal and other obligations (e.g. Health and Safety).

Any procurement option adopted must be consistent with these principles.

Attributes of Icon Security Group Limited

Icon has excellent relevant experience for this contract having successfully undertaken the Councils after hours noise control duties since July 2004. Icon have first hand knowledge of the City and of the Councils processes and systems. Icon also have developed a good relationship with the NZ Police who are in attendance when noise making equipment is being seized.

Icon has a proven track record with the Council. Their delivery of noise control services has been prompt and efficient, demonstrating an ability to ensure that sufficient resources are available to deal with the seasonal fluctuations in workload.

During the contract period Icon have demonstrated a willingness and ability to work in partnership with the Council's officers to deliver an efficient service in what is a difficult area of enforcement. This has included weekly meetings with the Council's officers to discuss the previous weeks work and pursue continuous improvement in the delivery of customer service.

Icon has demonstrated that they have sufficient resources to deliver after hours noise control services in Waitakere.

Competition and Quality

There is little competition in the area of noise control in Waitakere with only one other company having tendered for the after hours noise control contract since 2004. Performance issues were identified with the two previous contractors which resulted in their contracts not being extended beyond one year.

There is a critical shortage of companies who can do the work to the desired level and it is unlikely that a better outcome could be achieved by publicly tendering the work.

Negotiation Process

It is proposed to enter into negotiations with Icon for work identical to the work carried out by them since July 2004. The negotiations over cost will be benchmarked against the rates used in the current contract.

Icon has indicated a willingness to negotiate a new contract realising that an award of the contract is not guaranteed.

SUMMARY

In terms of Council's Procurement Policy the procurement option recommended is consistent with the principles.

The reasons for not publicly tendering this proposed contract are as follows:

- There is a critical shortage of companies who can do this work to the desired level and it is unlikely a better outcome could be achieved for cost and quality by publicly tendering the work;
- The attributes of Icon as experienced since July 2004 have been excellent;
- The desire for continuity of personal and processes;
- The need to have a strong customer focused team approach utilising a proven team;
- Continued access to a growing knowledge base.

RECOMMENDATIONS

1. That the After Hours Noise Control 2008/2009 - Contract Negotiation report be received.
2. That authority is given to deviate from the Council's Procurement Policy and enter into negotiation with Icon Security Group Limited on the basis of a preferred supplier for work identical to Contract No. FS06002A - After Hours Noise Control 2006/2007, subject to a formal negotiation process being undertaken prior to any contract being awarded.

3. That Icon Security Group Limited is informed that an award of the contract for After Hours Noise Control 2008/2009 is not guaranteed.
4. That the outcome of the negotiation process with Icon Security Group Limited for the After Hours Noise Control 2008/2009 contract be reported back to the Tenders Subcommittee for approval to award a contract.

Report prepared by: Max Wilde, Manager Field Services.



6 **CONTRACT NO. TA06056C - TRIANGLE ROAD SLIP RETAINING WALL AND TOE SUPPORT**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA06056C - Triangle Road Slip Retaining Wall and Toe Support.

BACKGROUND

Historical filling undertaken within an old watercourse, now part of Triangle Road, has resulted in subsidence along the steep bank above properties in the vicinity of 284 to 288 Triangle Road, undermining the existing retaining wall at the top of the slope, the footpath and road edge.

A geotechnical investigation was carried out of the slip site in November 2006, and as recommended in the geotechnical report, it is proposed to undertake remedial works at this location to stabilise the embankment slope by the construction of retaining walls on the western side of Triangle Road at the slip site. Berm reshaping and drainage works will also be undertaken on the eastern side of the road which will reduce stormwater infiltration into the subsoil and water table levels in the steep bank further reducing the risk of slippage.

SCOPE OF WORK

The scope of work involves the construction of a concrete barrier pile retaining wall of approximately 70 metres in length as well as a smaller timber and concrete pile toe support wall at the base of the slope. The following works are also included in this contract:

- Construction of horizontally bored drains;
- Earthworks to re-contour the existing western berm;
- Construction of kerb and channel;
- Construction of footpaths;
- Construction of residential driveways and vehicle crossings;
- Surface drainage;
- Re-vegetation of the embankment slope;
- Road marking;
- Watermain diversion.

TENDERS RECEIVED

Tenders were publicly advertised on Tenderlink on 28 November 2007 with 25 sets of documents being downloaded. Four (4) tenders were received by the closing date of 18 December 2007. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
H & H Contractors Limited	12A Culperry Road Glendene	\$405,228.00
Gibbons Contractors Limited	15 Cowley Place Albany	\$619,281.00
Infrastructure NZ	16 Saturn Place North Harbour	\$767,388.60
Cloutman Contracting Limited	451 Waitakere Road Taupaki	\$ Not opened
Pre-tender contract estimate		\$705,755.00

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".

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 \$17,500.

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 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech Skills	Re-source	Man-agement	Method	Price	Total Weight
Tenderer	Weight	8	8	4	4	3	3	70	100
	Tender Sum	Grades							Index
H & H Contractors Ltd	\$387,728.00	60	65	60	55	55	50	86	78
Gibbons Contractors Ltd	\$601,781.00	65	60	70	70	60	55	50	54
Infrastructure NZ	\$749,888.60	50	50	55	40	45	50	25	32
Cloutman Contracting Ltd		35	35	35	45	35	40		Dis-qualified
Median Tender Price	\$601,781.00								

Table 2 - Summary of Tender Evaluation

The tender evaluation results reflect a wide range of contractors with varying skills and abilities.

Referees who have worked with H & H Contractors Limited in the past have advised that they are a very competent civil engineering company capable of completing the project, however, they have on occasions encountered substantial and sometimes unreasonable variations claims, which can lead to additional contract supervision and administration costs.

H & H Contractors Limited have nominated Spiral Drillers Limited as their subcontractor to undertake the pile drilling of the retaining wall. Spiral Drillers is a well established drilling company in the Auckland region and have the equipment and experience to carry out the works.

Cloutman Contracting Limited have received low scores due to their inability to provide the tender attribute information required for the tender. This has resulted in them being disqualified from the tender process.

TAGS, ERRORS OR OMISSIONS

Tags and errors existed in all the tenders, except that of Cloutman Contracting Limited.

Clarification on a variety of issues was sought from all three remaining contractors. H & H Contractors Limited and Gibbons Contractors Limited chose to respond. No response was received from Infrastructure NZ.

Specific issues and tags needed clarification or removal in all three tenders. The responses from the two contractors that responded are summarised below:

H & H Contractors Limited

An error was discovered in the price schedule of H & H Contractors Limited in the order of \$21,000. Their tender price was also substantially below the pre-tender contract estimate and so were asked to adjust their Schedule of Prices and confirm their tender price of \$405,228, which they did.

H & H Contractors Limited included a tag relating to their outstanding work commitments. It was confirmed that if they were awarded the contract, they would have the capability to commence the works starting the first week of March 2008.

H & H Contractors Limited also confirmed that their tender price was based on another party moving the overhead power lines prior to works commencing and being replaced by another party on the completion of works.

Gibbons Contractors Limited

Gibbons Contractors Limited confirmed that their tender price was based on another party moving the overhead power lines prior to works commencing and being replaced by another party on the completion of works.

Gibbons Contractors Limited were not prepared to withdraw their tender tag that Item 9 of the Schedule of Prices excluded temporary or permanent casings for the 750 millimetre diameter piles. The issue was not pursued further as casings were not part of the specification.

CREDIT CHECK

A credit check on H & H Contractors Limited has been requested.

JOB COSTS

	excl. GST
Tender sum (H & H Contractors Limited)	\$405,228.00
Contingency (20%)	\$ 81,045.00
Engineering & Supervision (includes consultant costs)	\$ 20,000.00
Other Costs:	
- arborist	\$ 2,000.00
- Vector relocation	\$ 92,505.00

Total Job Cost	\$600,778.00

The contingency sum has been increased from 10% to 20% of the tender sum due to the higher risk associated with drilling to large depths.

SOURCE OF FUNDING

Budget Description	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Slip works - Storm event Sept 2006	8AMTA-08-018	\$950,000	\$29,400	\$569,368	\$351,232
Watermain works	8AMEW-07-242	\$1,950,000	\$1,263,000	\$31,410	\$655,590

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by H & H Contractors Limited achieved the highest index of 78. 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.

RECOMMENDATIONS

1. That the Contract No. TA06056C - Triangle Road Slip Retaining Wall and Toe Support report be received.
2. That subject to a satisfactory credit check, the tender from H & H Contractors Limited for Contract No. TA06056C Triangle Road Slip Retaining Wall and Toe Support in the sum of \$405,228.00 plus \$50,653.50 GST, totalling \$455,881.50 be accepted.
3. That authority to enter into Contract No. TA06056C Triangle Road Slip Retaining Wall and Toe Support on behalf of Council be delegated to the Group Manager Project Services.

Report prepared by: Paul McDaid, Project Engineer.



7 CONTRACT NO. EW07034D - SEWER RENEWALS AT MINI CATCHMENT 5 AREA 2, NEW LYNN

GLOSSARY

The Fletcher Construction Company Limited Trading as
PipeWorks Rehabilitation Solutions (PRS)
Mini Catchment (MC)

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW07034D - Sewer Renewals at Mini Catchment 5 Area 2, New Lynn.

BACKGROUND

Council has an objective to reduce flows in the wastewater network by 25% through the Infiltration and Inflow Control Programme. The New Lynn wastewater catchment is the first catchment to be assessed under this programme and rehabilitation work has already been completed in several mini catchments (MC).

The tender for the rehabilitation of the first part of MC 5 was awarded recently. The second part of MC 5 is the next catchment on the priority list. The existing manholes and the public sewers in this area are in poor condition and require rehabilitation.

SCOPE OF WORK

The scope of the work includes:

- Construction of approximately 385 metres of 160 mm diameter polyethylene 80 wastewater pipeline using pipe bursting;
- Rehabilitation of approximately 480 metres of 150 mm diameter earthenware wastewater pipeline using slip lining techniques;
- Rehabilitation of approximately 100 metres of 150 mm diameter earthenware wastewater pipeline using structural lining techniques;
- Construction of 11 new concrete manholes;
- Construction of 4 new plastic manholes and rehabilitation of 12 existing manholes;
- Replacement of existing service connections.

TENDERS RECEIVED

Tenders were publicly advertised in Tenderlink with fourteen (14) sets of documents being uplifted. Three (3) tenders were received by the closing date of Tuesday, 11 December 2007. These are summarised in Table 1:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
The Fletcher Construction Company Limited trading as PipeWorks Rehabilitation Solutions	PO Box 62077, Mount Wellington, Auckland	\$518,348.68
JB Contractors Limited	PO Box 76885, Manukau City, Auckland	\$563,410.00
H&H Contractors Limited	PO Box 15084, New Lynn, Auckland	\$572,785.00
Pre-tender contract estimate		\$601,690.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech Skill	Resource	Manage Skill	Method	Price	Contract Number EW 07 034D
									Total Weights
	Weights	10	10	5	10	10	5	50	100
Tenderer	Tender Sum	Grades							INDEX
The Fletcher Construction Company Limited Trading as PipeWorks Rehabilitation Solutions	\$518,348.68	75	65	70	70	65	70	58	63
JB Contractors Limited	\$563,410.00	75	75	70	75	70	70	50	62
H&H Contractors Limited	\$572,785.00	70	55	65	65	45	70	48	54
Median Tender Price	\$563,410.00								

Table 2 - Summary of Tender Evaluation

The lowest priced conforming tender was submitted by PipeWorks Rehabilitation Solutions (PRS) and the price is approximately 14% lower than the pre-tender contract estimate. Several conditions were included in the tender.

PRS was established in September 2000 by the parent company, The Fletcher Construction Company Limited. PRS, as a subcontractor to one of Council's main contractors, has carried out similar wastewater rehabilitation works for Waitakere City Council in the 2004/2005 financial year. The work was done to a very high standard.

PRS also submitted prices for an alternative methodology which totalled \$471,837.53 which is 9% less than the lowest price conforming tender received. The prices for the alternative methodology were not submitted on a tender submission form. However, this suggested alternative methodology was not considered as it was based on structural lining all the pipes under the contract rather than replacing them with new pipes. This was not acceptable to EcoWater as it does not comply with our design standards for sewer renewals.

Scores for the non-price attributes were determined on the basis of information provided in each tender, on the information gathered from the referees nominated by the tenderers and on any recent Council experience with the tenderers.

TAGS, ERRORS OR OMISSIONS

The tender from PRS contained a number of conditions. As per the General Conditions of Tender, Clause WCT6.1, the Engineer to the Contract, on behalf of the Principal, entered into discussion with PRS to clarify the terms and conditions attached with the tender. A meeting was held between the Engineer to the Contract and PRS on 7 January 2008 to clarify issues in the tender that the Engineer to the Contract believed may have been an issue during the implementation of the works. All issues were resolved.

There were no errors or omissions in the tender submitted by PRS.

There were no tags, errors or omissions in the tender submitted by JB Contractors Limited.

There were tags in the tender submitted by H&H Contractors Limited, but no errors or omissions. Clarification on these tags was not attempted as the tender submitted was the highest priced and resolution of them would not have changed the outcome of the tender evaluation.

CREDIT CHECK

A credit check on The Fletcher Construction Company Limited which also trades as PipeWorks Rehabilitation Solutions Limited dated 7 January 2008 revealed no adverse information.

JOB COSTS

excl. GST

Contract Price	\$518,348.68
Contingency (10%)	\$ 51,834.87
Engineering & Supervision (10%)	\$ 51,834.87
Total Job Cost	<u>\$622,018.42</u>

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
WW Renewals I/I	74000-6740-8AMEW-08-	\$4,200,000.00	\$2,968,669.70	\$622,018.42	\$609,311.88

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by PRS achieved the highest overall index of 63. This tender is the lowest priced tender received.

It is considered that PRS has the necessary expertise and resources to satisfactorily carry out the works.

As part of the 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. EW07034D - Sewer Renewals in Mini Catchment 5 Area 2, New Lynn report be received.
2. That the tender from The Fletcher Construction Company Limited trading as PipeWorks Rehabilitation Solutions for Contract No. EW07034D - Sewer Renewals in Mini Catchment 5 Area 2, New Lynn, in the sum of \$518,348.68 plus \$64,793.59 GST, totalling \$583,142.27 be accepted.
3. That authority to enter into Contract No. EW07034D - Sewer Renewals in Mini Catchment 5 Area 2, New Lynn on behalf of Council be delegated to the Group Manager: Project Services.

Report prepared by: Disna Pathirage, Principal Engineer, Project Services.



8 **CONTRACT NO. EW07002F – WASTEWATER UPGRADE 137 UNIVERSAL DRIVE TO 23 DAYTONA ROAD**

This report was unavailable at the time of printing of this Agenda and will be circulated under separate cover.

