



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 5 September 2008 **TIME:** 9.00 am

MEETING ROOM: Manukau Room

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.

29 August 2008

Carmen Fernandes
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8887

MEMBERSHIP:

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

Chief Executive Officer
Director: City Services
Director: Corporate and Business Services
Director: Community Wellbeing
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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(Meeting Room could be subject to change)

(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 IN THE
MANUKAU ROOM AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD,
HENDERSON, WAITAKERE, ON FRIDAY, 5 SEPTEMBER 2008,
COMMENCING AT 9.00 AM**

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**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD IN THE
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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, 22 August 2008

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 22 August 2008, as circulated, and that they be taken as read and now be confirmed.



5 CONTRACT NO. CCIM08321A - MULTI FUNCTIONAL DEVICE SERVICES

GLOSSARY

Multi Functional Devices (MFD)
Information Technology (IT)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. CCIM08321A - Multi Functional Device Services for an initial period of three years, from November 2008 to October 2011 with a right of renewal for a further one (1) year on a + 1 basis, ending in 2012.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. CCIM08321A – Multi Functional Device Services report.
2. **Approve** that the tender from Fuji Xerox for Contract No. CCIM08321A – Multi Functional Device Services in the sum of \$1,724,400 plus \$215,550 GST, totalling \$1,939,950 for an initial period of three years, from November 2008 to October 2011, be accepted.
3. **Approve** the commitment of \$574,800 excluding GST to the 2009/2010 financial year for Contract No. CCIM08321A – Multi Functional Device Services.
4. **Approve** the commitment of \$574,800 excluding GST to the 2010/2011 financial year for Contract No. CCIM08321A – Multi Functional Device Services.
5. **Approve** the commitment of \$191,600 excluding GST to the 2011/2012 financial year for Contract No. CCIM08321A – Multi Functional Device Services.
6. **Agree** that the extension to Contract No. CCIM08321A – Multi Functional Device Services for a further one (1) year on a + 1 basis be brought back to Tenders Subcommittee for approval.
7. **Approve** that authority to enter into Contract No. CCIM08321A – Multi Functional Device Services on behalf of the Council be delegated to the Group Manager: Information Management.

BACKGROUND

1. Council has an agreement with Fuji Xerox which ends in October 2008 that covers all its Multi Functional Devices (MFD) used for printing, copying and scanning, apart from those owned by Council and wide-format devices.
2. This project is to find one or more suppliers of equipment, software and services to replace that agreement.
3. Council requires ongoing printing, copying and scanning functionality that fits with its existing Information Technology (IT) infrastructure. The tender provides for an opportunity to ensure the best deal for Council is being achieved.

SCOPE OF WORK

4. The scope of work includes all equipment, services, software, support and implementation to meet Council's printing, copying and scanning needs and fit with its existing IT infrastructure. The sole exception is wide-format devices.

TENDERS RECEIVED

5. An open Request for Expression of Interest was issued on 19 May 2008. From that three (3) respondents passed expected minimum criteria. Tenders were then invited from selected tenderers with three (3) sets of documents being uplifted. Three (3) tenders were received by the closing date of 28 July 2008. These are summarised in Table 1 below:

TENDERER	REGISTERED OFFICE	TENDER PRICE (excl. GST)
Fuji Xerox	Hargreaves Street, Ponsonby, Auckland	\$1,724,400.00
Ricoh	Level 2, 60 Stanley Street, Parnell, Auckland	\$2,296,800.00
Konica Minolta	Corner Khyber Pass Road and Nugent Street, Grafton, Auckland	\$2,232,000.00
Pre-tender contract estimate		\$2,520,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

6. The tenders from Fuji Xerox, Konica Minolta and Ricoh dated 28 July 2008 contained no tags, errors or omissions.

TENDER EVALUATION

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

Tender Evaluation	Attributes	Experience & Track Record	Tech. Skills & Resources	Implementation Methodology	Support	Services	MFD Equipment	Copy Centre Equipment	Software	Sustainability	Price	Total Weights
	Weights	10	10	5	5	5	5	5	10	5	40	100
Tenderer	Tender Sum (3 years)											INDEX
Fuji Xerox	\$1,724,400.00	95.0	92.5	88.2	89.2	91.7	90.0	89.7	88.3	92.5	81.6	87
Ricoh	\$2,296,800.00	80.8	72.5	75.8	74.5	57.5	79.2	68.6	55.0	90.8	56.6	66
Konica Minolta	\$2,232,000.00	82.5	79.5	74.2	80.0	85.0	81.7	62.7	65.0	92.1	61.4	71
Pre-tender contract estimate	\$2,520,000.00											

Table 2 – Summary of Tender Evaluation

8. The pre-tender estimate was based on current volumes, as are the tenderers' charges. Note that these may change over time, so the tender amount may fluctuate as well.

9. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Fuji Xerox achieved the highest index of eighty seven (87). This tender is also the lowest priced tender.

CREDIT CHECK

10. A credit check on Fuji Xerox dated 19 August 2008 revealed no adverse information.

JOB COSTS

11. Excl GST

Tender Sum 2008/2009 (8 Months November to June)	\$383,200	
Contingency	\$10,000	
Internal project costs	\$20,000	
Total Job Cost 2008/2009		\$413,200
Total Job Cost 2009/2010		\$574,800
Total Job Cost 2010/2011		\$574,800
Total Job Cost 2011/2012		<u>\$191,600</u>
Total all years		\$1,754,400

SOURCE OF FUNDING

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

Year/Source	Budget Description	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
2008/2009 Annual Plan	Photocopy Copier Charges	1850-71040	\$913,000	\$365,000	\$413,200	\$134,800
2009/2010 LTCCP	Photocopy Copier Charges	1850-71040	\$913,000	\$66,000	\$574,800	\$273,200
2010/2011 LTCCP	Photocopy Copier Charges	1850-71040	\$913,000	\$66,000	\$574,800	\$273,200
2011/2012 LTCCP	Photocopy Copier Charges	1850-71040	\$913,000	\$66,000	\$191,600	\$656,400 * * as part-year contract (to October)

Table 3 – Source of Funding

13. The value of this contract is \$1,754,400 plus GST and the funding is allowed for in the 2008/2009 Annual Plan and the Long Term Council Community Plan 2006-2016 on an ongoing basis.

IMPLEMENTATION ISSUES

14. There are no foreseen implementation issues with this contract.

Report prepared by: John McLeod, Service Delivery Manager, Information Management.



6 CONTRACT NO. PK08015A - SPORTS PARK LANDSCAPE MAINTENANCE

GLOSSARY

Bilfinger Burger Services (New Zealand) Limited	(BBS)
City Care Limited	(CC)
City Parks Services Limited	(CPS)
Excell Limited	(EL)
Parks and Maintenance Services Limited	(PMS)
Recreational Services Limited	(RS)
Consumer Price Index	(CPI)
Alternative Tender	(AT)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK08015A - Sports Park Landscape Maintenance for a period of twenty (20) months and one (1) year from 1 November 2008 to 30 June 2011 subject to the contractor's ongoing satisfactory 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. PK08015A - Sports Park Landscape Maintenance report.
2. **Approve** that the tender from Parks and Maintenance Services Limited for Contract No. PK08015A - Sports Park Landscape Maintenance in the sum of \$2,172,583.84 plus \$271,572.98 of GST, totalling \$2,444,156.82 on the basis of twenty (20) months and one (1) year subject to the contractor's ongoing performance, the availability of funding and at Council's sole discretion be accepted.
3. **Approve** the commitment of \$814,718.94 plus \$101,839.87 of GST against the 2009/2010 Annual Plan for Contract No. PK08015A - Sports Park Landscape Maintenance.
4. **Approve** the commitment of \$814,718.94 plus \$101,839.87 of GST against the 2010/2011 Annual Plan for Contract No. PK08015A - Sports Park Landscape Maintenance.
5. **Approve** that authority to enter into Contract No. PK08015A - Sports Park Landscape Maintenance for the period 1 November 2008 to 30 June 2011 on behalf of Council be delegated to the Group Manager: Asset Management.
6. **Agree** that subject to acceptable contractor performance, the availability of funding and at Council's sole discretion Contract No. PK08015A - Sports Park Landscape Maintenance be reported back to the Tenders Subcommittee in June 2010 for approval to re-award for the final year of the contract term.

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 sports parks 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 sports parks and amenity areas.

2. The City's sports parks represent an important asset both in relation to resource, recreation and City image.
3. There are over seventy (70) active sports clubs within Waitakere City with fifteen (15) parks having sports clubrooms on parks. These clubs form an important part of the City's identity.
4. The management of sports parks throughout the City is required to be of a standard that ensures safety of use, cleanliness and the satisfactory appearance of the facilities.
5. 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 and passive users.
6. At the Tenders Subcommittee meeting dated 13 May 2005 it was resolved:
 - “1. That the Contract No. PK05003A - Sports Parks Programmed Maintenance report be received.
 2. That the tender from Techscape Limited for Contract No. PK05003A – Sports Parks Programmed Maintenance in the sum of \$4,707,150.30 plus \$588,393.78 GST, totalling \$5,295,544.08 be accepted.
 3. That the commitment to the 2005/2006 financial year for Contract No. PK05003A - Sports Parks Programmed Maintenance totalling \$1,784,187 plus GST be approved.
 4. That the commitment to the 2006/2007 financial year for Contract No. PK05003A - Sports Parks Programmed Maintenance totalling \$1,784,187 plus GST be approved.
 5. That the commitment to the 2007/2008 financial year for Contract No. PK05003A - Sports Parks Programmed Maintenance totalling \$1,784,187 plus GST be approved.
 6. That authority to extend Contract No. PK05003A - Sports Parks Programmed Maintenance for a further one (1) plus one (1) plus one (1) year be delegated to the Group Manager: Asset Management.
 7. That authority to enter into Contract No. PK05003A - Sports Parks Programmed Maintenance on behalf of Council be delegated to the Group Manager: Asset Management.”

840/2005

7. Contract No. PK05003A - Sports Park Programmed Maintenance was a five (5) year contract with an expiry date of 30 June 2010.
8. Techscape Limited was sold to Bilfinger Berger Services Limited (BBS) during September 2006.
9. During November 2007, performance issues arose with two (2) contracts undertaken by BBS, Contract No. PK05003A - Sports Park Programmed Maintenance and Contract No. PK05004A – Landscape Programmed Maintenance. Several areas of concern with the implementation of contract works were raised with BBS.

10. Due to ongoing performance issues BBS subsequently offered to withdraw from Contract No. PK05003A – Sports Park Programmed Maintenance and this was accepted by the Director: City Services. BBS will continue with the required contract works until 31 October 2008.
11. At the meeting dated 27 June 2008 it was resolved that the Tenders Subcommittee:
- “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 during August 2008.”

995/2008

12. It is proposed to align all Parks Assets facilities and green assets term maintenance contracts to complete on 30 June 2011. This will provide an opportunity to realign the fourteen (14) current contracts into larger comprehensive facilities based contracts. An amendment to the above resolution is therefore sought from the Tenders Subcommittee to agree to the proposed contract period of Contract No. PK08015A - Sports Park Landscape Maintenance for a period of twenty (20) months and one (1) year subject to the contractor's ongoing satisfactory performance, the availability of funding and at the sole discretion of Council.

SCOPE OF WORK

13. The following scope of work 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; and
 - Carpark sweeping.

TENDERS RECEIVED

14. Tenders were publicly advertised with twelve (12) sets of documents being downloaded. Six (6) tenders were received by the closing date of 22 July 2008. A late notice to tenderers was uplifted into Tenderlink and this resulted in some of the tenderers not receiving the notice before they delivered their tender submissions. It was therefore necessary to write to all tenderers seeking their agreement to resubmit an amended schedule on the basis of the notice. All tenderers agreed to this proposal and the amended closing date of 5 August

2008. All six (6) tenderers resubmitted amended schedules by 16:00hrs 5 August 2008. The tendered sums were made on an annual basis. These are summarised in Table 1 below:

TENDERER	REGISTERED OFFICE	TENDER PRICE (excl.GST)
Parks and Maintenance Services Limited	Auckland	\$1,407,007.89
City Parks Services Limited	Auckland	\$1,587,855.16
Bilfinger Burger Services Limited	Auckland	\$1,815,698.89
City Care Limited	Christchurch	\$1,980,339.47
Excell Limited	Auckland	\$2,460,776.38
Recreational Services Limited	Auckland	\$2,805,256.00
Pre Tender Contract Estimate		\$760,000.00

Table 1 – Summary of Tender Prices

TENDER EVALUATION

15. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand’s “Competitive Pricing Procedures Manual”.
16. These procedures require that where the tender includes Provisional Sums they are deducted from the Tender Sum prior to evaluating each tender.
17. For reasons of probity an error within the Dayworks Scheduled Items resulted in the Principal removing all Provisional Dayworks Items from all tendered sums. This had no bearing on the outcome of the tender process and is detailed further under Tags, Errors and Omissions. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skills	Resources	Manag. Skill	Method.	Price	Total Weight
		8	8	6	10	12	6	50	100
Tenderer	Tender Sum	Grades							INDEX
Parks and Maintenance Services Limited	\$766,745.20	77	80	75	74	79	75	78	77
City Parks Services Limited	\$845,450.00	85	80	75	80	75	75	70	74
Bilfinger Berger Services (New Zealand) Limited	\$956,705.50	85	70	80	85	70	80	60	66
Excell Limited	\$1,159,053.30	83	80	80	84	83	85	40	61
City Care Limited	\$1,169,871.70	83	75	80	77	83	83	39	60
Recreational Services Limited	\$1,349,725.70	85	80	85	84	84	85	22	53
Median Tender Price	\$1,057,879.40								

Table 2 - Summary of Tender Evaluation

18. Contract No. PK08015A - Sports Park Landscape Maintenance is a specialised, performance track records, technical skills, resources and management skills in the discipline of landscape and facilities maintenance and this is reflected in the high scores achieved across all non price related attributes.
19. Methodologies submitted by tenderers all met or exceeded the requirements of Contract No. PK08015A - Sports Park Landscape Maintenance. All companies are incumbent service providers for large scale term maintenance contracts to territorial local authorities.
20. With one exception, all companies were either ranked equal to or above a 75% threshold for non price related attributes, meeting all the contract requirements in all material aspects. The fundamental difference between the successful and unsuccessful tenderers for Contract No. PK08015A – Sports Park Landscape Maintenance was the price submitted.
21. The price difference between the lowest and highest priced tenderers primarily related to scheduled rates for term of contract items, including litter collection, planting and building activities, with certain companies submitting higher unit rates across the whole schedule. It is not considered that the difference between tendered prices represents a failure by any tenderer to understand the terms of Contract No. PK08015A - Sports Landscape Maintenance, nor is it considered that the lowest price submitted is inadequate to service the requirements of the contract.

Parks and Maintenance Services Limited (PMS)

22. PMS is a privately owned, local company which was established over eighteen (18) years ago. The company is currently based in Keeling Road, Henderson with a staff resource of sixty (60). The company is currently the incumbent contractor for several flagship Parks operational term maintenance contracts, including Contract No. PK08002A - Facilities and Response Maintenance and Contract No. PK 07003A - Citywide Play Facilities Maintenance and Renewals.
23. In the last eight (8) years the company has focused on territorial local authority contracts and has an extensive history of contracting to Council.
24. Reference checks were all positive and endorsed the company's ability to service the requirements of Contract No. PK08015A - Sports Park Landscape Maintenance.
25. PMS through the evaluation process was ranked as the highest tenderer with a ranking of 77.

City Parks Services Limited (CPS)

26. CPS is a stand alone business unit of Auckland City which was established in July 1995. The company currently employs over two hundred (200) staff in the disciplines of turf culture, horticulture, streetscape maintenance, landscape maintenance and nursery production. The company has many years experience in the area of sports park landscape maintenance and has a competent workforce able to undertake the contract requirements. The company is also able to demonstrate financial stability, industry standard reporting systems and an excellent health and safety record.
27. CPS has established depots and staff structure and committed to establishing a new depot in Henderson to service this contract.
28. Reference checks were all positive and endorsed the company's ability to service the requirements of Contract No. PK08015A - Sports Park Landscape Maintenance.

29. CPS through the evaluation process was ranked as the second highest tenderer with a ranking of 74.

Bilfinger Berger Services (New Zealand) Limited (BBS)

30. BBS is the incumbent contractor currently undertaking landscape maintenance works on sports parks under Contract No. PK05003A - Sports Park Programmed Maintenance and is also involved in numerous other operational and infrastructure term maintenance contracts for Council. BBS purchased Techscape Limited in September 2006 and the operations business, now trading as Eco City Services Limited, is still based at the Keeling Road depot.
31. BBS has experience with directly comparable projects and has an established staff structure.
32. Reference checks were all positive and endorsed the company's ability to service the requirements of Contract No. PK08015A - Sports Park Landscape Maintenance.
33. BBS through the evaluation process was ranked as the third highest tenderer with a ranking of 66.

Excell Limited (EL)

34. EL is a substantial national company specialising in the management and maintenance of amenity and infrastructure assets, successfully delivering services on some of the largest parks maintenance contracts in New Zealand. The company was able to demonstrate comprehensive performance statistics in relation to their current flagship active parks maintenance contract for Manukau City Council. The company's ability to meet the requirements of the contract is reflected in their non price rankings.
35. Reference checks were all positive for EL and endorsed the company's ability to service the requirements of Contract No. PK08015A - Sports Park Landscape Maintenance.
36. EL through the evaluation process was ranked as the fourth highest tenderer with a ranking of 61.

City Care Limited (CC)

37. CC is another substantial national company specialising in the management and maintenance of amenity and infrastructure assets. The company has significant experience managing operational term maintenance contracts for territorial local authorities throughout New Zealand. The company is able to demonstrate competency in contract performance for turf, arboriculture, landscape, water and wastewater and facilities maintenance. The company has comprehensive and robust policies and procedures and this is reflected in their non price related rankings.
38. Reference checks were all positive for CC and endorsed the company's ability to service the requirements of Contract No. PK08015A – Sports Park Landscape Maintenance.
39. CC through the evaluation process was ranked as the fifth highest tenderer with a ranking of 60.

Recreational Services Limited (RS)

40. RS was founded in 1992 as a company specialising in golf turf maintenance which has since grown into a large scale operation with numerous sports park term maintenance contracts throughout the North Island. The Company's track record, technical skills, resources and management were all very good. The methodology proposed was thorough and they demonstrated a comprehensive understanding of the contract requirements. Their tender submission was professional and comprehensive and this is reflected in their achieving some of the highest rankings for non price related attributes.
41. Reference checks were all positive for RS and endorsed the company's ability to service the requirements of Contract No. PK08015A - Sports Park Landscape Maintenance.
42. RS through the evaluation process was ranked as the sixth highest tenderer with a ranking of 53.

TAGS, ERRORS OR OMISSIONS

City Parks Services Limited

43. The tender from CPS contained two (2) Tags. The Tags had no influence upon the outcome of the evaluation process.
44. There were no tags, errors or omissions in the other tendered documents.
45. Through the evaluation process and clarification meetings PMS has agreed to a variation to the contract to deduct the Provisional Dayworks Items from the tendered sum. As illustrated in Table 2 – Summary of Tender Evaluation this has had no bearing on the outcome of the tender evaluation.

ALTERNATIVE TENDERS (AT)

46. Contract No. PK08016A - Sports Field Maintenance and Contract No. PK08015A - Sports Park Landscape Maintenance are closely aligned parks term maintenance contracts. Both contracts were tendered at the same time.
47. RS and CPS submitted formal AT with AT sums both seeking award and combination of Contract No. PK08016A - Sports Field Maintenance and Contract No. PK08015A - Sports Park Landscape Maintenance. EL and CC submitted proposed alternatives based upon a negotiated outcome for award of both contracts.

City Parks Services Limited (CPS)

48. The AT submitted by CPS offered savings in combining the contracts on the basis of:
 - Deviating from using specified plant;
 - Deletion of an item from the Schedule of Prices; and
 - Adjustments to contract sums based upon the Consumer Price Index (CPI).
49. Whilst these alternatives could offer a reduction in costs they are essentially modifications to the contract schedules and specifications and as such could only be considered if deemed acceptable to Council and only equitable if offered to all tendering parties.

50. Furthermore the offer of deviating from plant and qualified resource was not considered acceptable on the basis of best practice and health and safety. This was also a deviation from the requirements of the original request for tender. Any fluctuations or amendments for CPI increases would need to be negotiated with all tenderers and the offer presented no real cost savings for Council.
51. For these reasons the AT from CPS was deemed to be nonconforming and was considered no further.

Excell Limited (EL) and City Care Services (CC)

52. EL and CC did not submit tendered sums for their alternative proposals and the proposals did not contain a statement to the effect that these proposals were submitted on basis of an AT. EL and CC both stated within their tender submissions that they acknowledged the potential synergies between the two contracts and that both companies would welcome the opportunity to negotiate outcomes around being awarded both contracts.
53. On the basis that EL and CC offered no AT sum, only requested the opportunity to negotiate outcomes around award of both contracts and did not provide a statement to that effect their offers of negotiation were deemed to be contrary to Council's procurement policies.
54. For these reasons the AT from EL and CC were deemed to be nonconforming and considered no further.

Recreational Services (RS)

55. The AT from RS included a proposal for award of Contract No. PK08016A - Sports Field Maintenance and Contract No. PK08015A - Sports Park Landscape Maintenance on the basis of one tendered sum. As per Council's procurement policies the Principal is not obliged to consider any AT and in this instance the AT from RS did not comply with the original request for tender and also offered no cost savings for Council.
56. For these reasons the AT from RS was deemed to be nonconforming and considered no further.

CREDIT CHECK

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

JOB COSTS

58. **Excl GST**

Tender Sum with Parks and Maintenance Services 2008/2009 - 8 month period contract sum (excluding GST)	\$	511,163.46
Contingency	\$	31,982.49
Total Job Cost	\$	543,145.96
Tender Sum City Parks Services 2009/2010 financial year (excluding GST) 12 month period contract sum	\$	766,745.20
Contingency	\$	47,973.74
Total Job Cost	\$	814,718.94

Tender Sum City Parks Services 2009/2010 financial year (excluding GST) 12 month period contract sum	\$	766,745.20
Contingency	\$	47,973.74
Total Job Cost	\$	814,718.94

SOURCE OF FUNDING

59. Sources of funding are shown in Tables 3.1, 3.2 and 3.3:

Source of Funding 2008/2009

Budget Description (from Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Fixtures and Furniture Maintenance	\$528,000.00	\$484,666.67	\$43,333.33	-
Litter Control	\$629,000.00	\$530,333.33	\$98,666.67	-
Passive Grass Maintenance	\$1,661,000.00	\$1,589,090.67	\$71,909.33	-
Planting Maintenance	\$1,198,000.00	\$1,077,430.04	\$120,569.96	-
Building Maintenance	\$831,000.00	\$663,000.00	\$168,000	-
Carpark and Driveways Maintenance	\$196,000.00	\$158,666.67	\$37,333.33	-
Path Tracks and Walkways Maintenance	\$210,000.00	\$206,666.67	\$3,333.33	-
Total	\$5,253,000.00	\$4,709,854.05	\$543,145.96	-

Table 3.1 – Source of Funding

Source of Funding 2009/2010

Budget Description (from draft Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Fixtures and Furniture Maintenance	\$528,000.00	\$463,000.00	\$65,000.00	-
Litter Control	\$629,000.00	\$481,000.00	\$148,000.00	-
Passive Grass Maintenance	\$1,661,000.00	\$1,553,136.00	\$107,864.00	-
Planting Maintenance	\$1,198,000.00	\$1,017,145.06	\$180,854.94	-
Building Maintenance	\$831,000.00	\$579,000.00	\$252,000.00	-
Carpark and Driveways Maintenance	\$196,000.00	\$140,000.00	\$56,000.00	-
Path Tracks and Walkways Maintenance	\$210,000.00	\$205,000.00	\$5,000.00	-
Total	\$5,253,000.00	\$4,438,281.06	\$814,718.94	-

Table 3.2 – Source of Funding

Source of Funding 2010/2011

Budget Description (from draft Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Fixtures and Furniture Maintenance	\$528,000.00	\$463,000.00	\$65,000.00	-
Litter Control	\$629,000.00	\$481,000.00	\$148,000.00	-
Passive Grass Maintenance	\$1,661,000.00	\$1,553,136	\$107,864.00	-
Planting Maintenance	\$1,198,000.00	\$1,017,145.06	\$180,854.94	-
Building Maintenance	\$831,000.00	\$579,000.00	\$252,000.00	-
Carpark and Driveways Maintenance	\$196,000.00	\$140,000.00	\$56,000.00	-
Path Tracks and Walkways Maintenance	\$210,000.00	\$205,000.00	\$5,000.00	-
Total	\$5,253,000.00	\$4,438,281.06	\$814,718.94	-

Table 3.3 – Source of Funding

60. The following funding commitments are required:
- A commitment to fund Contract No. PK08015A - Sports Park Landscape Maintenance for the sum of \$814,718.94 plus \$101,839.87 of GST, totalling \$916,558.81 is requested from the draft 2009/2010 Annual Plan.
 - A commitment to fund Contract No. PK08015A - Sports Park Landscape Maintenance for the sum of \$814,718.94 plus \$101,839.87 of GST, totalling \$916,558.81 is requested from the draft 2010/2011 Annual Plan.

IMPLEMENTATION ISSUES

61. There are no implementation issues arising from this report.
62. As part of Council's contracting process "Quality and Health and Safety is not negotiable" - all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

Report prepared by: Roscoe Webb, Principal Contracts Planner, Parks Assets.



7 CONTRACT NO. PK08016A - SPORTS FIELD MAINTENANCE

GLOSSARY

City Care Limited	(CC)
City Parks Services Limited	(CPS)
Excell Limited	(EL)
Recreational Services Limited	(RS)
Consumer Price Index	(CPI)
Alternative Tender	(AT)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK08016A - Sports Field Maintenance for a period of twenty (20) months and one (1) year from 1 November 2008 to 30 June 2011 subject to the contractor's ongoing satisfactory 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. PK08016A - Sports Field Maintenance report.
2. **Approve** the tender from City Parks Services Limited for Contract No. PK08016A - Sports Field Maintenance in the sum of \$3,742,404 plus \$467,800.58 of GST, totalling \$4,210,204.58 on the basis of twenty (20) months and one (1) year subject to the contractor's ongoing performance, the availability of funding and at Council's sole discretion.
3. **Approve** the commitment of \$1,480,363.28 plus \$185,045.41 of GST, totalling \$1,665,408.69 against the 2009/2010 Annual Plan for Contract No. PK08016A - Sports Field Maintenance.
4. **Approve** the commitment of \$1,480,363.28 plus \$185,045.41 of GST, totalling \$1,665,408.69 against the 2010/2011 Annual Plan for Contract No. PK08016A - Sports Field Maintenance.
5. **Approve** that authority to enter into Contract No. PK08016A - Sports Field Maintenance for the period 1 November 2008 to 30 June 2011 on behalf of Council be delegated to the Group Manager: Asset Management.
6. **Agree** that subject to acceptable contractor performance, the availability of funding and at Council's sole discretion Contract No. PK08016A - Sports Field Maintenance be reported back to the Tenders Subcommittee in June 2010 for approval to re-award for the final year of the contract term.

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. The City's sportsfields represent an important asset both in relation to resource, recreation and City image.

3. 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.
4. 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.
5. 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.
6. At the Tenders Subcommittee meeting dated 13 May 2005 it was resolved:
 - “1. That the Contract No. PK05003A - Sports Parks Programmed Maintenance report be received.
 2. That the tender from Techscape Limited for Contract No. PK05003A – Sports Parks Programmed Maintenance in the sum of \$4,707,150.30 plus \$588,393.78 GST, totalling \$5,295,544.08 be accepted.
 3. That the commitment to the 2005/2006 financial year for Contract No. PK05003A - Sports Parks Programmed Maintenance totalling \$1,784,187 plus GST be approved.
 4. That the commitment to the 2006/2007 financial year for Contract No. PK05003A - Sports Parks Programmed Maintenance totalling \$1,784,187 plus GST be approved.
 5. That the commitment to the 2007/2008 financial year for Contract No. PK05003A - Sports Parks Programmed Maintenance totalling \$1,784,187 plus GST be approved.
 6. That authority to extend Contract No. PK05003A - Sports Parks Programmed Maintenance for a further one (1) plus one (1) plus one (1) year be delegated to the Group Manager: Asset Management.
 7. That authority to enter into Contract No. PK05003A - Sports Parks Programmed Maintenance on behalf of Council be delegated to the Group Manager: Asset Management.”

840/2005

7. Contract No. PK05003A - Sports Park Programmed Maintenance was a five (5) year contract with an expiry date of 30 June 2010.
8. Techscape Limited was sold to Bilfinger Berger Services Limited (BBS) during September 2006.
9. During November 2007, performance issues arose with two (2) contracts undertaken by BBS, Contract No. PK05003A - Sports Park Programmed Maintenance and Contract No. PK05004A – Landscape Programmed Maintenance. Several areas of concern with the implementation of contract works were raised with BBS.

10. Due to ongoing performance issues BBS subsequently offered to withdraw from Contract No. PK05003A – Sports Park Programmed Maintenance and this was accepted by the Director: City Services. BBS will continue with the required contract works until 31 October 2008.
11. At the meeting dated 27 June 2008, it was resolved that the Tenders Subcommittee:
- “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 during August 2008.”

995/2008

12. It is proposed to align all Parks Assets facilities and green assets term maintenance contracts to complete on 30 June 2011. This will provide an opportunity to realign the fourteen (14) current contracts into larger comprehensive facilities based contracts. An amendment to the above resolution is therefore sought from the Tenders Subcommittee to agree to the proposed contract period of Contract No. PK08016A - Sports Field Maintenance for a period of twenty (20) months and one (1) year subject to the contractor's ongoing satisfactory performance, the availability of funding and at the sole discretion of Council.

SCOPE OF WORK

13. The scope of works for this contract includes:
- Mowing;
 - Renovations;
 - Sand topdressing;
 - Irrigation Management;
 - Cricket wickets;
 - Goal post management;
 - Line marking; and
 - Pest and Disease management.

TENDERS RECEIVED

14. Tenders were publicly advertised with eleven (11) sets of documents being downloaded. Four (4) tenders were received by the closing date of 22 July 2008. The tendered sums were made on an annual basis.

15. These are summarised in Table 1 below:

TENDERER	REGISTERED OFFICE	TENDER PRICE (excl.GST)
City Parks Services Limited	Auckland	\$1,329,362.70
Recreational Services Limited	Auckland	\$1,487,509.01
City Care Limited	Christchurch	\$1,613,383.17
Excell Limited	Auckland	\$1,747,790.63
Pre Tender Contract Estimate		\$1,400,000.00

Table 1 – Summary of Tender Prices

TENDER EVALUATION

16. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand’s “Competitive Pricing Procedures Manual”.
17. These procedures require that where the tender includes Provisional Sums they are deducted from the Tender Sum prior to evaluating each tender.
18. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skills	Resources	Manag. Skill	Method.	Price	Total Weight
	Weights	8	8	9	7	13	5	50	100
Tenderer	Tender Sum	Grades							INDEX
City Parks Services Limited	\$1,238,732.70	83	80	75	80	75	75	62	70
City Care Limited	\$1,384,570.40	83	75	80	77	83	83	52	66
Recreational Services Limited	\$1,445,049.01	85	80	85	84	84	85	48	66
Excell Limited	\$1,583,248.90	83	80	80	84	83	85	38	60
Median Tender Price	\$1,414,809.71								

Table 2 - Summary of Tender Evaluation

19. Contract No. PK08016A - Sports Field Maintenance is a specialised, performance based contract. Due to the scale and scope of the contract and the technical nature of turf management there are only certain companies within New Zealand that are able to provide the levels of service required to perform against the contract requirements. All tenderers are established professional companies with proven experience, track records, technical skills, resources and management skills in the discipline of turf management and this is reflected in the high scores achieved across all non price related attributes.

20. Methodologies submitted by tenderers all met or exceeded the requirements of Contract No. PK08016A - Sports Field Maintenance. All companies are incumbent turf management service providers for large scale term maintenance contracts to territorial local authorities, with tenderers able to provide examples of successful turf management contracts throughout New Zealand.
21. All companies were either ranked equal to or above a 75% threshold for non price related attributes, meeting all the contract requirements in all material aspects. The fundamental difference between the successful and unsuccessful tenderers for Contract No. PK08016A - Sports Field Maintenance was the price submitted.
22. The price difference between the lowest and highest priced tenderers primarily related to scheduled rates for term of contract items, sports facilities maintenance and delivery of reports. It is not considered that the difference between tendered prices represents a failure by any tenderer to understand the terms of Contract No. PK08016A - Sports Field Maintenance, nor is it considered that the lowest price submitted is inadequate to service the requirements of the contract.

City Parks Services Limited (CPS)

23. CPS is a stand alone business unit of Auckland City which was established in July 1995. The company currently employs over two hundred (200) staff in the disciplines of turf culture, horticulture, streetscape maintenance, landscape maintenance and nursery production. The company has many years experience in the area of sports park maintenance and has a competent workforce able to undertake the contract requirements. The company is also able to demonstrate financial stability, industry standard reporting systems and an excellent health and safety record.
24. CPS has established depots and staff structure and has committed to establishing a new depot in Henderson to service this contract.
25. Reference checks were all positive for CPS and endorsed the company's ability to service the requirements of Contract No. PK08016A - Sports Field Maintenance.
26. CPS through the evaluation process was ranked as the highest tenderer with a ranking of 70.

Recreational Services Limited (RS)

27. RS was founded in 1992 as a company specialising in golf turf maintenance which has since grown into a large scale operation with numerous sports park term maintenance contracts throughout the North Island. The company's track record, technical skills, resources and management skills were all very good. The methodology proposed was thorough and they demonstrated a comprehensive understanding of the contract requirements. Their tender submission was professional and comprehensive and this is reflected in their achieving the highest rankings for non price related attributes.
28. Reference checks were all positive for RS and endorsed the company's ability to service the requirements of Contract No. PK08016A - Sports Field Maintenance.
29. RS through the evaluation process was ranked as second equal tenderer with a ranking of 66.

City Care Limited (CC)

30. CC is a substantial national company specialising in the management and maintenance of amenity and infrastructure assets. The company has significant experience managing operational term maintenance contracts for territorial local authorities throughout New Zealand. The company is able to demonstrate competency in contract performance for turf, arboriculture, landscape, water and wastewater and facilities maintenance. The company has comprehensive and robust policies and procedures and this is reflected in their non price related rankings.
31. Reference checks were all positive for CC and endorsed the company's ability to service the requirements of Contract No. PK08016A - Sports Field Maintenance.
32. CC through the evaluation process was ranked as second equal tenderer with a ranking of 66.

Excell Limited (EL)

33. EL is another substantial national company specialising in the management and maintenance of amenity and infrastructure assets, successfully delivering services on some of the largest parks maintenance contracts in New Zealand. The company was able to demonstrate comprehensive performance statistics in relation to their current flagship active parks maintenance contract for Manukau City Council. The companies ability to meet the requirements of the contract are reflected in their non price rankings.
34. Reference checks were all positive for EL and endorsed the company's ability to service the requirements of Contract No. PK08016A - Sports Field Maintenance.
35. EL through the evaluation process was ranked as the fourth highest tenderer with a ranking of 60.

TAGS, ERRORS OR OMISSIONS

City Parks Services Limited (CPS)

36. The tender from CPS contained six (6) Tags. At a tender clarification meeting held on 6 August 2008 four (4) of the tags were accepted by Council resulting in no increase to the tender sum or longer term financial demand upon Council. The accepted tags related to use of storage facilities, use of product, goal post erection at Waitakere Stadium and material use for blow-out repairs. CPS agreed to remove two (2) other tags which related to compliance matters with contract specifications.
37. The tender from CPS contained an error in the renovations section of the Schedule of Rates for the supply and installation of sand. At the tender clarification meeting held on 6 August 2008 CPS were requested to either confirm their tendered sum or withdraw from further consideration. On 12 August 2008, CPS formally confirmed their original tendered sum with some minor adjustments to the scheduled rates in order to distribute the error more fairly. There was no adjustment to the tender sum.
38. There were no tags, errors or omissions in the other tendered documents.

ALTERNATIVE TENDERS (AT)

39. Contract No. PK08016A - Sports Field Maintenance and Contract No. PK08015A - Sports Park Landscape Maintenance are closely aligned parks term maintenance contracts.
40. RS and CPS submitted AT with AT sums based around award of Contract No. PK08016A - Sports Field Maintenance and Contract No. PK08015A - Sports Park Landscape Maintenance. EL and CC submitted proposed alternatives based upon a negotiated outcome for award of both contracts.

City Parks Services Limited (CPS)

41. The AT submitted by CPS offered savings in combining the contracts on the basis of:
 - Deviating from using qualified resource;
 - Deviation from use of product types as specified; and
 - Adjustments to contract sums based upon the Consumer Price Index (CPI).
42. Whilst these alternatives could offer a reduction in costs they are essentially modifications to the contract schedules and specifications and as such could only be considered if deemed acceptable to Council and only equitable if offered to all tendering parties.
43. Furthermore the offer of deviating from product types and qualified resource was not considered acceptable on the basis of best practice and health and safety. This was also a deviation from the requirements of the original request for tender. Any fluctuations or amendments for CPI increases would need to be negotiated with all tenderers and the offer presented no real cost savings for Council.
44. For these reasons the alternative tender from CPS was deemed to be nonconforming and was considered no further.

Excell Limited (EL) and City Care Services (CC)

45. EL and CC did not submit tendered sums for their alternative proposals and the proposals did not contain a statement to the effect that these proposals were submitted on basis of an AT. EL and CC stated within their tender submissions that they acknowledged the potential synergies between the two contracts and that both companies would welcome the opportunity to negotiate outcomes around being awarded both contracts.
46. On the basis that EL and CC offered no AT sum, only requested the opportunity to negotiate outcomes around award of both contracts and did not provide a statement to that effect their offers of negotiation were deemed to be contrary to Council's procurement policies.
47. For these reasons the alternative tenders from EL and CCS were deemed to be nonconforming and considered no further.

Recreational Services (RS)

48. The AT from RS included a proposal for award Contract No. PK08016A - Sports Field Maintenance and Contract No. PK08015A - Sports Park Landscape Maintenance on the basis of one tendered sum. As per Council's procurement policies the Principal is not obliged to consider any alternative tender and in this instance the alternative tender from RS did not comply with the original request for tender and also offered no cost savings for Council.

49. For these reasons the alternative tender from RS was deemed to be nonconforming and considered no further.

CREDIT CHECK

50. A credit check on CPS has been requested.

JOB COSTS

51 EXCL GST

Tender Sum CPS	
2008/2009 financial year (excluding GST)	
8 month period contract sum (excluding renovations)	\$ 710,616.47
Contingency	\$ 71,061.65

Total Job Cost	\$ 781,678.12

Tender Sum CPS	
2009/2010 financial year (excluding GST)	
12 month period contract sum	\$ 1,329,362.70
Contingency	\$ 151,000.58

Total Job Cost	\$ 1,480,363.28

Tender Sum CPS	
2009/2010 financial year (excluding GST)	
12 month period contract sum	\$ 1,329,362.70
Contingency	\$ 151,000.58

Total Job Cost	\$ 1,480,363.28

SOURCE OF FUNDING

52. Sources of funding are shown in Tables 3.1, 3.2 and 3.3 below.

Source of Funding 2008/2009

Budget Description (from Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Sports Facilities Maintenance	\$341,000.00	\$167,122.00	\$173,878.00	-
Sportsfield Maintenance	\$975,000.00	\$525,000.00	\$450,000.00	-
Sportsfields	\$932,000.00	\$774,200.00	\$157,800.00	-
Total	\$2,248,000.00	\$1,466,322.00	\$781,678.00	-

Table 3.1 – Source of Funding

Source of Funding 2009/2010

Budget Description (from draft Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Sports Facilities Maintenance	\$341,000.00	\$3,000.00	\$338,000.00	-
Sportsfield Maintenance	\$975,000.00	\$160,286.00	\$814,714.00	-
Sportsfields	\$932,000.00	\$604,351.00	\$327,649.00	-
Total	\$2,248,000.00	\$767,637.00	\$1,480,363.00	-

Table 3.2 – Source of Funding

Source of Funding 2010/2011

Budget Description (from draft Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Sports Facilities Maintenance	\$341,000.00	\$3,000.00	\$338,000.00	-
Sportsfield Maintenance	\$975,000.00	\$160,286.00	\$814,714.00	-
Sportsfields	\$932,000.00	\$604,351.00	\$327,649.00	-
Total	\$2,248,000.00	\$767,637.00	\$1,480,363.00	-

Table 3.3 – Source of Funding

59. The following funding commitments are required:
- A commitment to fund Contract No. PK08016A - Sports Field Maintenance for the sum of \$1,480,363 plus \$185,045 of GST, totalling \$1,665,408 is requested from the draft 2009/2010 Annual Plan.
 - Contract No. PK08016A - Sports Field Maintenance for the sum of \$1,480,363.28 plus \$185,045.41 of GST, totalling \$1,665,408.69 is requested from the draft 2010/2011 Annual Plan.

IMPLEMENTATION ISSUES

60. There are no implementation issues arising from this report.
61. As part of Council's contracting process "Quality and Health and Safety is not negotiable" - all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

Report prepared by: Roscoe Webb, Principal Contract Planner, Parks Assets.



8 **CONTRACT NO. TA06031B – BUS SHELTER CONSTRUCTION AND RENEWAL 2006/2007 - APPROVAL TO EXTEND**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. TA06031B – Bus Shelter Construction and Renewal 2006/2007 for the second of two one-year extensions for the 2008/2009 financial year.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA06031B - Bus Shelter Construction and Renewal 2006/2007 - Approval to Extend report.
2. **Approve** that the Contract No. TA06031B - Bus Shelter Construction and Renewal 2006/2007 as awarded to Adshel New Zealand Limited be extended in the sum of \$275,000 excluding GST for the period 1 September 2008 to 30 June 2009.
3. **Approve** that authority to extend Contract No. TA06031B - Bus Shelter Construction and Renewal 2006/2007 for the period 1 September 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 an asset of 214 bus shelters in the City. Many of the existing bus shelters are very old and need renewal. In addition, Council has a policy to increase the number of bus shelters in the City to encourage the use of public transport facilities.
2. This contract provides renewal of existing damaged or outdated bus shelters and installation of new bus shelters where required.
3. Approval to award the contract was given by the Tenders Subcommittee on 15 December 2006 with an initial approval period to 30 June 2007 with the following recommendation:

“4 That authority to extend Contract No. TA06031B – Bus Shelter Construction and Renewal 2006-2007 for an additional 1+1 years be reported back to the Tenders Subcommittee for approval.”

(2537/2006)

4. The Tenders Subcommittee approved the first annual extension to the contract for the period of 1 July 2007 to 30 June 2008 at a Tenders Subcommittee meeting held on 14 September 2007 with the following recommendation:

“4 That authority to extend Contract No. TA06031B - Bus Shelter Construction and Renewal 2006/2007 for the annual period 1 July 2007 to 30 June 2008, on behalf of Council, be delegated to the Group Manager: Project Services”.

(3532/2007)

DECISION MAKING

5. Contract No. TA06031B - Bus Shelter Construction and Renewal 2006/2007 is a contract with an expiry date of 30 June 2007. The contract also has provision for up to two annual extensions. The first 12 month extension period was 1 July 2007 to 30 June 2008 and was approved. The final 12 month extension period is 1 July 2008 to 30 June 2009. The extension periods are reviewed annually and are based on the satisfactory performance by the Contractor and subjected to Council's approval.
6. Adshel New Zealand Limited has confirmed in writing that they are willing to carry out the contract for a further 10 months.

CONTRACTOR'S PERFORMANCE

7. An evaluation of Adshel New Zealand Limited's performance to date contains the following features:
 - Their response times to work requests are up to our expectations.
 - They have developed good working relationships with the relevant Council staff members and public.
 - They are quick to react to urgent requests and have adequate level of resources for the works.
 - They have good technical ability and the quality of workmanship of completed jobs is to a good standard.
 - There have been no complaints regarding workmanship received from public.
 - There have been no complaints relevant to health and safety or environmental issues.

CREDIT CHECK

8. A credit check on Adshel New Zealand Limited dated 15 August 2008 revealed no adverse information.

JOB COSTS

9. Excl. GST

Contract Sum for 10 Months	\$275,000
Engineering and Supervision	\$30,000

Total Job Cost	\$305,000

SOURCE OF FUNDING

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

Budget Description 2008/2009 Annual Plan	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Bus Shelter Construction	74000 / 8AMTA-07-092	\$130,000	Nil	\$130,000	Nil
Bus Shelter Renewals	74000 / 8AMTA-07-092	\$234,000	\$89,000	\$145,000	Nil
Bus Shelters (Professional Fees)	8AMTA-07-032	\$30,000	Nil	\$30,000	Nil
	Total			\$305,000	

Table 1 – Source of Funding

IMPLEMENTATION ISSUES

11. There are no implementation issues with this contract.

Report prepared by: Jayantha Rajasooriya, Roading Engineer: Project Services.



9 CONTRACT NO. CCSP08322A – COMMERCIAL OVERVIEW AND PROJECT MANAGEMENT FOR WILSHER VILLAGE PRE-DEVELOPMENT PLANNING

GLOSSARY

Waitakere Properties Limited	(WPL)
Long Term Council Community Plan	(LTCCP)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. CCSP08322A – Commercial Overview and Project Management for Wilsher Village Pre-Development.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. CCSP08322A - Commercial Overview and Project Management for Wilsher Village Pre-Development Planning report.
2. **Approve** that the tender from Waitakere Properties Limited for Contract No. CCSP08322A - Commercial Overview and Project Management for Wilsher Village Pre-Development Planning, in the sum of \$750,000.00 excluding GST, be accepted.
3. **Approve** that authority to enter into Contract No. CCSP08322A – Commercial Overview and Project Management for Wilsher Village Pre-Development Planning on behalf of Council be delegated to the Director: Corporate and Business Services.

BACKGROUND

1. The Council has the opportunity to meet several social housing and sustainable urban development objectives through comprehensive redevelopment of the Wilsher Village site. An innovative and significant housing redevelopment would support the direction of Council's draft Social Housing Policy. It would also contribute to Council's vision of future urban and economic development and community wellbeing, through the following strategic platforms: Urban and Rural Villages, Strong Communities, Strong Innovative Economy and Sustainable Energy & Clean Air.
2. The Wilsher Village Redevelopment Project is currently in feasibility/project scope stage and will be moving into the project consenting phase in 2008/2009 dependant upon the final successful land acquisitions under the Public Works Act 1981. Preliminary consultation has taken place both with the village residents and the landowners of the properties that Council proposes to acquire. Individual consultation with neighbouring property owners is planned for late 2008. Community consultation will be undertaken through the Long Term Council Community Plan (LTCCP) process in 2009.

3. The next phase will be to seek approval for the final development proposal (including application for resource consent), development phasing, and designing a financial model to deliver the project.
4. The initial proposal for Wilsher Village anticipated a joint venture with Housing New Zealand and possible further parties (refer Wilsher Village Feasibility Study – Sills van Bohemen architecture, April 2006). The Council has completed an evaluation of a range of development options for the existing village and in December 2007 the Council resolved:

“1. That the following redevelopment objectives for Wilsher Village be confirmed:

By acquiring land and carrying out redevelopment at Wilsher Village, Council seeks to:

- i) Improve the quality and effectiveness of its Housing for Older Adults programme.*
 - ii) Promote innovative and sustainable forms of Housing for Older Adults and other at-risk residents.*
 - iii) Set new benchmarks for intensive residential development.*
 - iv) Support affordable housing provision for all Waitakere residents, by building partnerships with Housing New Zealand Corporation and other social housing providers.*
 - v) Limit the financial impact of achieving these goals.*
2. *That in-principle support and priority be given to creating a mixed-tenure older persons housing complex at Wilsher Village, including options for low-modest income people to own their own units, and enjoy a wider range of services than currently available through Council’s Housing for Older Adults programme.*
 3. *That Council officers report back with detailed plans for such a complex, including potential partnerships with other Housing for Older Adults service providers, commercial considerations, and how redevelopment of Wilsher Village would assist the Housing for Older Adults programme as a whole.*
 4. *That the report back includes costings and potential arrangements that could minimise or eliminate the costs to ratepayers.*
 5. *That the Chief Executive Officer be authorised to commence acquisition of the following properties, for the purpose of housing, in accordance with Council’s powers under the Public Works Act 1981:*
 - 31 Henderson Valley Road Lot 1 DP 80023;*
 - 31A Henderson Valley Road Lot 2 DP 80023;*
 - 29 Henderson Valley Road Lot 3 DP 80023;*
 - 25 Henderson Valley Road currently Lot 2 DP 47225;*
 - 27 Henderson Valley Road Lot 3 DP 47225.*
 6. *That additional pre-development operational funds be sought via the 2007/2008 Annual Plan process for the Wilsher Village redevelopment.*
 7. *That Council officers report back with detailed plans on funding and implementing an interim refurbishment programme for Wilsher Village and that Council provide an update on development plans to the residents of Wilsher Village.*

8. *That the Wilsher Village Redevelopment - Options Analysis Agenda report and associated resolutions remain confidential until such time as the reasons for confidentiality no longer exist."*

2504/2006

SCOPE OF WORK

General

5. In delivering this contract Waitakere Properties Limited (WPL), a subsidiary of Waitakere Holdings Limited, will need to draw on their specific expertise and experience in all areas of property development and management. WPL will also be required to provide the necessary expertise to implement and manage the project to strict timeframes, to ensure opportunities for Council in the current project are not lost.
6. It will also be necessary to liaise closely with key stakeholders, and including input from Council's Urban Designers and Property Assets, to validate proposed design options and financial models. For the previous stage of work WPL engaged various sub consultants for their special areas of expertise. They will continue to utilise the services of these sub-consultants, and will need to ensure that the project milestones and timelines are met. Management of these relationships and the ability to work cooperatively will be another key component of contract delivery.
7. In depth research of current international and national best practice retirement village design and models continues to be undertaken to incorporate into the design options.

Key Scope Requirements

8. The contract incorporates the following key components:

Project Management

9. This contract provides for the commercial overview and project management required to finalise the pre-development planning phase of the Wilsher Village Redevelopment Project. The work required will focus on the development of a baseline concept plan design, quantity survey and costing of that plan and financial modelling on the proposed development. Services will include the provision of advice and support to examine funding and development partnership models and opportunities for the project.

Council Property Interests

10. A Memorandum of Agreement will be developed between WPL and Council Property Services with reference to the 68 units that will be retained by the Council as part of the Housing for Older Adult Stock. Details on the specific design requirements, design standards, number and staging of Council units, car parking and the proposed Body Corporate fee will be outlined in the agreement.

Detailed Design and Financial Model

11. The final pre-development planning will provide preliminary concept plan design(s), quantity survey and development yield calculations, development costs and timeframes, development entity and funding framework.

Resource Consents

12. The plans for the current Wilsher Village development proposal will include a series of documents that assess any actual and potential effects that the development may have on the environment and ways in which adverse effects may be mitigated and identifies the persons affected by the proposal and any consultation undertaken:
- i) Liaise with the Council in order to confirm planning requirements. The design is broken into two phases – a preliminary design phase and final design phase.
 - ii) Submit all necessary and relevant resource consent applications stemming from the preliminary design phase, with adequate project definition being shown on drawings.
 - iii) Define the works needing to be consented with a description of each application for consent.
 - iv) Procure specialist reports on all environmental matters, including but not limited to trees and landscaping, noise, dust, storm water etc.
 - v) Generate draft resource consent applications for review by Council staff and attend discussions with Council staff prior to lodgement of each application.
 - vi) Review the draft resource consent application and adjust/ correct as needed.
 - vii) Prepare for and attend all necessary pre-application meetings with resource consent processing staff.
 - viii) Submit final resource consent applications as necessary for each of the following and undertake all necessary actions through to the issue of the consents:
 - Road works, vehicle lanes, parking, and walkway components;
 - 3-waters services (including pump stations) ;
 - Streetscape, landscaping and greening; and
 - Retaining wall, earthworks and trees (removal and pruning).
 - ix) Provide professional support during the processing of each application, including attending to any information requests under section 92 of the Resource Management Act 1991, general liaison with the processing planner(s), review of draft conditions of consent, advice on any objections to resource consent conditions under section 357 of the Resource Management Act 1991.
 - x) Attend to queries from Council and the public during the time frame of the preliminary design phase and resource consent processes.
 - xi) Provide specialist advice to Council and Council's designers during the preliminary design phase.
 - xii) Provide advice on dust, noise, trees, environmental matters etc.

TENDERS RECEIVED

13. The Tenders received are summarised in Table 1 below:

TENDERER	REGISTERED OFFICE	TENDER PRICE (excl. GST)
Waitakere Properties Limited	Floor 2, Waitakere Central Office Park, 4 Henderson Valley Road, Henderson, Waitakere	\$ 750,000.00

Table 1 - Summary of Tender Cost

TENDER EVALUATION

14. WPL was identified as a sole or preferred supplier for this contract.
15. WPL is a Council Controlled Organisation that develops and manages Council owned properties and also exists for the purpose of providing property consultancy services to the Council. The Council owns (and shall continue to own) the existing Wilsher Village site.
16. WPL has the relevant expertise, experience and track-record required to complete the work in a cost-effective and expedient manner – outputs from the proposed scope of work are required to enable a clear decision on the future development of Wilsher Village in line with the agreed project timeframes.
17. Those internal Council officers who have specific skills and direct experience required in property development do not have the capacity to undertake the pre-development planning for this project and the work cannot be reasonably deferred to such time as those staff would become available to work on the project. Key Council staff will be involved in the detailed design assessment and confirmation.
18. The scope of work is equivalent to work that WPL has carried out in the previous contract for pre-development and from which development designs and costings have been reported to Council. By engaging WPL to progress this next stage of work Council expects to obtain benefits through experience, efficiency and continuity.
19. In December 2007, the Council resolved, in-principle, that support and priority be given to creating a mixed-tenure older persons housing complex at Wilsher Village to upgrade and replace poor condition housing for the elderly.
20. The timing of the project has been extended due to delay in acquisition of the final properties required for the development. Resource consent preparation is underway and a pre-application meeting has taken place. The resource consent submission is pending acquisition of the final two properties.
21. There is a requirement that Council officers report back with detailed plans for such a complex and that the report back includes costings and potential arrangements that could minimise or eliminate the costs to ratepayers. The purpose and outcomes of the preparatory work in this contract is more precise design options and cost estimates to better inform both the Council and thereafter the public during the LTCCP consultation in early 2009.

22. Pre-application work can continue in parallel with the land acquisition process to ensure that once the properties are secured it will be possible to lodge resource consent prior to the 2009 LTCCP consultation timelines. Consultation has occurred with the General Counsel of Legal Services who has agreed with this process.
23. Council has the ability to compulsorily acquire these properties if necessary under the Public Works Act 1981. If there is, however, a significant setback to the land acquisitions and postponement of resource consent lodgement, LTCCP consultation in 2009 will not occur. The preparatory resource consent work defined in this contract, however, is still valid and will be updated and submitted at a later date with a special consultative process taking place at that time.
24. In most circumstances WPL would be commissioned to carry out such a development on behalf of Council by way of the Deed of Trust mechanism Council has in place with its subsidiary company. However, in this instance, due to the nature of the development and land acquisition's framework, Council is choosing to engage WPL under contract. It is anticipated that WPL will at some point be engaged through the deed of trust mechanism.
25. Standard industry practice is to factor costs for resource consents costs at approximately 10% to 15% of development costs dependant on the scale of the project. The schedule of prices was worked through with planners to determine that the estimated costs were reasonable. Expert advice was also sought from City Services to validate the cost of the contract. WPL also provided their schedule of proposals with sub consultant fee quotations identifying the awarded companies.
26. In accordance with Council's procurement procedures and policies, a price has been negotiated and agreed to with WPL as the sole preferred supplier for this work. WPL also evaluated two to three potential subcontractors for each specialist area before awarding sub-contracts.

TAGS, ERRORS OR OMISSIONS

27. No tags, errors or omissions were identified.

CREDIT CHECK

28. A credit check on WPL was not considered necessary.

JOB COSTS

29. **Excl. GST**

Tender sum - (WPL)	\$646,000.00
Contingency	\$104,000.00

Total Job Cost	\$750,000.00

SOURCE OF FUNDING

30. Source of funding is shown in Table 2 below:

2008/2009 Annual Plan	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Wilsher Village Redevelopment	3SPSC-09-003	\$4,175,138	0	\$750,000	\$3,405,138

Table 2 – Source of Funding

IMPLEMENTATION ISSUES

Resource Consents

31. The current immediate implementation risk is that until the purchase of No. 27 and 29 Henderson Valley Road are finalised WPL cannot proceed with the Resource Consent lodgement.

Property Acquisition

32. Legal Services continues to lead on the purchase of No. 27 and No. 29 Henderson Valley Road. Legal counsel for both the proprietors of both properties are contesting Council's ability to purchase the properties under the Public Works Act 1981 which will result in compulsory purchase action. This will result in the dispute escalating to the Environment Court, effectively delaying the project further.

Report prepared by: Dionne Hindson, Project Manager, Strategic Projects.

