



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF MEETING

TENDERS SUBCOMMITTEE

I hereby give notice that a meeting of the Tenders Subcommittee will be held on:-

DATE: Friday, 17 October 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.

pp 

9 October 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, 17 OCTOBER 2008,
COMMENCING AT 9.00 AM**

TABLE OF CONTENTS

| <u>ITEM</u> | | <u>PAGE NO.</u> |
|--------------------|-----------------------------------------------------------------------------------------------------------|------------------------|
| 1 | APOLOGIES | 1 |
| 2 | URGENT BUSINESS | 1 |
| 3 | CONFLICTS OF INTEREST | 1 |
| 4 | CONFIRMATION OF MINUTES | 1 |
| 5 | REGISTRATION OF INTEREST - TRANSPORT ASSETS MAINTENANCE PROGRAMME | 2 |
| 6 | CONTRACT NO. TA07055B - AIRDRIE ROAD FOOTPATH AND KERBING | 4 |
| 7 | CONTRACT NO. EW08020B - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - OPANUKU STREAM 2008 - 2012 | 8 |

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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, 3 October 2008

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 3 October 2008, as circulated, and that they be taken as read and now be confirmed.



5 REGISTRATION OF INTEREST - TRANSPORT ASSETS MAINTENANCE PROGRAMME

GLOSSARY

Registration of Interest (ROI)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to commence the process for Registration of Interest (ROI) from maintenance contractors to be short-listed for Transport Assets maintenance programme.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Registration of Interest - Transport Assets Maintenance Programme report.
2. **Approve** the use of a Registration of Interest process for Council's Transport Assets maintenance programme, with reporting back to the Tenders Subcommittee for approval prior to tendering.

BACKGROUND

1. Council carries out maintenance of Transport Assets through a number of contracts that are due to expire on 30 June 2009.
2. To enable new contracts to be in place prior to the expiry date, it will be necessary to award contracts no later than 31 March 2009.
3. A review of the structure and deliverables of existing maintenance contracts has been carried out to establish if efficiencies can be gained, as well, discussions have taken place with other councils to establish if there is an optimum model.
4. It has been established that other councils' have either bundled contracts or developed "alliance" contracts. Alliance contracts are not considered appropriate for Waitakere due to the time and resources required to establish an alliance contract and due to the value of maintenance contracts.
5. Advice received from other councils is that there are benefits in engaging contractors early in the process to establish skill sets, capacity and competency, which can then form the basis for bundling. This can be facilitated through a ROI process.

SCOPE OF WORK

6. The scope of works includes the following:
 - Sealed road maintenance;
 - Unsealed road maintenance;
 - Road remarking & pavement markers;
 - Traffic signs maintenance;
 - Road emergency, drainage & special works;
 - Footpath, kerb & channel, drainage & cesspit repairs;
 - Miscellaneous kerb and drainage renewals;
 - Cesspit cleaning;

- City cleaning & road sweeping;
 - Bus shelter & guard rail maintenance;
 - General bridge maintenance;
 - Slow streets;
 - Minor safety works; and
 - Major roads reconstruction physical works.
7. The purpose of the ROI is as follows:
- To select a skilled and reliable group of contractors who will work cooperatively with Council.
 - To enable preliminary selection processes to be completed earlier, so that contracts can be effective from 1 July 2009.
 - To maximise other benefits by early planning, bundling of projects, and building more collaborative relationships with contractors.
8. The ROI will be prepared and managed in accordance with Waitakere City Council's *"Draft Procurement Manual"*, and in particular Section 3.5, Procurement Procedures Selection Process. In accordance with the manual, the process of short listing tenderers will be reported to the Tenders Subcommittee prior to inviting tenders.
9. The ROI will be advertised in mid-October 2008, and the selection process completed in time to award contracts by March 2009.
10. Using the ROI process enables procurement activities to be completed earlier and ensuring that the best resources are available. This in turn has a number of parallel benefits, including:
- Minimisation of project risks such as programme, budget, communication and physical constraints by early planning;
 - Enables the bundling of projects in the final tender phase, which attracts lower unit rates while allowing more work to be completed;
 - Encourages more effort in the earlier planning phases, which increases the ability to optimise the maintenance programme where appropriate; and
 - Engenders longer-term business relationships with private sector suppliers, providing continuity of supply and standards and improved customer services.
11. The contract term will likely be 1+1+1+1+1 (i.e. up to 5 years), but the optimum period will be established through the ROI.

DECISION MAKING

12. The outcomes of the ROI will be evaluated and reported back to the Tenders Subcommittee for approval prior to tendering.

SOURCE OF FUNDING

13. Funding has been provided in the draft Long Term Council Community Plan 2009-2019 for Transport Assets maintenance.

IMPLEMENTATION ISSUES

14. Presently in some contracts the contractors prepare the work programme for approval by Council. One of the issues to be tested through the ROI is if this is cost effective, and if it is not, then Council will prepare the work programme. In turn, this will require additional Council resources, but these should be offset by reduced contract prices. However, this issue does not need to be resolved at this stage.

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



6 CONTRACT NO. TA07055B - AIRDRIE ROAD FOOTPATH AND KERBING

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA07055B - Airdrie Road Footpath and Kerbing.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA07055B - Airdrie Road Footpath and Kerbing report.
2. **Approve** that, the tender from HEB Construction Limited for Contract No. TA07055B - Airdrie Road Footpath and Kerbing, in the sum of \$334,300.97 plus \$41,787.62 GST, totalling \$376,088.59 be accepted.
3. **Approve** that authority to enter into Contract No. TA07055B - Airdrie Road Footpath and Kerbing, on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. Airdrie Road Footpath and Kerbing is part of an on going programme of upgrading road facilities. The work addresses the community outcome for Sustainable and Integrated Transport to provide a safe network that supports quality sustainable design.
2. Airdrie Road is a no exit sealed road in Swanson. The road serves a mixture of residential and industrial properties. The existing road width is very narrow in some sections and has only a partial footpath. The mixture of large trucks using the narrow road along with residents has created a dangerous situation that needs to be rectified.

SCOPE OF WORK

3. The works included in the contract are as follows:
 - Construction of footpath, kerb and channel;
 - Network drainage improvements;
 - Construction of associated pavement works and stabilising of weak road sections; and
 - Driveway reconstruction and ancillary works.

TENDERS RECEIVED

4. Tenders were publicly advertised on Tenderlink. Fourteen (14) tenders were received by the closing date of Tuesday, 16 September 2008. These are summarised in Table 1 below:

| TENDERER | REGISTERED OFFICE | TENDER PRICE (excl. GST) |
|------------------------------------------|-------------------|--------------------------|
| HEB Construction Limited | Drury | \$ 334,300.97 |
| Auckland Civil Limited | North Shore City | \$ 348,712.00 |
| Giles Civil Limited | North Shore City | \$ 349,964.80 |
| John Fillmore Contracting Limited | Mangere | \$ 351,979.40 |
| Infrastructure NZ Limited | North Harbour | \$ 363,888.68 |
| West City Construction Limited | Massey | \$ 371,373.31 |
| Hibiscus Contractors Limited | Silverdale | \$ 376,058.07 |
| Dempsey & Wood Civil Contractors Limited | Penrose | \$ 379,353.00 |
| Sureway Civil Limited | Howick | \$ 384,041.96 |
| Smith & Davies Civil Limited | Northcote | \$ 399,635.00 |
| Downer EDI Works Limited | Mt Wellington | \$ 432,355.61 |
| H&H Contractors Limited | Glendene | \$ 440,387.00 |
| Contract Landscapes Limited | Kumeu | \$ 563,942.00 |
| Walsh Contractors Limited | Onehunga | Disqualified |
| Pre-tender contract estimate | | \$ 411,603.00 |

Table 1 - Summary of Tender Prices

5. The lowest tender is 18.78 % below the pre-tender contract estimate.
6. The lowest tenders are significantly lower than the pre-tender estimate which was based on prices from similar projects last year. This can be attributed to the current competition in the market, mainly due to the severe downturn in subdivision projects that many of these contractors have been working on.
7. Walsh Contractor Limited failed to provide any non-price attribute information and was therefore disqualified from the evaluation process.

TAGS, ERRORS OR OMISSIONS

8. Dempsey & Wood Civil Contractors Limited had several tags or clarifications in their tender. These were removed on request.
9. HEB Construction Limited had no tags, errors or omissions in their tender.
10. Several of the tender submissions contained arithmetic errors of a minor nature. The errors had no impact on the final outcome of the tender evaluation so the matters were not pursued.

TENDER EVALUATION

11. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in the New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
12. These procedures require that where the tender includes Provisional Sums (work valued by the Principal and placed within the Schedule of Prices) they are deducted from the Tender Sum prior to evaluating each tender.

13. In this contract the value of Provisional Sums is \$2,000.00.
14. The “Two envelope process” as described in Section 2.7 of the above manual was followed. Under this method, only the first tender envelope is opened and the non-price attributes evaluated for all tenders before the second envelope containing the tender price is opened, and the tender prices duly included in the evaluation.
15. A summary of the evaluation results is shown in Table 2:

| Tender Evaluation | Attributes | Exper. | Track Record | Tech. Skill | Resour. | Manag. Skill | Method. | Price | Contract Number TA07055B |
|-----------------------------------|-------------------|----------|--------------|-------------|---------------|--------------|----------|-----------|-----------------------------|
| | | | | | | | | | Total Weights |
| | Weights | 8 | 8 | 4 | 3 | 4 | 3 | 70 | 100 |
| Tenderer | Tender Sum | | | | Grades | | | | INDEX |
| HEB Construction Limited | \$332,300.97 | 78 | 69 | 74 | 71 | 71 | 76 | 61 | 65 |
| Auckland Civil Limited | \$346,712.00 | 69 | 67 | 61 | 72 | 65 | 64 | 57 | 60 |
| Giles Civil Ltd | \$347,964.80 | 58 | 66 | 68 | 65 | 56 | 52 | 57 | 58 |
| John Fillmore Contracting Limited | \$349,979.40 | 69 | 69 | 65 | 72 | 64 | 60 | 56 | 60 |
| Infrastructure NZ Limited | \$361,888.68 | 64 | 57 | 61 | 55 | 57 | 67 | 53 | 55 |
| West City Construction Ltd | \$369,373.31 | 59 | 68 | 58 | 72 | 62 | 63 | 51 | 55 |
| Hibiscus Contractors Limited | \$374,058.07 | 66 | 62 | 64 | 64 | 49 | 46 | 50 | 53 |
| Dempsey & Wood Civil Ltd | \$377,353.00 | 65 | 57 | 62 | 62 | 59 | 78 | 49 | 53 |
| Sureway Civil Ltd | \$382,041.96 | 69 | 80 | 68 | 66 | 71 | 63 | 48 | 55 |
| Smith & Davies Civil Limited | \$397,635.00 | 66 | 53 | 68 | 67 | 48 | 56 | 44 | 48 |
| Downer EDI Works Limited | \$430,355.61 | 77 | 74 | 77 | 79 | 79 | 78 | 35 | 48 |
| H&H Contractors Limited | \$438,387.00 | 76 | 74 | 73 | 71 | 72 | 68 | 33 | 45 |
| Contract Landscapes Ltd | \$561,942.00 | 56 | 48 | 59 | 66 | 60 | 43 | 0 | 16 |
| Median Tender Price | \$374,058.07 | | | | | | | | |

Table 2 - Summary of Tender Evaluation

16. The tenders were assessed by the evaluation team based on the tender submission, information from referees and recent experiences with Council where appropriate.
17. HEB Construction Limited has carried out multiple road construction contracts for Council in recent years, generally to a very good standard. They recently completed Universal Drive Extension Stage 1, Rainside Avenue Upgrade, Sturges Road Park and Ride Car Park and several other contracts. The staff nominated for this contract are well known to Council staff and have performed well in the past.

CREDIT CHECK

18. A credit check on HEB Construction Limited dated 10 September 2008 revealed no adverse information.

JOB COSTS

| | | |
|-----|---------------------------------------|---------------------|
| 19. | | excl. GST |
| | Tender sum - HEB Construction Limited | \$334,300.97 |
| | Contingency | \$ 35,000.00 |
| | Services Relocation | \$ 15,702.12 |
| | Engineering and Supervision | <u>\$ 27,080.00</u> |
| | Total Job Cost | <u>\$412,083.09</u> |

SOURCE OF FUNDING

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

| Budget Description 2008/2009 Annual Plan | Codes | Budget | Committed to other projects | Allocation to this project | Unallocated balance |
|------------------------------------------|--------------|--------------|-----------------------------|----------------------------|---------------------|
| Airdrie Road | 8AMTA-08-010 | \$450,000.00 | \$0.00 | \$412,084.00 | \$37,916.00 |
| | Total | | | \$412,084.00 | |

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

21. As part of Council's contracting process 'Quality, Health and Safety and Environmental compliance 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: Para Wijesooriya, Senior Roading Engineer.



7 **CONTRACT NO. EW08020B - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - OPANUKU STREAM 2008 - 2012**

GLOSSARY

| | |
|--------------------------|--------|
| Project Twin Streams | (PTS) |
| Corban Estate Art Centre | (CEAC) |

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to invite Corban Estate Art Centre (CEAC) to tender for Contract No. EW08020B - Project Twin Streams - Community Contract - Opanuku Stream 2008 - 2012 for a 3 year and 7 month period. The contract period will start on 1 December 2008 and end on 30 June 2012 and includes both the lower and upper Opanuku areas of the stream bank. This is a multi-year contract which will carry through till June 2012 when the original funding from the Auckland Regional Holdings (previously Infrastructure Auckland) finishes. It is important to the project to provide continuity of funding and planning to the community organisations carrying out the stream restoration work. This will ensure ongoing commitment and community ownership.

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

- Planting, weeding and maintenance work in the Opanuku Stream area;
- Plan and organise community events;
- Build the capacity of the local community to undertake guardianship of parts of Opanuku Stream;
- 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 community participation; and
- Plan for the long term implementation of this project in the Opanuku Stream area through community planting and maintenance activities.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08020B - Project Twin Streams - Community Contract - Opanuku Stream 2008 - 2012 report.
2. **Approve** that the Group Manager: Asset Management invite Corban Estate Art Centre to tender for Contract No. EW08020B - Project Twin Streams - Community Contract - Opanuku Stream 2008 - 2012 for a total period of 3 years and 7 months from 1 December 2008 to 30 June 2012.
3. **Agree** that the results of the tender evaluation process for Contract No. EW08020B - Project Twin Streams - Community Contract - Opanuku Stream 2008 - 2012 be reported back to the Tenders Subcommittee for approval.

BACKGROUND

1. PTS is a significant and innovative project aimed at restoring 5 streams that flow out into the Waitemata Harbour through the Huruhuru and Henderson Creek catchments as part of storm water management. These streams are Waikumete Stream, Opanuku Stream, Oratia Stream, Swanson Stream and Henderson Creek. The project is delivered in ways that interweave Council's strategies for economic, cultural, social and environmental wellbeing.
2. Key to the success and sustainability of this project is the engagement of community contract organisations to implement the project in ways that reflect the identity and aspirations of their community. There are now 5 community organisations contracted to work with their local communities to restore their stream. This work involves having several large community planting days each year, working with local groups and schools to adopt areas of the stream on a long term basis, and engaging people in creative ways to bring about increased understanding of how to care for our streams, thus ensuring long term and sustainable behaviour change both as individuals and as communities.
3. Awarding the contract for the lower Opanuku stream to CEAC was the third PTS community contract and was signed in November 2005. The contract was for a 3 year period and followed a selection process which involved interviewing several community organisations in the lower Opanuku Stream area and establishing their suitability according to the following criteria:
 - Governance;
 - Management Structure;
 - Resources;
 - Track Record; and
 - Financial stability.
4. Although CEAC is the contract holder, the project is managed in partnership with other local organisations, in particular the Waitakere Workers Education Association and the Pacifica Trust Board. This has greatly strengthened the quality of community engagement and participation which has been outstanding for the lower Opanuku contract.
5. As a PTS contract organisation CEAC has made significant progress in terms of contributing to the rehabilitation of the riparian margins in the lower Opanuku area, and engaging with local residents, schools, groups and businesses towards the quadruple bottom line aims of PTS. Particular achievements include:
 - Over 40,000 plants planted by the community;
 - Three schools and over 15 community groups actively engaged in regular planting and maintenance activities;
 - All available areas for adoption by community groups have been taken up and there is a waiting list for groups wanting to work on new areas as they become available;
 - A Friends of the Opanuku group has been established with individuals in the community with a particular passion for the stream to build awareness and understanding of how the community can help restore and maintain their stream;
 - Creative engagements have included the annual Children's Art Festival, Moana the Eel sculpture which now resides by the stream on the Corban Estate, a mural at Henderson South Primary school and totem poles marking the work of the students from Henderson High School alongside the stream and cycleway near Keeling Road; and

- A Pa Harakeke garden which is cared for by a local weaving group and showcases the varieties of flax used in traditional Maori weaving.

SCOPE OF WORK

6. Undertake weeding, planting and maintenance of the upper and lower Opanuku in accordance with the Opanuku Stream rehabilitation planting plan.
7. Plan and organise community events to engage the wider community in weeding, planting and maintenance.
8. Build the capacity of the local residents and groups in the Opanuku Stream area including the business sector to participate in PTS and take guardianship of parts of Opanuku Stream.
9. Identify and develop opportunities, methods and resources to increase community understanding of the causes and effects of riparian degradation and ways to change behaviour to mitigate the effects.
10. Assist with monitoring and evaluation of the environmental, social, cultural and economic aspects of the project.
11. Establish a sustainable structure for the long term implementation of this project in the Opanuku Stream area.

DECISION MAKING

12. CEAC's current 3 year contract ends on 30 November 2008. This contract covered the lower Opanuku area from the Corban Estate to Border Road.
13. The proposed new contract will include both the lower and upper Opanuku as far as Candia Road.
14. The term for the proposed contract is a 3 year and 7 month contract period from 1 December 2008 to 30 June 2012.
15. CEAC has played an important role in enhancing and defining the PTS community model and has contributed significantly to its public awareness and education programme. They have also demonstrated:
 - their ability to carry out the work;
 - their commitment to work in partnership with Waitakere City Council; and
 - their commitment to the wider vision of PTS which is closely aligned with their own values and objectives.
16. Presently, no other community organisation in the Opanuku Stream area has emerged as a broad based community organisation with the necessary resources and skill set required to carry out the work as outlined in the scope of works above.
17. CEAC has expressed its interest in renewing its contract for a further period and in extending the contract to cover the whole stream, both the upper and lower Opanuku areas.

18. Inviting CEAC to tender for this contract as a preferred supplier has the following benefits to Council:
- CEAC has a proven record as well as resources and management competencies to carry out the work required;
 - Learning's from the past 3 years will be effectively utilised and further developed into the future to the benefit of the whole project; and
 - It builds on the relationship that Council has developed with CEAC both as a PTS and a strategic community partner.

SOURCE OF FUNDING

19. 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 claimable against the Auckland Regional Holdings (formerly Infrastructure Auckland) grant.
20. Funding of \$2.167 million for this project has been provided in the Annual Plan 2008/2009.

IMPLEMENTATION ISSUES

21. No implementation issues are anticipated from this Contract.

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

