



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** **27 June 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.

20 June 2008

Maea Petherick
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8104

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 - one of whom must be a Councillor)

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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, 27 JUNE 2008, COMMENCING AT 9.00 AM**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the 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, 13 June 2008

RECOMMENDATION

It is recommended that the minutes of the meeting of the Tenders Subcommittee held on Friday, 13 June 2008, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. PK05004A - LANDSCAPE PROGRAMMED MAINTENANCE - APPROVAL TO EXTEND**

GLOSSARY

Bilfinger Berger Services Limited (BBS)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK05004A - Landscape Programmed Maintenance for six (6) months, from 1 July 2008 to 31 December 2008.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK05004A - Landscape Programmed Maintenance - Approval to Extend report.
2. **Approve** that the Contract No. PK05004A - Landscape Programmed Maintenance as awarded to Bilfinger Berger Services Limited be extended in the sum of \$1,840,925.50 excluding GST for the period 1 July 2008 to 31 December 2008.
3. **Approve** the commitment of \$1,840,925.50 to the 2008/2009 draft Annual Plan for Contract No. PK05004A - Landscape Programmed Maintenance.
4. **Agree** that the Contract No. PK05004A - Landscape Programmed Maintenance as awarded to Bilfinger Berger Services - Limited be extended for the period 1 July 2008 to 31 December 2008.
5. **Agree** that the extension to Contract No. PK05004A - Landscape Programmed Maintenance for a further six (6) months plus one (1) plus one (1) years for 2009/2010 and 2010/2011 be brought back to Tenders Subcommittee during December 2008 period for approval subject to funding availability and the results of the contractor's performance.
6. **Approve** that the authority to enter into Contract No. PK05004A - Landscape Programmed Maintenance for the period 1 July 2008 to 31 December 2008 on behalf of Council be delegated to the Group Manager: Asset Management.

BACKGROUND

1. The scope of works of the current Contract No. PK05004A - Landscape Programmed Maintenance are to carry out quality landscape maintenance within the City's passive and neighbourhood parks and includes:
 - Flail mowing;
 - Litter collection;
 - Turf maintenance;
 - Garden and hedge maintenance;
 - Toilet cleaning;
 - Fixtures and fittings maintenance;
 - Path, car park and driveway sweeping.
2. All other response and non programmed work is undertaken by a separate response contractor.

3. For the 2008/2009 period the increased scope of work involves ongoing variations for new landscape installations.
4. Several large maintenance areas were constructed as part of subdivisions in the 2007/2008 period and these now require ongoing maintenance. These sites include Lake Panorama and Paremuka Lakeside.
5. Also due to a change in frequency for Health and Safety reasons an increase in boat ramp cleaning, BBQ cleaning and water drinking fountain cleaning is included.
6. The ongoing costs for all these items have been included in the new negotiated contract sum.
7. Council approved the award of Contract No. PK05004A - Landscape Programmed Maintenance to Techscape Limited at a Tenders Subcommittee meeting held on 29 April 2005 for one (1) year with the right of two (2) extensions of two (2) years up to 30 June 2010 subject to the satisfactory performance by the contractor. They were awarded the contract based on their competitive contract rates established through a public tendering process. The Tenders Subcommittee resolved that:

- “1. That the Contract No. PK05004A - Park Landscape Programmed Maintenance report be received.*
- 2. That the tender from Techscape Limited for Contract No. PK 05004A - Park Landscape Programmed Maintenance for the period 2005/2006 - 2007/2008 in the sum of \$7,435,712.04 plus \$929,464.01 GST, totalling \$8,365,176.05 be accepted.*
- 3. That the commitment to the financial year 2005/2006 for Contract No. PK05004A - Park Landscape Programmed Maintenance totalling \$2,668,249 plus GST be approved.*
- 4. That the commitment to the financial year 2006/2007 for Contract No. PK05004A - Park Landscape Programmed Maintenance totalling \$2,668,249 plus GST be approved.*
- 5. That the commitment to the financial year 2007/2008 for Contract No. PK05004A - Park Landscape Programmed Maintenance totalling \$2,668,249 plus GST be approved.*
- 6. That authority to enter into Contract No. PK05004A - Park Landscape Programmed Maintenance on behalf of Council be delegated to Group Manager: Asset Management.”*

676/2005

8. Council approved the extension of PK05004A - Landscape Programmed Maintenance to Techscape Limited at a Tenders Subcommittee meeting held on 8 June 2007. The Subcommittee resolved that:
 - “1. That the Contract No. PK05004A - Landscape Programmed Maintenance - Extension to Contract Sum report be received.*
 - 2. That the contract sum for Contract No. PK05004A - Landscape Programmed Maintenance to Eco City Services (Techscape Limited) be increased to \$3,097,496.62 plus \$387,187.08 totalling \$3,484,683.69 for 2007/2008.*
 - 3. That the commitment to the 2007/2008 financial year for Contract No. PK05004A - Landscape Programmed Maintenance in the sum of \$3,271,500.00 plus \$408,937.50 GST totalling \$3,680,437.50 be approved.*

4. *That the authority to extend Contract No. PK05004A - Landscape Programmed Maintenance, as in recommendation 2 above, be delegated to the Group Manager: Asset Management.”*

1014/2007

9. Techscape Limited was sold to Bilfinger Berger Services Limited (BBS) during September 2006.

DECISION MAKING

10. Contract No. PK05004A - Landscape Programmed Maintenance was a five (5) year contract with an expiry date of 30 June 2010. The contract allowed for two (2) extensions of two (2) years up to 30 June 2010, negotiations have been undertaken with BBS to extend the contract sum and scope for a further six (6) months to 31 December 2008.
11. During November 2007 performance issues arose with two (2) contracts undertaken by BBS, Contract No. PK05004A - Landscape Programmed Maintenance and Contract No. PK05003B - Sports Park Programmed Maintenance. Several areas of concern in implementation of contract works were raised with BBS. As a result a business improvement plan was requested. At this time internal redesign took place within BBS and systems were introduced to address deficiencies within the organisation. Subsequent audits have highlighted that there are still areas to be addressed but has also shown that there are areas of improvement.
12. BBS have now offered to withdraw from Contract No. PK05003B - Sports Park Programmed Maintenance and this has been accepted by the Director: City Services. BBS will continue with the required contract works until 31 October 2008.
13. Council has given BBS a period of six (6) months to implement their new business improvement plan within Contract No PK05004A to ensure standards are being consistently met city wide. The continuation of the Contract with BBS will ensure that there is a continuing service throughout this period. Performance will be measured on audits carried out by Council's independent auditor and Parks officers.
14. A negotiated tender sum of \$1,840,925.50 for six (6) months to 31 December 2008 has been received from BBS for Contract No. PK05004A - Landscape Programmed Maintenance.
15. BBS have advised that they will absorb the current rising costs of fuel, labour and materials, and have therefore not increased scheduled rates of work.

CONTRACTOR'S PERFORMANCE

16. An evaluation of BBS's performance to date under Contract No. PK05004A Landscape Programmed Maintenance contains the following features:
- A familiarity with Waitakere City Parks and community;
 - The ability to provide innovative ideas and solutions;
 - They have developed a working relationship with relevant Council officers;
 - They have a strong focus on health and safety.

17. Throughout the start of this year Parks have commissioned several independent audits of sites throughout PK05004A Landscape Programmed Maintenance and PK05003B Sports Park Programmed Maintenance. As a result of these audits several areas of continuing non performance were identified. BBS have committed to addressing these areas through a business improvement plan supported by Parks. The performance throughout these areas will continue to be monitored throughout the next six (6) months and will form the basis for reporting back to the Tenders Subcommittee in December 2008 for any further extension to the contract.

JOB COSTS

18. These operational contracts are being administered by Council Officers within Parks Assets.
19. The job costs associated with the 1 July 2008 to 31 December 2008 Landscape Programmed Maintenance contract period are as follows:

	excl. GST
1 July 2008 to 31 December 2008 tender sum	\$1,840,925.50

Total Job Cost for 1 July 2008 to 31 December 2008	\$1,840,925.50

SOURCE OF FUNDING

Budget Description (from draft Annual budget)	Budget (12 Months)	Committed to Other Projects (12 Months)	Allocation to This Project (12 Months)	Unallocated Balance
Sports Facilities Maintenance	\$341,000	\$338,000	\$1,500	\$0
Fixtures and Furniture Maintenance	\$528,000	\$423,000	\$52,500	\$0
Litter Control	\$628,000	\$378,000	\$125,000	\$0
Passive Grass Maintenance	\$1,511,000	\$244,000	\$633,500	\$0
Planting Maintenance	\$1,287,000	\$346,000	\$470,500	\$0
Structure Maintenance	\$162,000	\$136,000	\$13,000	\$0
Building Maintenance	\$831,000	\$538,000	\$146,500	\$0
Car park and Driveways Maintenance	\$196,000	\$116,000	\$40,000	\$0
Services Maintenance	\$377,000	\$317,000	\$30,000	\$0
Paths Tracks and Walkway Maintenance	\$210,000	\$198,000	\$6,000	\$0
Flail Mowing (Subsidised)	\$164,000	\$0	\$82,000	\$0
Plantings Parks Renewals	\$240,000	\$73450	\$83,275	\$0
Approved Annual; Plan Increases	\$314,301	\$0	\$157,150.50	\$0
Funding for 6 Month Period 1 July 2008 to 31 December 2008			\$1,840,925.50	\$0
Totals For Period 1 July 2008 – 30 June 2009	\$6,790,851	\$3,107,450	\$3,681,851	\$0

Total Job Cost for 1 July 2008 to 31 December 2008 1,840,925.50

20. A commitment to fund Contract No. PK05004A - Landscape Programmed Maintenance for \$1,840,925.50 plus \$262,989.35 GST totalling \$2,103,914.80 is requested from the 2008/2009 Annual Plan for period 1 July 2008 to 31 December 2008.

IMPLEMENTATION ISSUES

21. Under Contract No. PK05004A - Landscape Programmed Maintenance BBS has been competent in carrying out their contractual obligations over the past three years.
22. BBS have not increased their rates for fuel, labour and materials and will absorb these costs should the contract be extended. It is considered that these cost efficiencies are being offered to Council by BBS as they are committed to continuing the contract works. Extending the contract with BBS will ensure the contract will continue without disruption.
23. A contract extension to BBS will reduce the risk and cost of engaging and establishing a new contractor.
24. As a condition of the sale of Techscape Limited to BBS, Council approved an extension to the term of all term maintenance contracts held with Parks Assets including Contract No. PK05004A – Landscape Programmed Maintenance until 30 June 2011.
25. It is therefore recommended that BBS Limited be granted an extension to Contract No. PK05004A Landscape Programmed Maintenance for the period 1 July 2008 to 31 December 2008, and that an extension for a further six (6) months plus one (1) plus one (1) years for 2009/2010 and 2010/2011 be bought back to Tenders Subcommittee for approval subject to funding availability and a full review of the Contractors performance.

Report prepared by: Nick Harvey, Senior Contracts Officer Sports and Landscape.



6 CONTRACT NO. PK08016A - SPORTSFIELD MAINTENANCE AND CONTRACT NO. PK08015A - SPORTS PARK LANDSCAPE MAINTENANCE - APPROVAL TO PROCEED TO TENDER

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to publicly call for tenders for Contract No. PK08016A - Sportsfield Maintenance and Contract No. PK08015A - Sports Park Landscape Maintenance for a period of three (3) years and seven (7) months from 1 November 2008 to 31 June 2012 on the basis of extensions of twenty (20) months plus one (1) year plus one (1) year subject to the performance of the contractor, the availability of funding and at the sole discretion of Council.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK08016A - Sportsfield Maintenance and Contract No. PK08015A Sports Park Landscape Maintenance Approval to Proceed to Tender report.

2. **Approve** to publicly call for tenders for Contract No. PK08016A - Sportsfield Maintenance and Contract No. PK08015A - Sports Park Landscape Maintenance for a three (3) year seven (7) month period on the basis of twenty (20) months with extensions of one (1) year plus one (1) subject to the performance of the contractor, the availability of funding and at the sole discretion of Council.
3. **Agree** that the results of the tender evaluation process for Contract No. PK0816A - Sportsfield Maintenance and Contract No. PK08015A - Sports Park Landscape Maintenance be reported back to the Tenders Subcommittee.

BACKGROUND

1. Parks Assets currently manage thirty two (32) sports parks within the City. In order to successfully manage the maintenance requirements of the City's sportsfields it is necessary to engage a contractor with the necessary resource and management skills to achieve high quality delivery of service to ensure the ongoing use and enjoyment of the City's sportsfields and amenity areas.
2. Due to an inability to meet requirements of the current Contract No. PK05003A - Sports Parks Programmed Maintenance, Billfinger Berger Services Limited offered to withdraw from the contract on 31 October 2008. After consideration this offer has been accepted by the Director: City Services.
3. The City's sportsfields represent an important asset both in relation to resource, recreation and City image.
4. There are over seventy (70) active sports clubs within Waitakere with fifteen (15) parks having sports clubrooms on parks. These clubs form an important part of the City's identity.
5. Sportsfield management is a highly specialised and technical field. The management of sports surfaces throughout the City is required to be of a standard that ensures safety of use, adequate usage levels and surface requirements for Waitakere's clubs to maximise the facilities.
6. The Draft Parks and Open Spaces Strategy identifies that Council will need to provide four hundred and nine (409) playing hours annually per thousand (1,000) people. As a result it is imperative to implement sportsfield maintenance to a consistently high standard for all seasonal code requirements.

SCOPE OF WORK

7. The current scope of works covered by Contract No. PK05003B Sportsfield Programmed Maintenance is as follows:
 - Mowing;
 - Renovations;
 - Sand topdressing;
 - Irrigation Management;
 - Cricket wickets;
 - Goal post management;
 - Line marking;
 - Pest and Disease management.
 - Plantings maintenance;
 - Passive mowing and edging;
 - Toilets;
 - Litter;
 - Locking of parks;
 - Car park sweeping.

PROPOSAL

8. It is proposed to include all areas of sportsfield management in Contract No. PK08016A - Sportsfield Programmed Maintenance. Previously this was covered under Contract No. PK05003B - Sportsfield Programmed Maintenance and Contract No. PK05016A - Civil Works.
9. It is proposed that Contract No. PK08016A - Sportsfield Maintenance will provide for:
 - Mowing;
 - Renovations;
 - Sand topdressing;
 - Irrigation Management;
 - Cricket wickets;
 - Goal post management;
 - Line marking;
 - Pest and Disease management.
10. It is proposed that all Landscape and amenity portions of the existing Contract No. PK05003B - Sports Park Programmed Maintenance contract will be provided for in Contract No. PK08015A - Sports Park Landscape Maintenance. This will include:
 - Plantings maintenance;
 - Passive mowing and edging;
 - Toilets;
 - Litter;
 - Locking of parks;
 - Car park sweeping.
11. Procurement options identified for this contract are public tender and sole or preferred supplier.
12. The first option is sole or preferred supplier. The current maintenance contractor cannot re-price for Contract No. PK08016A - Sportsfield Maintenance portion of this work and therefore there is no contractor with specific knowledge of the City's Sportsfields. This would provide Council with a risk situation based on insufficient information rather than track record and competitive pricing. Therefore sole supplier is not the preferred option. Using the sole or preferred supplier method would also represent a potential risk to Council in that the price submitted would not necessarily be competitive.
13. The second option is open public tender. Sportsfield management is a specialised technical area that requires an appropriate skill set in regards to management, resource and innovation. The current sportsfield maintenance market is actively competitive and it is recommended that the open tender method of procurement will provide a low risk, open, transparent and best practice approach to providing for Council's needs. It is also Council's policy and practice to call for public tenders for such contracts.
14. The preferred option for procurement is for an open public tender.

SOURCE OF FUNDING

15. Funding for the current Sports Contract is included in the draft 2008/2009 Annual Plan and in the 2006-2016 Long Term Council Community Plan for the 2008/2009 year.

IMPLEMENTATION ISSUES

16. There are no implementation issues.

Report prepared by: Nick Harvey, Senior Contracts Officer: Sports and Landscape.



7 CONTRACT NO. TA06001B - FOOTPATH, KERB & CHANNEL, DRAINAGE & CESSPIT REPAIRS 2006 - APPROVAL TO EXTEND

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. TA06001B - Footpath, Kerb & Channel, Drainage & Cesspit Repairs 2006 for 12 months, to 30 June 2009.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA06001B - Footpath, Kerb & Channel, Drainage & Cesspit Repairs 2006 - Approval to Extend report.
2. **Approve** that the Contract No. TA06001B - Footpath, Kerb & Channel, Drainage & Cesspit Repairs 2006 as awarded to Fulton Hogan Limited be extended in the sum of \$1,300,000.00 excluding GST for the period 1 July 2008 to 30 June 2009.
3. **Approve** the commitment of \$1,399,000.00 excluding GST to the draft Annual Plan 2008/2009 for Contract No. TA06001B - Footpath, Kerb & Channel, Drainage & Cesspit Repairs 2006.
4. **Approve** that authority to extend Contract No. TA06001B - Footpath, Kerb & Channel, Drainage & Cesspit Repairs 2006 for the period 1 July 2008 to 30 June 2009 on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. Waitakere City Council currently has approximately 890 km of footpaths that require routine maintenance. The existing contract is due to expire on 30 June 2008.
2. Council approved the award of Contract No. TA06001B - Footpath, Kerb & Channel, Drainage & Cesspit Repairs 2006 at a Tenders Subcommittee meeting held on 16 June 2006 with the following recommendation:

“5. *That authority to extend Contract TA06001B - Footpath, Kerb & Channel, Drainage & Cesspit Repairs 2006 for an additional one year to end on 30 June 2009 based on the satisfactory performance by the Contractor be reported back to Tenders Subcommittee for approval.*”

1035/2006

DECISION MAKING

3. Contract No. TA06001B - Footpath, Kerb & Channel, Drainage & Cesspit Repairs 2006 is a two year contract with an expiry date of 30 June 2008. The contract has provision for one annual extension up to 30 June 2009, based on the satisfactory performance by the Contractor and subject to Council's approval.
4. Fulton Hogan Limited has confirmed in writing that they are willing to carry out the contract for a further twelve months.

CONTRACTOR'S PERFORMANCE

5. An evaluation of Fulton Hogan Limited's performance to date contains the following features:
 - They have developed a good working relationship with relevant Council staff;
 - They have developed a good working knowledge of Council's footpath asset and its needs thereby enabling better programming of works as they take "ownership" of the network;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety;
 - Their workmanship is generally to a very good standard.

RESOURCES

6. This project is being administered by Council officers within Project Services.
7. Financial resources are from the draft Annual Plan 2008/2009.

JOB COSTS

	excl. GST
Contract Sum 12 Months	\$1,300,000.00
Engineering and Supervision	\$ 99,000.00

Total Job Cost	\$1,399,000.00

SOURCE OF FUNDING

8. Source of funding is shown in table 1 below:

Budget Description (from draft 2008/2009 Annual Plan)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Footpath Renewals	6290 – 74000 8AMTA-07- 020	\$950,000	\$0	\$950,000	\$0
Drainage System Renewals	6280 – 74000 8AMTA-07-006	\$952,000	\$642,000	\$282,000	\$28,000
Vehicle Crossings Renewals	6290 – 74000 8AMTA-07-021	\$68,000	\$0	\$68,000	\$0
Professional Services Amenities	6160 – 63000	\$85,000	\$23,000	\$62,000	\$0
Professional Services Drainage System Renewals	6280 – 63000	\$84,000	\$47,000	\$37,000	\$0
	Total			\$1,399,000	

Table 1 – Source of Funding

IMPLEMENTATION ISSUES

9. There are no expected implementation issues with this contract.

Report prepared by: Angela Doel, Roading Engineer



8 CONTRACT FOR LOW IMPACT DESIGN AND DEMONSTRATION PROJECTS AT NORSGA

GLOSSARY

Auckland Regional Council	(ARC)
Low Impact Design	(LID)
Northern Regional Strategic Growth Area	(NorSGA)
Integrated Catchment Management Plan/s	(ICMP/s)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to a contract for Low Impact Design and Demonstration Projects at NorSGA.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract for Low Impact Design and Demonstration Projects at NorSGA report.
2. **Approve** that, subject to a satisfactory credit check, the Group Manager: Asset Management be delegated authority to negotiate a contract with Auckland UniServices Limited for a sum of up to \$940,000 excluding GST for Low Impact Design and Demonstration Projects at NorSGA.
3. **Approve** that the Group Manager: Asset Management be delegated authority to enter into Contract for Low Impact Design and Demonstration Projects at NorSGA on behalf of the Council.
4. **Approve** the commitment of \$328,000 excluding GST to the draft 2008/2009 Annual Plan for Contract for Low Impact Design and Demonstration Projects at NorSGA.
5. **Approve** the commitment of \$302,000 excluding GST to the draft 2009/2010 Annual Plan for Contract for Low Impact Design and Demonstration Projects at NorSGA.
6. **Approve** the commitment of \$310,000 excluding GST to the draft 2010/2011 Annual Plan for Contract for Low Impact Design and Demonstration Projects at NorSGA.

BACKGROUND

1. The Council wishes to promote high density and quality urban development throughout the three catchments identified in the Northern Strategic Growth Area (NorSGA). These catchments are Totara Creek, Waiarohia Stream and Hobsonville Peninsula.

2. There is very little New Zealand produced information in the area of Low Impact Design (LID), and specifically no LID 'Code of Practice' in New Zealand. Accordingly research findings and assessment tools, developed and utilized internationally, would need to be research, assessed and contextualised with local conditions and constraints and then documented as key inputs to the development of a LID Code of Practice that would reflect lessons learned internationally to date but also develop further to lead internationally in the area of practical application.
3. The University of Auckland is the only institution that has developed expertise on stormwater LID and has internationally recognised lecturers. As well, the University of Auckland has established relationships with the Auckland Regional Council and Housing New Zealand.
4. In view of the above, the trading arm of the University of Auckland, Auckland UniServices Limited has been chosen as the sole provider for this project.
5. This area has been identified in the Auckland Regional Growth Strategy: 2050 as a key growth area. The majority of the NorSGA area is rural in nature and therefore any development within this zone is considered green field development.
6. The Council has identified the NorSGA area as critical to accommodating future population and economic growth. Urban development would in principle affect stormwater, both in quantitative (flooding) and qualitative (water quality) terms, and would also affect other aspects of the wider receiving environment. For this reason the Council has designated the NorSGA area as a potential location to be developed based on the principles of sustainable development including the implementation of the LID Code of Practice for managing stormwater and other environmental, social and cultural aspects of the area.
7. Auckland Regional Council (ARC) has issued Resource Consents to the Waitakere City Council for the development of the NorSGA and Hobsonville areas respectively. These Resource Consents have been issued conditional on the incorporation of LID principles into the development proposals for each area. It is the responsibility of the Council to enforce the terms of the Resource Consents.
8. Along with the effective enforcement of the conditions of these Resource Consents, the Council has the opportunity to continue to be a leader within the regulatory community in NZ, and use these developments as pilot studies with the long term view of developing a Waitakere City Council LID Code of Practice, that could be rolled out on a regional and national basis and possibly become a key document in the future development of the practical application of LID principals internationally.
9. Council understands that the developers, in conjunction with their appointed consultants, have now made significant progress in the preparation of their development plans, creating an urgent need for Council to involve itself, in a consultative capacity, if it is to positively influence these design processes. In order to be effective in actively influencing the development process the Council must inform itself to an appropriate level to be able to provide leadership to the developers in the area of LID. This would include being in a position to measure the developer's proposed approaches against international best practice, and being able to make suggestions where applicable.
10. Learning's developed by the consultant, including the demonstration project results will ultimately be used to develop a LID Code of Practice for Waitakere City Council.

SCOPE OF WORK

General

11. In delivering this contract the contractor will need to draw on their internationally recognized, specific expertise and experience with, and appreciation of international research and implementation in all areas of LID and design, including; stormwater management, hydrology, construction management, transportation and planning.
12. The contractor will also be required to provide the necessary expertise to implement and manage the project, to strict timeframes, to ensure opportunities for Council involvement in the current NorSGA projects is not lost.
13. It will also be necessary to liaise closely with the ARC and other research bodies, to confirm where the proposed pilot studies may correlate with existing research programmes. Existing relationships with these bodies, and the ability to work cooperatively with them will be another key component of contract delivery.
14. It is envisaged that the longer term project objectives would be achieved by working in a multidisciplinary team to prepare case studies to demonstrate LID in the Waitakere context. In the process, it is imperative to provide learning opportunities for students, practitioners, developers, and the regulatory community.
15. The project will include collaboration with national and international organizations, in order to build on the learning and experience of others. The contractor needs to draw from a wide range of internal research expertise. It is expected that the contractor will be able to draw on existing relationships and international connectivity to provide accessibility to the most up to date international theory and practice in LID.
16. Additional expertise may be sought as the programme evolves, and may include other international colleagues.

Key Scope Requirements

17. The contract incorporates the following key components:
 - **Project Management**

It is proposed to use an external contractor Project Manager with experience in Council systems and track record in managing University projects. The University will appoint a single person to assist the Project Manager in coordinating data, student and senior academic staff inputs to the project. Use of external project management support is considered necessary to ensure that the project is delivered within the proposed budget and programme milestones for Council.
 - **Monitoring**

Three stages of monitoring will be carried out: prior to development, during development and post development. This will include the monitoring of hydrologic and water quality characteristics of site run off and impacts on the receiving environment. The monitoring will assess the impacts of the developments and the effectiveness of the LID components. The monitoring will be carried out by university students as part of their course work.

- **Technical input into Integrated Catchment Management Plan revisions (ICMPs)**

The ICMPs for the catchments in NorSGA are currently being revised by external contractors under a separate contract. It is proposed that the University will provide expert technical input into the ICMP revisions.

- **Review of Developers Comprehensive Development Plans (CDPs)**

Developers CDPs will be reviewed to assess the intended level of LID implementation. Feedback will be provided where further LID features could be included to improve the outcomes. CDPs will be assessed against the ICMPs, draft Codes of Practice (refer below), and international best practice and research knowledge as determined by University staff and expert peer reviewers. Knowledge gained through this exercise will also feed into the Codes of Practice development and opportunities for potential demonstration projects assessed.

- **Demonstration Projects**

It is proposed that a number of LID demonstration projects will be incorporated within the NorSGA development to showcase more innovative LID approaches, provide research opportunities, and assist wider uptake of LID approaches. The demonstration projects will also provide valuable information for the LID Code of Practice by assessing costs, practicalities of construction and the overall effectiveness of the devices.

A further benefit of University input is the opportunity for annual student design competitions for conceptual LID developments in NorSGA. Developer support for these competitions will be sought, and it is hoped that successful ideas arising from the competitions could be incorporated into actual developments and become future demonstration projects, depending on construction timeframes.

- **Code of Practice for LID**

The existing draft NorSGA LID Code of Practice will be revised to include further information on the effectiveness, design, construction, maintenance and cost of various LID features. It will also provide more emphasis on the “treatment train” approach, providing tools for assessing various combinations of LID features. A simple design guide will be devised to assist developers’ consideration of LID approaches.

- **Advocacy**

Presentations and meetings will be held with the Developers and Stakeholders to promote and educate regarding LID principles and implementation. It is also envisaged that the feedback received will provide useful input for the Code of Practice such as some of the physical and commercial issues faced.

Presentations and meetings will also be held with ARC and internally within Waitakere City Council to discuss LID and obtain buy in to ensure that there are no internal blockages to the implementation of LID.

Engaging Auckland UniServices Limited enables the project to draw on international expertise, as well as providing links between students and the Council. The University also has the necessary research capabilities and the necessary leadership expertise in the area to assist in the longer term project of development of a Code of Practice. They also have existing relationships with the ARC which can be beneficial to the longer term goal of development of a Code of Practice.

Auckland UniServices Limited will also provide project management expertise, particularly in the environmental area, to undertake the management of the scope of works described above, and provide a strategic and commercial overview to the project.

CREDIT CHECK

18. A credit check on Auckland UniServices Limited has been requested.

JOB COSTS

19. It is estimated that the cost of the project will be \$940,000 over a 3 year time frame from June 2008 until May 2011. The Schedule of Prices below gives an indication of the anticipated for this work.

		Year 1	Year 2	Year 3	Total
1	Project Management	\$54,000	\$52,000	\$54,000	\$160,000
2	Background data collection and monitoring	\$40,000	\$50,000	\$50,000	\$140,000
3	Technical input into ICMPs including review	\$18,000	\$ -	\$ -	\$18,000
4	Review developers CDPs x8	\$22,000	\$16,000	\$22,000	\$60,000
5	Design and build demonstration projects (4-6)	\$120,000	\$120,000	\$120,000	\$360,000
6	Develop CoP with technical input sheets	\$20,000	\$20,000	\$20,000	\$60,000
7	Advocacy	\$24,000	\$24,000	\$24,000	\$72,000
8	Liaison with external specialist sub contractors	\$20,000	\$10,000	\$10,000	\$40,000
9	University peer review.	\$10,000	\$10,000	\$10,000	\$30,000
	Totals	\$328,000	\$302,000	\$310,000	\$940,000

SOURCE OF FUNDING

20. Source of funding is shown in Table 3 below:

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
2008/2009 Annual Plan - NorSGA Capex	46-7150-24530	\$2,000,000	\$0	\$328,000	\$1,672,000
2009/2010 LTCCP - NorSGA Capex	85-7540-26810	\$10,442,000	\$0	\$302,000	\$10,140,000
2010/2011 LTCCP - NorSGA Capex	46-7150-24360	\$23,535,000	\$0	\$310,000	\$23,225,000
	Total	\$35,977,000	\$0	\$940,000	\$3,503,700

IMPLEMENTATION ISSUES

21. There are no implementation issues arising from this report.

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



9 CONTRACT NO. EW04135C - ON-SITE WASTEWATER MANAGEMENT SYSTEMS - INSPECTION AND CLEANING - EXTENSION TO CONTRACT

GLOSSARY

Interclean Liquid Waste Disposal (ILWD)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. EW04135C - On Site Wastewater Management Systems - Inspection and Cleaning for a further three years until 31 March 2011.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract EW04135C - On Site Wastewater Management Systems - Inspection and Cleaning - Extension to Contract report.
2. **Approve** that the Contract No. EW04135C - On Site Wastewater Management Systems - Inspection and Cleaning as awarded with InterClean Liquid Waste Disposal be extended for a further three years from 1 April 2008 until 31 March 2011.
3. **Approve** that the authority to extend Contract No. EW04135C - On Site Wastewater Management Systems - Inspection and Cleaning for a further three years until 31 March 2011 on behalf of Council be delegated to the Group Manager: Asset Management.

BACKGROUND

1. The contract is for pumping out of on-site wastewater treatment systems including septic tanks. This also includes long drops and grease traps together with an inspection of, and reporting of, the condition on the on-site wastewater treatment systems over a three year cycle. Council has a duty under the Public Health Act to monitor the environmental effects of wastewater in rural areas of the City.
2. The cost of this service is recovered by means of a Rate called the Rural Sewerage Charge. The Rural Sewerage Charge is collected as an annual Rate charged on the property and the service is delivered every three years. The current contractor InterClean Liquid Waste Disposal (ILWD) has been cleaning and inspecting the septic tanks for the last 12 years and has gained local knowledge which significantly contributes to the efficiency and effectiveness of the programme.

3. The contract is currently awarded to ILWD who took over the original company Liquid Waste Disposal in December 2006 and who had been pumping out septic tanks in Waitakere since 1996. The new company ILWD has successfully retained key staff which, is seen as critical to the success of the contract. Since January 2007 the performance has seen sustained improvement. Customer feedback from satisfaction surveys have been received showing the work has been completed to a satisfactory standard. Contract Key Performance Indicators have been met satisfactorily. The current contractor has achieved satisfactory Health and Safety performance.
4. The current contract specifically allows at the Council's sole discretion to renew the contract for a further three year term subject to satisfactory performance criteria set out in the contract. The contract details how any cost fluctuations are to be managed. At the Tenders Subcommittee meeting dated 12 November 2004 it was resolved:

“2. *That approval be given to invite tenders for a three-year contract, with option for extension for a further three years, for the Septic Tank Pump Out and Inspection Contract.*”

1928/2004

5. The Tenders Subcommittee meeting dated 2 May 2008 resolved to:

“2. *Approve the Group Manager: Asset Management is given the authority to enter into negotiations with InterClean Liquid Waste Disposal to extend Contract No. EW04135C - On Site Wastewater Management Systems - Inspection and Cleaning for a further three years until 31 March 2011.*

3. *Defer the decision to extend Contract No. EW04135C - On Site Wastewater Management Systems – Inspection and Cleaning be extended with InterClean Liquid Waste Disposal for a further three years until the outcome of negotiations between the Group Manager: Asset Management and InterClean Liquid Waste Disposal are reported back to the Tenders Subcommittee.*

4. *Approve the extension of Contract No. EW04135C - On Site Wastewater Management Systems – Inspection and Cleaning with InterClean Liquid Waste Disposal on a month by month basis.*”

674/2008

SCOPE OF WORK

6. The scope of work is for pumping out of on-site wastewater treatment systems including septic tanks. This also includes long drops and grease traps together with an inspection of, and reporting of, the condition on the on-site wastewater treatment systems over a three year cycle.
7. The scope of work includes the transport and disposal of the seepage and also includes the compliance with existing Resource Consents and Trade Waste Discharge permits with Watercare.

JOB COSTS

8. A meeting was held on 22 May 2008 with the contractor to negotiate the extension of the contract for a further three years until 31 March 2011.
 - The contractor presented a ‘Cost Fluctuation Calculation’ based on Appendix ‘A’ of NZS 3910:2003. These calculations incorporate factors based on labour cost index, producers’ price index as released by Statistics New Zealand for every quarter of the year;

- Based on these quarterly assessments a Cost fluctuation adjustment factor C is calculated which needs to be applied for every quarter retrospectively;
- Based on the Contract value of works carried out in 2007 this cost fluctuation worked out to be an increase of \$28,432.32 an increase of (4.901%);
- The forecast increases using April 2008 figures are estimated to be no more than \$30,000 per annum. This is equivalent to a 5% increase in the contractor costs;
- A credit check has been undertaken and has revealed no issues.

SOURCE OF FUNDING

9. Funding for this activity is detailed in the 2006-2016 Long Term Council Community Plan in the chart below:

	Budget name	Budget	Project Cost	Committe d to other projects	Allocation to this project	Non allocated Balance
Year 1 2008/ 2009	Rural Septic tank pump out management	\$721,238	\$721,238	NIL	\$721,238	NIL
Year 2 2009/ 2010	Rural Septic tank pump out management	\$729,893	\$729,893	-	\$729,893	0
Year 3 2010/ 2011	Rural Septic tank pump out management	\$738,652	\$738,652	-	\$738,652	0
		\$2,189,783	\$2,189,783	-	\$2,189,783	NIL

The additional costs will be contained within these budgets.

IMPLEMENTATION ISSUES

10. Issues involved in implementing the recommended decision are confirmation by Council of the Rural Sewerage Charge, whereby:
- The current Rural Sewerage Charge is \$154 per annum, equivalent to \$462 every three years. Increase in costs will directly affect this charge. Over 5,498 tanks are currently serviced every three years and the additional costs will be covered under the proposed increase of charges to \$158 per annum already proposed in the 2008/2009 draft Annual Plan. The 5% increase relates to the contractor costs only. The overall project cost involves both the cost of the contractor and Council administration overheads. Hence the proposed increase of \$158 per annum adequately covers the proposed cost increase.

Report prepared by: Martin Glover, EcoWater Services Delivery Manager.



10 CONTRACT NO. EW06014B - EXTERNAL ADVICE FOR ECOWATER DEVELOPMENT SERVICES PROCESSING

EXECUTIVE SUMMARY

The purpose of this report is to seek approval for funding of Contract No EW06014B External Advice for EcoWater Development Services Processing.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW06014B - External Advice for EcoWater Development Services Processing report.
2. **Approve** the commitment of funds in the draft 2008/2009 Annual Plan for Contract No. EW06014B - External Advice for EcoWater Development Services Processing in the sum of \$540,000.
3. **Approve** the Group Manager: Asset Management continue Contract No. EW06014B - External Advice for EcoWater Development Services Processing from 1 July 2008 to 30 June 2009 subject to approval of budgets in the draft Annual Plan and Recommendation 4.
4. **Note** that the Contract No. EW06014B - External Advice for EcoWater Development Services Processing has the flexibility to reduce if consent application volumes decline as the actual monthly payment is based on actual hours worked on consent processing.

BACKGROUND

1. Council is continually striving to improve the process of approvals for sub divisional developments to:
 - provide improved public service and faster turnaround;
 - ensure that best practice quality management for the delivery of the service is achieved; and
 - provide accurate engineering advice on the sub divisional requirements for water supply, wastewater and stormwater development approvals.
2. The original approval from the Tenders Subcommittee was for a contract up to 30 June 2009 with a contract sum of \$569,650 (excluding GST). However, the increase in resource consents processed by EcoWater has required additional outsourcing so that the contract sum needs to be increased by \$540,000 for the year 1 July 2008 to 30 June 2009. The additional cost will be recovered from consent processing charges estimated to be \$615,000, including an allowance for Council overheads.
3. The processing of Building Consents and Resource Management Act 1991 Consent Applications at EcoWater is undertaken by the Development Services Team. Due to the large number of consent applications that have needed to be processed, the Team's resources have been supplemented by personnel provided by a consultant. The number of consent applications has continued to increase and is expected to remain high throughout 2006, 2007 and 2008.
4. The 2006-2016 Long Term Council Community Plan provides sufficient staff resources for a base workload, with additional resources provided by consultants. Thus, Council has the flexibility to meet market demand whilst optimising staff numbers. All work carried out by Council processing Consents is 100% chargeable to the applicants, and Council does not fund this process from rates.
5. At the Tenders Subcommittee meeting of 14 July 2006 a process was approved for the provision of professional services in the Asset Management Group, as follows:
 - Registration of Interest to be publicly advertised, including professional services for Project Twin Streams and work programmes for the Asset Management Group;

- All organisations that submit a Registration of Interest will then be considered to invite tenders as appropriate;
- Tenders will be invited based on normal tendering procedures with acceptance in accordance with delegated authority and reporting to the Tenders Subcommittee when the value of contracts exceed the delegated authority;
- Tenders will generally be for fixed sum contracts, with the exception of projects where an hourly rate is more appropriate;
- Tenders will generally be evaluated using Land Transport New Zealand's Competitive Pricing Procedures Manual, with the exception that hourly rate contracts will be awarded to the lowest price complying tenderer;
- The Group Manager: Asset Management will maintain a register for providers of professional services. The register will be updated on a regular basis to allow for new entrants and also record the performance of service providers and any issues that may arise.

The Tenders Subcommittee 14 July 2006 resolved:

- “2. *That the Group Manager: Asset Management be delegated authority to maintain a register for providers of professional services and to implement the procurement process set out in this report.*”

1383/2006

The Tenders Subcommittee 6 October 2006 resolved:

- “2. *That approval be given to the Group Manager: Asset Management to invite tenders for Contract No. EW06014B - External Advice for EcoWater Development Services Processing for two and a half (2.5) years from contract period:*
- *Duffill Watts & King Ltd.*
 - *TSE Group Ltd.*
 - *Thomas Civil Consultants Ltd.*
 - *Connell Wagner Ltd.*
- “3 *That the result of the tender evaluation process for Contract No. EW06014B - External Advice for EcoWater Development Services Processing be reported back to the Tenders Subcommittee for approval.*”

1893/2006

The Tenders Subcommittee 15 December 2006 resolved:

- “2. *That subject to a satisfactory credit check, the tender from Thomas Civil Consultants Limited for Contract No. EW06014B - External Advice for EcoWater Development Services Processing in the sum of \$569,650 plus \$71,206.25 GST, totalling \$640,856.25 be accepted.*
4. *That the Contract No. EW06014B - External Advice for EcoWater Development Services Processing has the flexibility to reduce if consent application volumes decline as the actual monthly payment is based on actual hours worked on consent processing.*
5. *That commitment of funds for the 2007/2008 financial year for Contract No. EW06014B - External Advice for EcoWater Development Services Processing of \$300,000 plus \$37,500 GST, totalling \$337,000 be approved.*
6. *That commitment of funds for the 2008/2009 financial year for Contract No. EW06014B - External Advice for EcoWater Development Services Processing of \$194,650, plus \$24,331.25 GST, totalling \$218,981.25 be approved.*

7. *That authority to enter into Contract No. EW06014B - External Advice for EcoWater Development Services Processing on behalf of Council be delegated to the Group Manager: Asset Management.”*

2535/2006

SCOPE OF WORK

6. The scope of work includes the supply of suitably qualified consultants to provide advice and other services on an as required basis to assist with the processing of EcoWater Development Services and to undertake other briefs relevant to the consultant's area of expertise.
7. The contract commenced in December 2006 and will conclude on 30 June 2009. The scope of work for the contract involves the following:
- Processing of Building Consents;
 - Processing of Land Use Consents and Subdivision Consents under the Resource Management Act 1991 including Engineering Approval;
 - Conduct quality assurance checks on site Engineering design approval to Council Code of Practice standards, including CCTV and as built plans.

ISSUES

8. The amount of consent processing over the current term of the contract has far exceeded the expectations anticipated in 2006. Additional resources were required to meet turn around times and customer expectations. A business case has been approved for increasing the number of Council employed engineers and these are currently being recruited. The original contract sum has been used more quickly than was anticipated and now additional funding is sought so the contract can run its full course to the end of June 2009. The turn around of consent processes in a timely manner is seen as the best customer service outcome. The continued use of contractors is recommended as this provides the most flexibility to respond when the number of consent applications lodged decrease or increase in the future.
9. Attracting and retaining suitable qualified engineers into the consent processing has proved to be difficult. There is a high turnover of engineers and the continued use of contractors also smoothes over short term recruitment gaps.
10. The Contract was awarded after a competitive tender and approved by the Tenders Subcommittee. It is anticipated that with the New Lynn intensification and the NorSGA area expansion that development and growth within the City will continue. The continued use of contractors is recommended as this provides the most flexibility to respond when the number of consent applications lodged for these areas increase in the future.

JOB COSTS

11. The cost of the services provided is fully funded by user pays principles. Developers are invoiced for all work carried out on their consent applications. The Contract specifically allows for resources to be reduced in the event that there is a sustained reduction in applications being received by Council.

SOURCE OF FUNDING

12. Funding for this activity is detailed in the chart below:

	Budget Name	SAP Code	Budget	Project Cost	Committed to other Projects	Allocation to this project	Non allocated balance
Year 2008/2009	Agency Staff & Contractors	6400-68200	\$540,000	\$540,000	Nil	\$540,000	Nil

IMPLEMENTATION ISSUES

13. There are no implementation issues.

Report prepared by: Martin Glover, EcoWater Services Delivery Manager.



11 CONTRACT NO. PK08002A - PARKS AND OPEN SPACE FACILITIES AND RESPONSE MAINTENANCE

GLOSSARY

Parks and Maintenance Services Limited (PMS)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance for an initial contract period of one (1) year, with extensions of one (1) plus one (1) years subject to the contractor's performance, the availability of funding and at the sole discretion of Council.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance report.
2. **Approve** the tender from Parks and Maintenance Services Limited for Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance in the sum of \$3,677,114 plus \$459,639.25 of GST, totalling \$4,136,753.20 on the basis of one (1) year, with extensions of one (1) plus one (1) years subject to the contractor's performance, the availability of funding with renewals brought back to the Tenders Subcommittee for approval.
3. **Approve** the commitment to the 2008/2009 financial year for Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance in the sum of \$3,677,114 plus \$459,639.25 of GST, totalling \$4,136,753.20.
4. **Approve** the commitment to the 2009/2010 financial year for Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance in the sum of \$3,677,114 plus \$459,639.25 of GST, totalling \$4,136,753.20.
5. **Approve** the commitment to the 2010/2011 financial year for Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance in the sum of \$3,677,114 plus \$459,639.25 of GST, totalling \$4,136,753.20.

6. **Approve** that authority to enter into Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance on behalf of Council be delegated to the Group Manager: Asset Management.

SCOPE OF WORK

1. The scope of works for these contracts includes:
 - Establishment of teams to respond to customer requests in parks, civic areas, streetscapes and town centres;
 - Undertaking repairs of parks assets, making safe or arranging for specialist teams or sub contractors to carry out the works;
 - Managing the supply of materials for the Community Service programme and overseeing works;
 - Undertaking asset condition auditing;
 - Supervising the Park Rangers programme;
 - Undertaking replacement and installation of new parks minor assets in accordance with the Parks Asset's renewal programmes;
 - Undertaking the installation of new furniture, fencing, barriers, footpaths, signs as well as the upgrading of existing assets such as toilets in accordance with development programmes;
 - Managing maintenance of the Civic Centre water features;
 - Managing maintenance of the wastewater and water supply systems in City Parks;
 - Managing building repaints of specified assets;
 - Carrying out a programme of works involving cleaning, water blasting and repainting of town centre amenity assets;
 - Carrying out a programme of works involving cleaning, water blasting and repainting of footbridges;
 - Carrying out a programme of works involving cleaning, water blasting and repainting of other high profile assets throughout the City;
 - Walkway and track maintenance.
2. In 2003 Parks and Maintenance Services Limited (PMS) were awarded Contract No. PK 03600M - Parks Minor Works and Renewals and Contract No. PK 03600D - Parks Response Maintenance Contract for a term of two years. These contracts were subsequently negotiated and awarded with a right of renewal of one (1), plus one (1), plus one (1) year. PMS were awarded the contracts based on their competitive contract rates established through a public tendering process. Both contracts will be completed by 30th June 2008.
3. In 2005 PMS were awarded Contract No. PK 05014A - Town Centres Toilets Response and Renewals for a term of two (2) years and eight (8) months commencing on 1 November 2005. This contract will be completed by 30th June 2008.
4. At the Tenders Subcommittee meeting dated 7 December 2007 it was resolved:
 - “1. *That the Parks Term Maintenance Contracts report be received.*
 2. *That notwithstanding Council's policy and practice for publicly tendering such contracts, for the reasons set out in the Agenda report, authority be delegated to the Group Manager: Asset Management to negotiate the contract sum, period and scope for Parks Term Maintenance contracts and report back on the outcomes of the negotiations to the Tenders Subcommittee for approval as follows:*
 - *Contract No. PK03600F - Cemetery Landscape Maintenance, with Bilfinger Berger Services Limited;*

- *Contract No. PK03623B - Legal Weed Control, with Bilfinger Berger Services Limited;*
 - *Contract No. PK3600M - Minor Works and Renewals, with Parks and Maintenance Services Limited;*
 - *Contract No. PK3600D - Parks Response Maintenance, with Parks and Maintenance Services Limited;*
 - *Contract No. PK05014A - Town Centres and Toilets Response and Renewals, with Parks and Maintenance Services Limited;*
 - *Contract No. PK05016A - Civil Works, with Field Drainage Specialists Limited.*
3. *That if the negotiation process does not achieve cost efficiency, the contracts will then be advertised for public tender.”*

3874/2007

DECISION MAKING

5. It was approved that the Group Manager Asset Management negotiate an extension of the contract period and scope as necessary with each contactor. The proposed negotiations have included consideration of the most appropriate structure for each contract and whether there would be efficiencies in merging closely aligned contracts. The main aim of the negotiating process has been to achieve additional cost efficiencies from the new contracts. If cost savings are not realised then the contracts are to be publicly tendered.
6. As there has always been a natural flow of operational activity between Contract No. PK 03600M - Parks Minor Works and Renewals, Contract No. PK 03600D - Parks Response Maintenance Contract and Contract No. PK 05014A - Town Centres Toilets Response and Renewals it is proposed that these contract models be combined into Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance. It is recognised that there are potential efficiencies in this approach.
7. Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance is a performance based contract, containing comprehensive performance measures and incentive based elements to encourage Council and the contractor to work together to seek more effective and efficient ways of carrying out the work.
8. The benefits identified that will continue to be supplied to Council by amalgamation of the contracts and through the negotiating process have been identified as follows:
- Reductions in set up costs in establishing plant and machinery at a time when fuel and machinery costs are significantly increasing;
 - Building on the successful relationships with existing contractors to continue to provide a high level and very reliable service to our customers. The risk is that new contractors may not provide the same high level of service;
 - Continuation of the delivery of quality products by experienced and competent contractors. Even with performance measures within the contract there is no guarantee that a new contractor will continuously perform to provide quality products;
 - Reduction in the risk of engaging a new contractor where an establishment period is required for the contractor to become familiar with contract works and site. Existing contractors have an extensive and historic knowledge of the City's parks network and systems;
 - Current Contractor's work ethics are aligned with Council's and Parks objectives in the provision of quality service and high levels of customer satisfaction;

- Continuation of innovative practises due to thorough working knowledge of the contract works.
9. The current trend set by Transit New Zealand and through other councils is to develop long term relationships by forming alliance type contracts with contractors which achieve the benefits as stated above, with an emphasis on relationships.

Negotiated Tender Sum

10. A tender sum of \$3,677,114 has been negotiated with PMS for Contract No. PK08002A - Parks and Open Space Facilities and Response for an initial contract period of one (1) year, with extensions of one (1) plus one (1) years subject to the contractor's performance and availability of funding.
11. The total for Contract No. PK 03600M - Parks Minor Works and Renewals. Contract No. PK 03600D - Parks Response Maintenance Contract and Contract No. PK 05014A - Town Centres Toilets Response and Renewals for the 2007/2008 period was \$3,084,668.30. The scope of work for the 2008/2009 financial year generally remains the same. However the volume of work has been increased in the areas of minor asset renewals, repairs due to vandalism, service level changes to water testing of west coast beach toilets, track maintenance, replacement of the Te Atatu Peninsula clock and establishment of a new citywide locking system.
12. The negotiated tender sum of \$3,677,114 for the 2008/2009 financial year has been received from PMS for Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance. The scope of work for the 2008/2009 financial year generally remains the same as that undertaken under PK 03600M Parks Minor Works and Renewals, Contract PK 03600D Parks Response Maintenance Contract and Contract PK 05014A Town Centres Toilets Response and Renewals.
13. The tender submitted for Contract No. PK08002A - Parks and Open Space Facilities and Response by PMS has been evaluated and compared with the current contract tender sums and available industry benchmarking rates. The comparison between previous 2007/2008 schedules of prices submitted by PMS for labour and material indicates in general that increases in scheduled items are generally in line with previous Consumer Price Index range with the costs applied to some items requiring clarification from the contractor. A number of scheduled items did not alter between the contract periods. Through the negotiation process clarification was sought over any scheduled rate variances greater than 4%. These increases relate specifically to scheduled items which include the supply of timber and concrete, transport and some labour items. Reasons for these variances have been detailed by PMS and benchmarked against industry and acknowledged as genuine areas of recent cost increase.
14. Savings within the new contract structure include reductions for Preliminary and General, Establishment and Management items. Previously these items were applied across the three contracts but with the amalgamation of the current contracts PMS have offered to waive any costs associated with Preliminary and General, Establishment and Management items for the 2009/2010 and 2010/2011 periods bringing a potential saving of \$48,000.
15. The current contract averages 273 Service Requests per month. The integration of remote technology systems in work vehicles and GPS tracking software has resulted in a proposed saving per annum of \$64,000 for Service Request management. Although there is an initial set up expenditure for this new technology it is anticipated that savings will be realised within the first twelve months of the contract term.

16. The original contracts were established through a competitive procurement process and through negotiations with PMS, they have agreed that the only increase on the contract rates will be for industry acknowledged commercial rates for materials, labour, petrol and staff resource.

Issues

17. PMS have performed exceptionally well and the current contracts are operating very successfully. The key performance measures on these contracts are being exceeded on a regular basis for the contract response times, quality, workmanship, health and safety, and customer satisfaction. This contractor regularly goes beyond their contractual requirements, by providing added value in resolving issues, undertaking minor works and providing an increased service to Council for no extra cost.

CREDIT CHECK

18. A credit check on PMS dated 5 June 2008 revealed no adverse information.

RESOURCES

19. This project will be administered by Council officers within Parks Assets.
20. Financial resources are from the draft Annual Plan 2008/2009.

JOB COSTS

21.		excl GST
	Negotiated Tender Sum with Parks and Maintenance Services 2008/2009 12 month period contract sum	\$ 3,677,114
	Total Job Cost	\$ 3,677,114

SOURCE OF FUNDING 2008/2009

Budget Description (from draft Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Weed & Pest Maintenance	\$904,000.00	\$874,000.00	\$30,000.00	\$0
Events support in parks	\$32,000.00	\$0.00	\$32,000.00	\$0
Buildings Upgrade	\$570,000.00	\$371,000.00	\$199,000.00	\$0
Fixtures and Furniture Replacement	\$595,298.00	\$0.00	\$595,298.00	\$0
Landscape Maintenance	\$320,000.00	\$0.00	\$320,000.00	\$0
Services Renewals	\$327,000.00	\$294,999.00	\$32,001.00	\$0
Sports Facilities Renewals	\$380,000.00	\$365,000.00	\$15,000.00	\$0
Structures Renewals	\$250,000.00	\$70,000.00	\$180,000.00	\$0
Asset Improvements - Fixtures, Furniture and Pathways	\$250,000.00	\$30,000.00	\$220,000.00	\$0
Community Board Projects	\$127,000.00	\$0.00	\$127,000.00	\$0
Arboricultural Maintenance	\$797,000.00	\$782,000.00	\$15,000.00	\$0

Budget Description (from draft Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Fixtures and Furniture Maintenance	\$528,000.00	\$170,000.00	\$358,000.00	\$0
Litter Control	\$628,000.00	\$448,000.00	\$180,000.00	\$0
Passive Grass Maintenance	\$1,511,000.00	\$1,423,000.00	\$88,000.00	\$0
Planting Maintenance	\$1,287,000.00	\$1,241,000.00	\$46,000.00	\$0
Structure Maintenance	\$162,000.00	\$46,000.00	\$116,000.00	\$0
Building Maintenance	\$831,000.00	\$595,000.00	\$236,000.00	\$0
Safety & Emergency Works	\$178,000.00	\$0.00	\$178,000.00	\$0
Car park Driveways Maintenance	\$196,000.00	\$136,000.00	\$60,000.00	\$0
Minor Renewals Citywide	\$531,913.98	\$220,098.98	\$311,815.00	\$0
Plantings Upgrades	\$201,000.00	\$8,000.00	\$193,000.00	\$0
Buildings Renewals (Toilet & Changing Rooms Renewals)	\$180,000.00	\$35,000.00	\$145,000.00	
Totals	\$10,786,211.98	\$7,109,097.98	\$3,677,114.00	\$0

SOURCE OF FUNDING 2009/2010

Budget Description (from draft Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Weed & Pest Maintenance	\$904,000.00	\$874,000.00	\$30,000.00	\$0
Events support in parks	\$32,000.00	\$0.00	\$32,000.00	\$0
Buildings Upgrade	\$570,000.00	\$371,000.00	\$199,000.00	\$0
Fixtures and Furniture Replacement	\$595,298.00	\$0.00	\$595,298.00	\$0
Landscape Maintenance	\$320,000.00	\$0.00	\$320,000.00	\$0
Services Renewals	\$327,000.00	\$294,999.00	\$32,001.00	\$0
Sports Facilities Renewals	\$380,000.00	\$365,000.00	\$15,000.00	\$0
Structures Renewals	\$250,000.00	\$70,000.00	\$180,000.00	\$0
Asset Improvements - Fixtures, Furniture and Pathways	\$250,000.00	\$30,000.00	\$220,000.00	\$0
Community Board Projects	\$127,000.00	\$0.00	\$127,000.00	\$0
Arboricultural Maintenance	\$797,000.00	\$782,000.00	\$15,000.00	\$0
Fixtures and Furniture Maintenance	\$528,000.00	\$170,000.00	\$358,000.00	\$0
Litter Control	\$628,000.00	\$448,000.00	\$180,000.00	\$0
Passive Grass Maintenance	\$1,511,000.00	\$1,423,000.00	\$88,000.00	\$0
Planting Maintenance	\$1,287,000.00	\$1,241,000.00	\$46,000.00	\$0
Structure Maintenance	\$162,000.00	\$46,000.00	\$116,000.00	\$0
Building Maintenance	\$831,000.00	\$595,000.00	\$236,000.00	\$0
Safety & Emergency Works	\$178,000.00	\$0.00	\$178,000.00	\$0
Car park Driveways	\$196,000.00	\$136,000.00	\$60,000.00	\$0

Budget Description (from draft Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Maintenance				
Minor Renewals Citywide	\$531,913.98	\$220,098.98	\$311,815.00	\$0
Plantings Upgrades	\$201,000.00	\$8,000.00	\$193,000.00	\$0
Buildings Renewals (Toilet & Changing Rooms Renewals)	\$180,000.00	\$35,000.00	\$145,000.00	
Totals	\$10,786,211.98	\$7,109,097.98	\$3,677,114.00	\$0

SOURCE OF FUNDING 2010/2011

Budget Description (from draft Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Weed & Pest Maintenance	\$904,000.00	\$874,000.00	\$30,000.00	\$0
Events support in parks	\$32,000.00	\$0.00	\$32,000.00	\$0
Buildings Upgrade	\$570,000.00	\$371,000.00	\$199,000.00	\$0
Fixtures and Furniture Replacement	\$595,298.00	\$0.00	\$595,298.00	\$0
Landscape Maintenance	\$320,000.00	\$0.00	\$320,000.00	\$0
Services Renewals	\$327,000.00	\$294,999.00	\$32,001.00	\$0
Sports Facilities Renewals	\$380,000.00	\$365,000.00	\$15,000.00	\$0
Structures Renewals	\$250,000.00	\$70,000.00	\$180,000.00	\$0
Asset Improvements - Fixtures, Furniture and Pathways	\$250,000.00	\$30,000.00	\$220,000.00	\$0
Community Board Projects	\$127,000.00	\$0.00	\$127,000.00	\$0
Arboricultural Maintenance	\$797,000.00	\$782,000.00	\$15,000.00	\$0
Fixtures and Furniture Maintenance	\$528,000.00	\$170,000.00	\$358,000.00	\$0
Litter Control	\$628,000.00	\$448,000.00	\$180,000.00	\$0
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Building Maintenance	\$831,000.00	\$595,000.00	\$236,000.00	\$0
Safety & Emergency Works	\$178,000.00	\$0.00	\$178,000.00	\$0
Car park Driveways Maintenance	\$196,000.00	\$136,000.00	\$60,000.00	\$0
Minor Renewals Citywide	\$531,913.98	\$220,098.98	\$311,815.00	\$0
Plantings Upgrades	\$201,000.00	\$8,000.00	\$193,000.00	\$0
Buildings Renewals (Toilet & Changing Rooms Renewals)	\$180,000.00	\$35,000.00	\$145,000.00	
Totals	\$10,786,211.98	\$7,109,097.98	\$3,677,114.00	\$0

22. The following funding commitments are required:

- A commitment to fund Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance for the sum of \$3,677,114 plus \$459,639.25 of GST, totalling \$4,136,753.20 is requested from the draft 2008/2009 Annual Plan;

- A commitment to fund Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance for the sum of \$3,677,114 plus \$459,639.25 of GST, totalling \$4,136,753.20 is requested from the draft 2009/2010 Annual Plan;
- A commitment to fund Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance for the sum of \$3,677,114 plus \$459,639.25 of GST, totalling \$4,136,753.20 is requested from the draft 2010/2011 Annual Plan.

IMPLEMENTATION ISSUES

23. There are no implementation issues arising from this report.

Report prepared by: Roscoe Webb, Team Leader, Parks Operations.



12 CONTRACT NO. PK03600F - CEMETERY LANDSCAPE MAINTENANCE AND CONTRACT NO. PK03623B - LEGAL WEED CONTROL - APPROVAL TO EXTEND

GLOSSARY

Bilfinger Berger Services Limited (BBS)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control for six (6) months, from 1 July 2008 to 31 December 2008.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control - Approval to Extend report.
2. **Approve** that the Contract No. PK03600F - Cemetery Landscape Maintenance as awarded to Bilfinger Berger Services Limited be extended in the sum of \$179,274.74 excluding GST for the period 1 July 2008 to 31 December 2008.
3. **Approve** the commitment of \$197,202.21 excluding GST (which includes a 10% contingency amount of \$17,927.47) to the draft 2008/2009 Annual Plan for Contract No. PK03600F - Cemetery Landscape Maintenance.
4. **Approve** that the Contract No. PK03623B - Legal Weed Control as awarded to Bilfinger Berger Services Limited be extended in the sum of \$127,395.76 excluding GST for the period 1 July 2008 to 31 December 2008.
5. **Approve** the commitment of \$140,135.33 excluding GST (which includes a 10% contingency amount of \$12,739.57) to the draft 2008/2009 Annual Plan from Contract No. PK03623B - Legal Weed Control.
6. **Agree** that the Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control as awarded to Bilfinger Berger Services - Limited be extended for the period 1 July 2008 to 31 December 2008.

7. **Agree** that the extension to Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control for a further six (6) months plus one (1) plus one (1) years for 2009/2010 and 2010/2011 be brought back to Tenders Subcommittee for approval subject to funding availability and contractor performance during December 2008.
8. **Approve** that the authority to enter into Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control for the period 1 July 2008 to 31 December 2008 on behalf of Council be delegated to the Group Manager: Asset Management.

BACKGROUND

1. The requirements of the current Cemetery Landscape Maintenance contract are to carry out quality landscape maintenance within Waikumete and Swanson Cemeteries, the scope of work includes:
 - Planning and programming of services;
 - Preparation and compliance with a quality plan;
 - Litter collection;
 - Turf maintenance;
 - Garden and hedge maintenance;
 - Toilet cleaning;
 - Path, car park and driveway sweeping.
2. Council approved the award of Contract No. PK03600F - Cemetery Landscape Maintenance to Techscape Limited at a Tenders Subcommittee meeting held on 7 March 2003 for two (2) years with the right of renewal for a further three (3) year period subject to contractor performance and Council providing the budget, with the following recommendations:
 - “3. That authority to enter into Contract PK03600F Cemetery Landscape Maintenance Contract on behalf of Council be delegated to the Director: City Services, subject to Techscape demonstrating that it will employ full time staff to perform this contract.
 4. That authority to exercise the right of renewal for the periods of the 2005/2006, 2006/2007 and 2007/2008 financial years be delegated to the Director: City Services, subject to Council providing the budget for each of these years.”

341/2003
3. The requirements of the current Legal Weed Control contract are to control containment and surveillance pest plants within 454 Waitakere City Council parks and reserves. The contract also has a response component which allows residents to alert Council staff to populations of environmental weeds which require controlling.
4. Council approved the award of Contract No. PK03623B - Legal Weed Control to Techscape Limited at a Tenders Subcommittee meeting held on 29 August 2003 for two (2) years, with a further renewal period of one (1) plus one (1) plus one (1) years with the following recommendations:
 3. That Contract No. PK03623B - Parks Legal Weed Control be let for an initial contract period of two years, with a renewal period of a further 1+1+1 years, subject to Council providing the budget, the quality of the contractor's performance and at the discretion of the Council.

4. *That the contract with Techscape Limited in association with Weedfree Waitakere Trust for Contract No. PK03623B - Parks Legal Weed Control in the sum of \$299,178.00 plus \$37,397.25 GST, totalling \$336,575.25 be approved."*

1771/2003

5. Techscape Limited was sold to Bilfinger Berger Services Limited (BBS) during September 2006.
6. In the fifth and final year of the contract period, approval was sought from Council to undertake contract negotiations with BBS with the view to extend further the contract period of Contract No. PK3600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control for an additional three (3) years on a one (1) plus one (1) plus one (1) basis, rather than undertake a public tendering process. At a Tenders Subcommittee meeting held on 7 December 2007 it was resolved:

- "2. *That notwithstanding Council's policy and practice for publicly tendering such contracts, for the reasons set out in the Agenda report, authority be delegated to the Group Manager: Asset Management to negotiate the contract sum, period and scope for Parks Term Maintenance contracts and report back on the outcomes of the negotiations to the Tenders Subcommittee for approval as follows:*

- *Contract No. PK03600F - Cemetery Landscape Maintenance, with Bilfinger Berger Services Limited;*
- *Contract No. PK03623B - Legal Weed Control, with Bilfinger Berger Services Limited;*
- *Contract No. PK3600M - Minor Works and Renewals, with Parks and Maintenance Services Limited;*
- *Contract No. PK3600D - Parks Response Maintenance, with Parks and Maintenance Services Limited;*
- *Contract No. PK05014A - Town Centres and Toilets Response and Renewals, with Parks and Maintenance Services Limited;*
- *Contract No. PK05016A - Civil Works, with Field Drainage Specialists Limited.*

3. *That if the negotiation process does not achieve cost efficiency, the contracts will then be advertised for public tender."*

3874/2007

DECISION MAKING

7. Contract No. PK03600F - Cemetery Landscape Maintenance was a two (2) year contract with an expiry date of 30 June 2005. The contract allowed for one (1) extension of three (3) years up to 30 June 2008, based on the satisfactory performance by the Contractor and subject to Council's approval. All of these annual extensions have been exercised and following the resolution of the Tenders Subcommittee on 7 December 2007 as above, negotiations have been undertaken with BBS to extend the contract sum and scope for a further six (6) months to 31 December 2008.
8. Contract No. PK03623B - Legal Weed Control was a two year contract with an expiry date of 30 June 2005. The contract allowed for three (3) annual extensions up to 30 June 2008, based on the satisfactory performance by the Contractor and subject to Council's approval. All of these annual extensions have been exercised and following the resolution of the Tenders Subcommittee on 7 December 2007 as above, negotiations have been undertaken with BBS to extend the contract sum and scope for a further six (6) months to 31 December 2008.

9. Contract negotiations with BBS began in December 2007 for both contracts. During December 2007 performance issues arose with two (2) other contracts undertaken by BBS, Contract No. PK05004A - Landscape Programmed Maintenance and Contract No. PK05003B - Sports Park Programmed Maintenance.
10. BBS have consistently carried out the contract work under Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control to a high standard.
11. Council has given BBS a period of six (6) months to implement their business improvement plan to ensure that the current high standard of work under Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control is being carried out and there is not a reduction in service delivery. The success of their performance will be measured on audits carried out over the next six (6) months by Council's independent auditor and Parks staff.
12. BBS have now withdrawn from Contract No. PK05003B - Sports Park Programmed Maintenance, however, BBS will continue with the required contract works until 31 October 2008. Contract No. PK05004A - Landscape Programmed Maintenance is subject to a six (6) month review.
13. A negotiated tender sum of \$179,274.74 for six (6) months to 31 December 2008 has been received from BBS for Contract No. PK03600F - Cemetery Landscape Maintenance. The 2007/2008 contract sum at award was \$345,184.55 for a twelve (12) month period.
14. The table below illustrates the categories of work that have a variance in the volume of work scheduled in the 2007/2008 and the 2008/2009 tender, and the resulting impact on the 2008/2009 tender sum.

Category of Work	2007/2008 sum	2008/2009 sum	Impact on 2008/2009 tender sum	Reason for increase
The addition of an Annual Quality Assurance Plan	\$0.00	\$708.81	\$708.81 increase	Previously no provision has been made for this item.
Programming and Reporting	\$0.00	\$721.20	\$721.20 increase	Previously programming and reporting was required under the Scope of Works but no line item was offered in the Schedule of Prices.
Garden Waste Disposal	\$0.00	\$540.00	\$540.00 increase	A new requirement under the contract is to remove garden waste from the site.
Non-Operational Areas - mowing road berms and between rows	\$5,350.83	\$10,701.66	\$5,350.83 increase	Due to public concern Cemetery Management requires an upgrade in the turf maintenance of the heritage area within the cemetery. Therefore the frequency of the mowing between burial rows and on the roadside berms has been doubled.
Total			\$7,320.84 increase to first 6 months of 2008/2009 tender sum	

15. A negotiated tender sum of \$127,395.76 for six (6) months to 31 December 2008 has been received from BBS for Contract No. PK03623B - Legal Weed Control. The 2007/2008 contract sum at award was \$207,705.47 for a twelve (12) month period. Schedule rates for work have only been increased in tipping fees because the increase is too great to be absorbed by the contractor. In all other areas BBS have absorbed the rising cost of fuel, labour and materials.
16. Due to the seasonal requirements of green asset operational contracts, for example turf management through the spring flush period, approximately 20% more of the contract work will be carried out in the first half of the financial year and therefore the tender sum shows over half the normal annual cost of the contract.
17. BBS have advised that they will absorb the current rising costs of fuel, labour and materials, and have therefore not increased scheduled rates of work.

CONTRACTOR'S PERFORMANCE

18. An evaluation of BBS's performance to date under Contract No. PK03600F Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control contains the following features:
 - They have developed an excellent, communicative working relationship with relevant Council and Cemetery staff;
 - They have developed a thorough working knowledge of both Cemeteries and Council's parks and reserves, and their needs thereby enabling better programming of works as they take "ownership" of the Cemeteries assets;
 - They are a well resourced company, with appropriate plant and experienced staff;
 - They have a strong focus on health and safety;
 - Their workmanship is generally to a high standard.

JOB COSTS

19. These operational contracts are being administered by Council Officers within Parks Assets.
20. The job costs associated with the 1 July 2008 to 31 December 2008 Contract No. PK03600F - Cemetery Landscape Maintenance for the contract period are as follows:

	excl GST
1 July 2008 to 31 December 2008 tender sum	\$ 179,274.74
10% contingency	\$ 17,927.47

Total Job Cost for 1 July 2008 to 31 December 2008	\$ 197,202.21

21. Financial resources are from the draft 2008/2009 Annual Plan as follows:

SOURCE OF FUNDING

2008/2009 Annual Plan	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Cemetery Landscape Maintenance	4820-47000	\$374,000.00	\$182,148.62	\$191,851.38	\$0
Manual Grass Cutting	8CSCM-08-012	\$50,000.00	\$44,649.17	\$5,350.83	\$0
	Subtotal	\$424,000.00	\$226,797.79	\$197,202.21	\$0

22. The job costs associated with the 1 July 2008 to 31 December 2008 Contract No. PK03623B - Legal Weed Control for the contract period are as follows:

	excl. GST
1 July 2008 to 31 December 2008 tender sum	\$ 127,395.76
10% contingency	\$ 12,739.57

Total Job Cost for 1 July 2008 to 31 December 2008	\$140,135.33

23. Financial resources are from the draft 2008/2009 Annual Plan as follows:

SOURCE OF FUNDING

2008/2009 Annual Plan	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Weed & Pest Control Maintenance	5190-74000	\$815,778.00	\$675,642.67	\$140,135.33	\$0
	Subtotal	\$815,778.00	\$675,642.67	\$140,135.33	\$0

IMPLEMENTATION ISSUES

24. There are benefits to Council in negotiation an extension of these contracts for the following reasons:
- Cost efficiencies;
 - Continuation of reliable service delivery;
 - Building on existing successful relationships with contractors;
 - Reduction in the risk of engaging a new contractor where a settling in period is required for the contractor to come up to speed with contract works;
 - Reduction in set up costs in establishing plant and machinery at a time when fuel and machinery costs are significantly increasing;
 - An established knowledge of the City's parks network;
 - Continuation of innovative practices due to thorough working knowledge of the contract works.
25. Under Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Contract BBS has carried out their contractual obligations over the past five years to a high level to the satisfaction of Council.
26. BBS have not increased their rates for fuel, labour and materials and will absorb these costs should the contract be extended. It is considered that these cost efficiencies are being offered to Council by BBS as they are committed to continuing the contract works. Extending the contract with BBS will ensure the same high work standards and excellent working relationships developed with the contractor during the first five years of the contract will continue without disruption.
27. An extension of these contracts to BBS will reduce the risk and cost of engaging and establishing a new contractor.
28. It is therefore recommended that BBS Limited be granted an extension to Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control for the period 1 July 2008 to 31 December 2008, and that an extension for a further six (6) months plus one (1) plus one (1) years for 2009/2010 and 2010/2011 be brought back to Tenders Subcommittee for approval subject to funding availability and a full review of the Contractor's performance.



13 **CONTRACT NO. EW08020A - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - HENDERSON 2008-2010**

GLOSSARY

Project Twin Streams	(PTS)
Community Waitakere	(CW)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 to implement Project Twin Streams in the Henderson Creek area. Approval for a two year contract (renewable each year on a 1 + 1 basis) is being sought. The contract period starts 1 July 2008 and ends 30 June 2010.

This tender is for engaging the local community in the rehabilitation of the riparian margin along the Henderson Creek and raising awareness of the wider vision of Project Twin Streams (PTS). Using a community development model, the contract holder is required undertake:

- Weeding, planting and maintenance work in the Henderson Creek area;
- Plan and organise community events;
- Build the capacity of the local community to take guardianship of parts of Henderson Creek;
- Increase community understanding of the causes and effects of riparian degradation and ways to change behaviour to mitigate the effects;
- Assist with monitoring and evaluation of the quadruple bottom line aspects of the project particularly with regard to public planting days;
- Plan for the long term implementation of this project in the Henderson Creek area through public planting days.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 report.
2. **Approve** the authority for the Group Manager: Asset Management to enter into a contract with Community Waitakere for Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 to the value of \$200,000 plus \$25,000 GST, totalling \$225,000.
3. **Approve** the commitment to the 2008/2009 financial year of \$100,000 plus GST for the Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010.
4. **Approve** the commitment to the 2009/2010 financial year for \$100,000 plus GST for the Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010.

BACKGROUND

1. PTS aims to restore five streams in the Huruuru Creek and Henderson Creek catchments through storm water management and rehabilitation of the stream riparian margins.

2. Key to the success and sustainability of this project is the public involvement and participation in the revegetation programme organised through community contract organisations
3. Community Waitakere (CW) (formerly known as the West Auckland District Council of Social Services - WADCOSS) was the second community contract to be awarded by PTS. The contract was for a three year period and ends 30 June 2008.
4. As a PTS contract organisation CW has made significant progress in organising public planting events in the Henderson Creek area, and engaging with local residents, schools, groups and businesses in this work.
5. On 30 May 2008 the Tenders Subcommittee resolved to:
 - “1. **Receive** the Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 report.
 2. **Approve** the Group Manager: Asset Management to invite Community Waitakere to tender for Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 for a two year period on a 1 + 1 year basis for delivering the Project Twin Streams planting programme in the Henderson Creek area.
 3. **Agree** that the result of the tender evaluation process for Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008 - 2010 be reported back to the Tenders Subcommittee for approval.”

808/2008

SCOPE OF WORK

6. Using a community development approach CW will provide the following works:
 - Undertake weeding, planting and maintenance of the Henderson Creek area as outlined in the Henderson Creek rehabilitation planting plan;
 - Plan and organise at least 2 public community events per year to engage the wider community in weeding, planting and maintenance;
 - Build the capacity of the local residents and groups in the Henderson creek area including the business sector to participate in PTS and take guardianship of parts of Henderson Creek;
 - Identify and develop opportunities, method and resources to increase community understanding of the causes and effects of riparian degradation and ways to change behaviour to mitigate the effects;
 - Assist with monitoring and evaluation of the environmental, social, cultural and economic aspects of the project;
 - Establish a sustainable structure for the long term implementation of this project in the Henderson Creek area.
7. The contract includes tangible project deliverable timeframes and key performance indicators to be measured under the contract.

TENDERS RECEIVED

8. Accordingly, CW was invited to tender for Contract No. EW08020A - Project Twin Streams - Community Contract - Henderson 2008-2010 for a two year period on a 1 + 1 year basis as shown in Table 1.

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Community Waitakere	Ratanui Street Henderson	\$200,000
Pre-tender contract estimate	\$234,000	

Table 1 - Summary of Tender Prices

9. The tender price submitted by Community Waitakere is for the sum of \$200,000. This sum consists of:
- \$100,000 plus GST for the 2008/2009 financial year;
 - \$100,000 plus GST for the 2009/2010 financial year.

TENDER EVALUATION

10. Only one option was identified, which was to invite a tender from CW. The price submitted by CW is below the pre-tender estimate, and accepted.

TAGS, ERRORS OR OMISSIONS

11. No tags, errors or omissions were included in the tender.

CREDIT CHECK

12. Credit check evidence revealed no adverse information.

SOURCE OF FUNDING

13. The engagement of community organisations to achieve the outcomes and deliverables of PTS is a direct cost associated to the project and as such is fully claimable against the Auckland Regional Holdings (formerly Infrastructure Auckland) grant.
14. Funding of \$2.167 million for this project has been provided in the 2006-2016 Long Term Council Community Plan for the 2008/2009 year.

IMPLEMENTATION ISSUES

15. No implementation issues are anticipated from this contract.

Report prepared by: Meredith Youngson, Social Programme Coordinator, Project Twin Streams.

