



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                   28 November 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.

24 November 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, 28 NOVEMBER 2008,  
COMMENCING AT 9.00 AM**

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**1 APOLOGIES**



**2 URGENT BUSINESS**

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

- (i) the Committee by resolution so decides; and
- (ii) the Chairman has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

**NOTE:** Urgent Business need not be dealt with now and may be delayed until later in the meeting.



**3 CONFLICTS OF INTEREST**

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



**4 CONFIRMATION OF MINUTES**

Meeting Minutes – Friday, 14 November 2008

**RECOMMENDATION**

It is recommended that the Tenders Subcommittee resolve to:

**Receive** the minutes of the meeting of the Tenders Subcommittee held on Friday, 14 November 2008, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. TA07017E - GREAT NORTH ROAD: PALM COURT DRIVE TO SABULITE ROAD RECONSTRUCTION.**

**GLOSSARY**

Asphaltic Concrete (AC)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA07017E – Great North Road: Palm Court Drive to Sabulite Road Reconstruction.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA07017E - Great North Road: Palm Court Drive To Sabulite Road Reconstruction report.
2. **Approve** that the tender from Blacktop Construction Limited for Contract No. TA07017E - Great North Road: Palm Court Drive to Sabulite Road Reconstruction in the sum of \$715,558.70 plus \$89,444.84 GST, totalling \$805,003.54 be accepted.
3. **Approve** that authority to enter into Contract No. TA07017E - Great North Road: Palm Court Drive to Sabulite Road Reconstruction on behalf of Council be delegated to the Group Manager: Project Services.

**BACKGROUND**

1. In June 2007, a professional services contract was awarded to Opus International Consultants Limited to investigate the road carriageway of Great North Road, between West Coast Road and Awaroa Road, due to the deteriorating condition of the road. The professional services contract required the Consultant to prioritise two sections to be rehabilitated within the 2007/2008 and 2008/2009 financial years.
2. The investigation determined that the first priority section for rehabilitation was a 450 metre carriageway section of Great North Road between Sabulite Road and property No. 4175 Great North Road (south of Hepburn Road). This section was rehabilitated in the 2007/2008 financial year.
3. The next priority section to be rehabilitated is a 340 metre carriageway section of Great North Road between property Nos. 4098 (94 metres north of Palm Court Drive) and 4137 Great North Road (BP Service Station), including the intersection at Sabulite Road and Glenview Road and their approaches.
4. Pavement investigation concluded that the failure is within the underlying pavement basecourse layers and not solely within the surface wearing layer. Several rehabilitation options were considered in the design stage. Of these options, deep lift structural asphaltic concrete (AC) was considered the most cost effective option.
5. Funding was approved by Council in the Annual Plan 2008/2009 for this work.

## SCOPE OF WORK

6. This contract provides for the reconstruction of a 340 metre carriageway section of Great North Road, between property Nos. 4098 and 4137 Great North Road (BP Service Station), including the intersection at Sabulite Road and Glenview Road and their approaches, using deep lift structural AC. This includes approximately 5050 metres squared of carriageway re-surfacing using AC.
7. The contract also includes improvements to the transition from the road to the vehicle crossings in the north-bound lane by removing the existing "Takapuna" style vehicle crossing aprons and lifting the kerblines, vehicle crossings, and the road edge. The work also includes minor footpath repairs.

## TENDERS RECEIVED

8. Tenders were publicly advertised on Tenderlink with 26 sets of documents being uplifted. Six tenders were received by the closing date of 28 October 2008. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Blacktop Construction Limited	Wiri	\$715,558.70
Higgins Contractors Limited	Palmerston North	\$736,501.20
Fulton Hogan Limited	Christchurch	\$742,211.77
Heb Construction Limited	Drury	\$851,992.94
Downer EDI Works Limited	Mangere	\$905,595.21
John Fillmore Contracting Limited	Mangere	Disqualified
<b>Pre-tender contract estimate</b>		<b>\$814,580.00</b>

Table 1 - Summary of Tender Prices

## TAGS, ERRORS OR OMISSIONS

9. The tenders submitted by Downer EDI Works Limited, Heb Construction Limited, Higgins Contractors Limited and Fulton Hogan Limited contained minor tags within their non-price attribute submission that were addressed and removed. The tenders submitted by Downer EDI Works Limited and Higgins Contractors Limited contained further tags within the price envelope that were not addressed as they did not affect the outcome of the tender evaluation process.
10. There was one omission in the tender submitted by Downer EDI Works Limited whereby one minor item was not priced. This was not addressed as it did not affect the outcome of the tender evaluation process. There were no other errors or omissions in the other tenders.

## TENDER EVALUATION

11. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in 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 \$5,000.
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 TA07017E
		Total Weights							
Weights	8	9	3	3	3	4	70	100	
Tenderer	Tender Sum	Grades							INDEX
Blacktop Construction Limited	\$710,558.70	80	60	70	80	60	70	54	58
Higgins Contractors Limited	\$731,501.20	80	75	70	80	75	75	51	58
Fulton Hogan Limited	\$737,211.77	80	75	70	85	70	65	50	58
Heb Construction Limited	\$846,992.94	65	65	65	65	65	75	35	44
Downer EDi Works Limited	\$900,595.21	65	75	70	85	75	70	28	41
John Fillmore Contracting Limited	Not Opened	30	72	30	30	63	30	100	Disqualified
<b>Med.n Tender Price</b>	<b>\$737,211.77</b>								

**Table 2 - Summary of Tender Evaluation**

16. The tender submitted by John Fillmore Contracting Limited was disqualified as their submitted tender failed to demonstrate any previous relevant experience and technical skills associated with the construction of deep lift AC. Furthermore, their allocation of resources and methodology statement revealed that there was no appreciation of the scope of the works. Tender clarification correspondence revealed that John Fillmore Contracting Limited had intentions of sub-letting this work out to another contractor, however, they had omitted to incorporate this into their tender submission. Therefore, this tender could not be considered further.
17. The results of the tender evaluation as summarised in Table 2 shows that the tenders submitted by Blacktop Construction Limited, Higgins Contractors Limited and Fulton Hogan Limited all achieved the highest index of 58. Where more than one tender shares the top overall index, the contract is to be awarded to the one with the lowest price. This is Blacktop Construction Limited.
18. Blacktop Construction Limited was founded in 1977. They are a privately owned civil construction company and specialise in road surfacing, road maintenance and road rehabilitation. Current and past clients include Transit New Zealand, Auckland City Council, Manukau City Council and Waitakere City Council.
19. Blacktop Construction Limited successfully completed the rehabilitation of Great North Road, from Edsel Street to McLeod Road for Waitakere City Council in the 2006/2007 financial year. This involved the construction of deep lift asphaltic concrete layers. They also successfully completed the rehabilitation of Great North Road, from Sabulite Road to No. 4175 Great North Road using foamed bitumen in the 2007/2008 financial year.
20. Reference checks made on a selection of clients indicated a well-resourced, well-managed and capable contractor.

21. The lowest tender is 12% below the pre-tender contract estimate.
22. As part of Council's contracting process "Quality and Health and Safety and Environmental compliance are 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.

### CREDIT CHECK

23. A credit check on Blacktop Construction Limited dated 10 November 2008 revealed no adverse information.

### JOB COSTS

24. Excl. GST		
Tender sum – Blacktop Construction Limited		\$715,558.70
Contingency \$ 71,555.87		
Engineering & Supervision		\$ 53,089.00
		-----
Total Job Cost		\$840,203.57

### SOURCE OF FUNDING

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

Budget Description (from Annual Budget line item) Annual Plan 2008/2009	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Great North Road, Awaroa Road to West Coast Road Pavement Smoothing	8AMTA-08-005	\$800,000.00	\$0.00	\$791,003.57	\$ 8,996.43
Pavement Smoothing	8AMTA-08-004/01	\$130,000.00	\$0.00	\$ 49,200.00	\$80,800.00
	<b>Total</b>			\$840,203.57	

Table 3 – Source of Funding

### IMPLEMENTATION ISSUES

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

Report prepared by: Dave Jiggins, Principal Engineer.



## 6 CONTRACT NO. EW06015B - PROJECT TWIN STREAMS – LOWER ORATIA COMMUNITY CONTRACT

### EXECUTIVE SUMMARY

The purpose of this report is to obtain approval from the Tenders Subcommittee to enter into the third year of a three (3) year contract with McLaren Park Henderson South Community Initiative for the Project Twin Streams - Lower Oratia Community Contract.

## RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW06015B - Project Twin Streams - Lower Oratia Community Contract report.
2. **Approve** the renewal of Contract No. EW06015B - Project Twin Streams - Lower Oratia Community Contract as awarded to McLaren Park Henderson South Community Initiative for the period 1 January 2009 to 30 June 2009.
3. **Approve** that authority to extend Contract No. EW06015B - Project Twin Streams - Lower Oratia Community Contract for the period 1 January 2009 to 30 June 2009 on behalf of Council be delegated to the Group Manager: Asset Management.

## **BACKGROUND**

1. At its meeting held on 15 December 2006, the Tenders Subcommittee resolved the following with respect to the Project Twin Streams - Lower Oratia Community Contract:
  - “1. *That the Project Twin Streams - Lower Oratia Community Contract report be received.*
  2. *That the negotiated contract in the sum of \$300,000 plus GST of \$37,500 over three years with McLaren Park Henderson South Community Initiatives Inc for the Project Twin Streams - Lower Oratia Community Contract be accepted.*
  3. *That the commitment to the 2007/2008 year of the Long Term Council Community Plan for the Project Twin Streams - Lower Oratia Community Contract of \$100,000, plus \$12,500 GST totalling \$112,500 be approved.*
  4. *That the commitment to the 2008/2009 year of the Long Term Council Community Plan for the Project Twin Streams Lower - Oratia Community Contract of \$100,000, plus \$12,500 GST totalling \$112,500 be approved.*
  5. *That the commitment to the 2009/2010 year of the Long Term Council Community Plan for the Project Twin Streams - Lower Oratia Community Contract of \$50,000, plus \$6,250 GST totalling \$56,250 be approved.*
  6. *That the authority to enter into the Project Twin Streams Lower Oratia Community Contract on behalf of Council be delegated to the Group Manager: Asset Management.*
  7. *That the renewal for the Project Twin Stream - Lower Oratia Community Contract for the periods 2007/2008, 2008/2009 and 2009/2010 financial years be reported back to the Tenders Subcommittee for approval.”*

1385/2006

## **DECISION MAKING**

2. Contract No. EW06015B - Project Twin Streams – Lower Oratia Community Contract is a three (3) year contract with an expiry date of 31 December 2009. As the final six (6) months of this contract enters a new Long Term Council Community Plan period, the funding requested is for the period 1 January 2009 to June 2009.

3. McLaren Park Henderson South Community Initiative is fully committed to carrying out the third year of this contract.

#### **CONTRACTOR'S PERFORMANCE**

4. McLaren Park Henderson South Community Initiative has met their contract deliverables (planting, maintenance, community liaison and engagement) for the second year of the Project Twin Streams - Lower Oratia Community Contract.
5. They have established good relationships with their community as exemplified by excellent community participation at public planting days. Twelve (12) community groups and organisations, five (5) businesses including Westfield, and six (6) schools are now involved in regular restoration and maintenance work on the Oratia stream. Sites for planting have been identified and prepared to ensure the planting targets for the 2009 planting season can be achieved.

#### **CREDIT CHECK**

6. A credit check on McLaren Park Henderson South Community Initiative was carried out at the beginning of their contract in December 2006 and revealed no adverse information.

#### **JOB COSTS**

7. Resources of \$100,000 plus GST are provided for in the Annual Plan 2008/2009. \$50,000 of this has already been used for the period 1 July 2008 to 31 December 2008.
8. The cost of this contract will be \$50,000 plus GST. Funding has been provided for this item in the Annual Plan 2008/2009 for Project Twin Streams.

#### **SOURCE OF FUNDING**

9. The engagement of community organisations to achieve the outcomes and deliverables of Project Twin Streams is a direct cost associated to the project and as such is fully claimable against the Auckland Regional Holdings (formerly Infrastructure Auckland) grant.

#### **IMPLEMENTATION ISSUES**

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

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



## **7 CONTRACT NO. EW05053C - PROJECT TWIN STREAMS COMMUNITY CONTRACT - LOWER OPANUKU**

#### **EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. EW05053C Project Twin Streams Community Contract – Lower Opanuku for three (3) months, to 28 February 2009.

## RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW05053C - Project Twin Streams Community Contract - Lower Opanuku - Approval To Extend report.
2. **Approve** that the Contract No. EW05053C - Project Twin Streams Community Contract - Lower Opanuku as awarded to Corban Estate Art Centre be extended in the sum of \$21,750 excluding GST for the period 1 December to 28 February 2009.
3. **Approve** that authority to extend Contract No. EW05053C - Project Twin Streams Community Contract - Lower Opanuku for the period 1 December 2008 to 28 February 2009 on behalf of Council be delegated to the Group Manager: Project Services.

## **BACKGROUND**

1. Corban Estate Art Centre was the third community contract to be awarded by Project Twin Streams. The contract was for a three (3) year period and ends 30 November 2008.
2. As a Project Twin Streams contract organisation Corban Estate Art Centre has made outstanding progress in organising public planting events in the Opanuku Stream area, and engaging with local residents, schools, groups and businesses in this work.
3. At its meeting held on 17 October 2008, the Tenders Subcommittee resolved 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 Arts 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."*

1784/2008

4. The reason for requesting this extension is that the new contract (EW08020B Project Twin Streams - Community Contract - Opanuku Stream 2008 - 2012) incorporates a whole new section of stream, which includes private properties in both urban and rural areas. Both parties want to ensure understanding of the work required before finalising this contract. This will be achieved through this three (3) month extension of the original contract (EW05053C Project Twin Streams - Community Contract - Lower Opanuku).

## **DECISION MAKING**

5. Contract No. EW05053C - Project Twin Streams Community Contract - Lower Opanuku is a three (3) year contract with an expiry date of 30 November 2008.

6. Corban Estate Art Centre is fully committed to working with Council to develop a new contract for the 2008 - 2012 period which includes both the Upper and Lower Opanuku Stream.

#### **CONTRACTOR'S PERFORMANCE**

7. Corban Estate Art Centre has met their contract deliverables (planting, maintenance, community liaison and engagement) for the previous three (3) years.
8. They have established excellent relationships with their community and this is exemplified by outstanding community participation at public planting days and the many community groups and organisations involved in regular restoration and maintenance work on the Lower Opanuku stream.

#### **CREDIT CHECK**

9. A credit check on Corban Estate Art Centre carried out on 15 October 2008 revealed no adverse information.

#### **JOB COSTS**

10. The cost of this contract extension will be \$21,750 plus GST. Funding has been provided for this item in the Annual Plan 2008/2009 for Project Twin Streams.

#### **SOURCE OF FUNDING**

11. The engagement of community organisations to achieve the outcomes and deliverables of Project Twin Streams is a direct cost associated to the project and as such is fully claimable against the Auckland Regional Holdings (formerly Infrastructure Auckland) grant.

#### **IMPLEMENTATION ISSUES**

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

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



## **8 CONTRACT NO. EW08028A – WASTEWATER UPGRADES IN SWANSON MINI CATCHMENT 8**

#### **GLOSSARY**

JB Contractors Limited

(JBCL)

#### **EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW08028A – Wastewater Upgrades in Swanson Mini Catchment 8.

## **RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08028A – Wastewater Upgrades In Swanson Mini Catchment 8 report.
2. **Approve** that the tender from JB Contractors Limited for Contract No. EW08028A – Wastewater Upgrades in Swanson Mini Catchment 8 in the sum of \$588,185.00 plus \$73,523.13 GST, totalling \$ 661,708.13 be accepted.
3. **Approve** that authority to enter into Contract No. EW08028A – Wastewater Upgrades in Swanson Mini Catchment 8 on behalf of Council be delegated to the Group Manager: Project Services.

## **BACKGROUND**

1. Council has an objective to minimise the risk of wastewater overflows and damage to the environment by providing adequate capacity for present and future population growth.
2. This project will increase the capacity of the wastewater network and minimise the risk of overflows and provide the required capacity for the projected population growth.

## **SCOPE OF WORK**

3. The scope of work includes the installation of approximately 1,200 metres of new wastewater pipeline using directional drilling, construction and rehabilitation of seventeen (17) manholes, replacement of nineteen (19) service connections, flushing and video inspection of the completed lines.

## **TENDERS RECEIVED**

4. Tenders were publicly advertised in Tenderlink with thirty four (34) sets of documents being uplifted.
5. Three (3) tenders were received by the closing date of 4 November 2008. The tenders are summarised in Table 1 below:

<b>TENDERER</b>	<b>REG OFFICE</b>	<b>TENDER PRICE (excl. GST)</b>
JB Contractors Limited	26 Glasgow Avenue, Papatoetoe, Manukau City	\$588,185.00
H & H Contractors Limited	12A Culperry Road, Glen Eden, Waitakere	\$598,155.00
Horizontal Earth Drilling Limited	55 Watea Road, Torbay, North Shore	\$702,175.00
<b>Pre-tender contract estimate</b>		\$705,665.00

**Table 1 - Summary of Tender Prices**

## **TAGS, ERRORS OR OMISSIONS**

6. The tender from JB Contractors Limited (JBCL) contained an error in that the tender sum was shown as \$588,185.00 (excluding GST) in Form E1 but as \$599,685.00 in the tender schedule total. When advised of the error the tenderer

acknowledged the error and confirmed the tender sum of \$588,185.00 (excluding GST) in writing. The tender from JBCL had no tags.

7. The tender from H&H Contractors Limited had tags relating to unforeseen ground conditions. The tags were not pursued as they would not have affected the final outcome of the tender evaluation.
8. The tender from Horizontal Earth Drilling Limited had no tags, errors or omissions.

### TENDER EVALUATION

9. 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.
10. A summary of the evaluation results for the tenders is shown in Table 2 below:

Tender Evaluation	Attributes	Exper.	Track	Tech	Resour.	Manag.	Method	Price	Contract No EW08028A
			Record	Skill		Skill			Total Weights
	<b>Weights</b>	<b>10</b>	<b>10</b>	<b>5</b>	<b>10</b>	<b>10</b>	<b>5</b>	<b>50</b>	<b>100</b>
<b>Tenderer</b>	<b>Tender Sum</b>	<b>Grade s</b>							<b>INDEX</b>
JB Contractors Limited	\$588,185.00	90	85	80	90	80	85	52	69
H&H Contractors Limited	\$598,155.00	75	70	75	80	60	85	50	62
Horizontal Earth Drilling Limited	\$702,175.00	85	70	75	85	60	85	33	54
<b>Median Tender Price</b>	\$598,155.00								

**Table 2 – Summary of Tender Evaluation**

11. Scores for the non-price attributes were determined on the basis of information provided in each tender, on the information gathered from the referees nominated by the tenderers and on any recent Council experience with the tenderers.
12. The results of the tender evaluation as summarised in Table 2 show that the tender from JBCL has scored the highest overall index of sixty nine (69) and is also the lowest priced tender. The tendered price is approximately 17% lower than the pre-tender contract estimate, primarily because the drilling rates in the tender were lower than estimated.
13. The tender from JBCL is considered to give the best value outcome as they have the necessary expertise and resources to carry out the works. JBCL has satisfactorily completed wastewater contracts for Council recently.
14. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance are 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.

### CREDIT CHECK

15. A credit check dated 3 September 2008 on JBCL revealed no adverse information.

## JOB COSTS

16.	Excl. GST	
	Tender sum	\$588,185.00
	Contingency	\$ 58,818.50
	Engineering and Supervision	<u>\$ 58,818.50</u>
	Total Job Cost	\$705,822.00

## SOURCE OF FUNDING

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

Budget Description (from Annual Budget line item) Annual Plan 2008/2009	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
WW Network Upgrades Programme	8AMEW-07-081	\$2,457,000.00	\$392,297.00	\$705,822.00	\$1,358,881.00

Table 3 – Source of Funding

## IMPLEMENTATION ISSUES

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

Report prepared by: Neville Colling, Contracts Engineer: Water Projects.



## 9 CONTRACT NO. PK03600F – CEMETERY LANDSCAPE MAINTENANCE - APPROVAL TO EXTEND

### GLOSSARY

Bilfinger Berger Services Limited  
Techscape Limited

(BBS)  
(TL)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK03600F – Cemetery Landscape Maintenance for six (6) months, from 1 January 2009 to 30 June 2009.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK03600F - Cemetery Landscape Maintenance - Approval To Extend report.
2. **Approve** that the Contract No. PK03600F - Cemetery Landscape Maintenance as awarded to Bilfinger Berger Services Limited be extended in the sum of \$235,191.04 excluding GST for the period 1 January 2009 to 30 June 2009.
3. **Agree** that the extension to Contract No. PK03600F - Cemetery Landscape Maintenance for a further one (1) plus one (1) years for 2009/2010 and 2010/2011 be brought back to the Tenders Subcommittee for approval subject to funding availability and contractor performance during May 2009.

4. **Approve** that authority to enter into Contract No. PK03600F - Cemetery Landscape Maintenance for the period 1 January 2009 to 30 June 2009 on behalf of Council be delegated to the Deputy Director: City Services.

## BACKGROUND

1. The requirements of the current Cemetery Landscape Maintenance contract are to carry out quality landscape maintenance within Waikumete and Swanson Cemeteries. The scope of work includes:
  - Planning and programming of services;
  - Preparation and compliance with a quality plan;
  - Litter collection;
  - Turf maintenance;
  - Garden and hedge maintenance;
  - Toilet cleaning; and
  - Path, carpark and driveway sweeping.
2. The Tenders Subcommittee approved the award of Contract No. PK03600F - Cemetery Landscape Maintenance to Techscape Limited (TL) at a Tenders Subcommittee meeting held on 7 March 2003 for two (2) years with the right of renewal for a further three (3) year period subject to contractor performance and Council providing the budget.
3. TL was sold to Bilfinger Berger Services Limited (BBS) during September 2006.
4. In the fifth and final year of the contract period, approval was sought from the Tenders Subcommittee to undertake contract negotiations with BBS with the view to extend further the contract period of Contract No. PK3600F – Cemetery Landscape Maintenance for an additional three (3) years on a one (1) plus one (1) plus one (1) basis, rather than undertake a public tendering process. At its meeting held on 7 December 2007, the Tenders Subcommittee resolved as follows:
  - “2. *That notwithstanding Council’s policy and practice for publicly tendering such contracts, for the reasons set out in the Agenda report, authority be delegated to the Group Manager: Asset Management to negotiate the contract sum, period and scope for Parks Term Maintenance contracts and report back on the outcomes of the negotiations to the Tenders Subcommittee for approval as follows:*
    - *Contract No. PK03600F - Cemetery Landscape Maintenance, with Bilfinger Berger Services Limited;*
    - *Contract No. PK03623B - Legal Weed Control, with Bilfinger Berger Services Limited;*
    - *Contract No. PK3600M - Minor Works and Renewals, with Parks and Maintenance Services Limited;*
    - *Contract No. PK3600D - Parks Response Maintenance, with Parks and Maintenance Services Limited;*
    - *Contract No. PK05014A - Town Centres and Toilets Response and Renewals, with Parks and Maintenance Services Limited;*
    - *Contract No. PK05016A - Civil Works, with Field Drainage Specialists Limited.*
  3. *That if the negotiation process does not achieve cost efficiency, the contracts will then be advertised for public tender.”*

5. The Tenders Subcommittee approved the award of Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control to BBS, rather than undertake a public tendering process. At its meeting held on 27 June 2008, the Tenders Subcommittee resolved as follows:

- “6. Agree that the Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control as awarded to Bilfinger Berger Services - Limited be extended for the period 1 July 2008 to 31 December 2008.
7. Agree that the extension to Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control for a further six (6) months plus one (1) plus one (1) years for 2009/2010 Annual Plan and 2010/2011 Annual Plan be brought back to Tenders Subcommittee for approval subject to funding availability and contractor performance during December 2008.”

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## DECISION MAKING

6. Contract No. PK03600F - Cemetery Landscape Maintenance was a two (2) year contract with an expiry date of 30 June 2005. The contract allowed for one (1) extension of three (3) years up to 30 June 2008 and Council approved a six (6) month extension based on the satisfactory performance by the Contractor and subject to Council's approval. All of these extensions have been exercised and following the resolution of the Tenders Subcommittee on 27 June 2008 as above, negotiations have been undertaken with BBS to extend the contract sum and scope for a further six (6) months to 30 June 2009.
7. BBS have consistently carried out the contract work under Contract No. PK03600F - Cemetery Landscape Maintenance to Council's standards which is reflected in Key Performance Index documentation.
8. A negotiated tender sum of \$235,191.04 for six (6) months to 30 June 2009 has been received from BBS for Contract No. PK03600F - Cemetery Landscape Maintenance. The 1 July 2008 to 31 December 2008 contract sum at award was \$179,274.74 for a six (6) month period.
9. The table below illustrates the categories of work that have a variance in the volume of work scheduled during the 1 July 2008 to 30 December 2008 period and the 1 January 2009 to 30 June 2009 period, and the resulting impact on the two (2) tender sums.

Category of Work	1 July 2008 to 31 December 2008 Sum	1 January 2009 to 30 June 2009 sum	Impact on 1 January 2009 to 30 June 2009 tender sum	Reason for increase
Annual Quality Assurance Plan	\$708.81	\$0.00	-\$708.81	Required only once per year.
Toilet Maintenance	\$5,409.60	\$5,262.6	-\$147.00	Slight decrease in second half of year.
Mulching - Acmena Avenue and around trees in P1	\$1,327.52	\$0.00	-\$1,327.52	Only carried out once per year.
Litter Collection	\$27,144.43	\$28,132.3	\$987.87 increase	Increased litter collection in second half of financial year.
Wildflower Sanctuary	\$0.00	\$7,651.59	\$7,651.49 increase	Grass cutting in the wildflower area is always undertaken

Category of Work	1 July 2008 to 31 December 2008 Sum	1 January 2009 to 30 June 2009 sum	Impact on 1 January 2009 to 30 June 2009 tender sum	Reason for increase
				during March of each year, therefore the second half of the financial year.
Non-Operational Areas – grass cutting	Carried out as a variation to the contract.	Provisional Sum: \$49,460.07	\$49,460.07 increase	Due to public concern there is a requirement to maintain the grass in the heritage area of the cemetery once per year which cover 31.5 hectares. Grass cutting in this area can only be undertaken by the use of a weedeater.
<b>Total</b>			<b>\$55,916.30 increase.</b>	

10. Due to the seasonal requirements of green asset operational contracts, for example turf management through the spring flush period, approximately 20% more of the contract work will be carried out in the first half of the financial year and therefore the tender sum shows over half the normal annual cost of the contract.
11. BBS have advised that they will absorb the current rising costs of fuel, labour and materials, and have therefore not increased scheduled rates of work.

#### CONTRACTOR'S PERFORMANCE

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

#### CREDIT CHECK

13. A credit check of BBS, dated 2 September 2008 rated the company at moderate risk.
14. Excl. GST
 

1 January 2009 to 30 June 2009 tender sum	\$235,191.04
2.3% contingency	\$ 5,409.40
	-----
Total Job Cost for 1 January 2009 to 30 June 2009	\$240,600.44

## SOURCE OF FUNDING

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

Annual Plan 2008/2009	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Cemetery Landscape Maintenance	4820-74000	\$374,000.00	\$178,048.73	\$195,951.27	\$0
Manual Grass Cutting	8CSCM-09-802	\$ 50,000.00	\$ 5,350.83	\$ 44,649.17	\$0
	<b>Subtotal</b>	<b>\$424,000.00</b>	<b>\$183,399.56</b>	<b>\$240,600.44</b>	<b>\$0</b>

## IMPLEMENTATION ISSUES

17. There are benefits to Council in negotiation of an extension of this contract for the following reasons:

- Cost efficiencies;
- Continuation of reliable service delivery;
- Building on existing successful relationships with contractors;
- Reduction in the cost of engaging and establishing a new contractor;
- Reduction in the risk of engaging a new contractor where a settling in period is required for the contractor to come up to speed with contract works;
- Reduction in set up costs in establishing plant and machinery at a time when fuel and machinery costs are significantly increasing;
- An established knowledge of the City's parks network; and
- Continuation of innovative practices due to thorough working knowledge of the contract works.

18. Under Contract No. PK03600F - Cemetery Landscape Maintenance, BBS has carried out their contractual obligations over the past five (5) years to Council's satisfaction.

19. BBS have not increased their rates for fuel, labour and materials and will absorb these costs should the contract be extended. It is considered that these cost efficiencies are being offered to Council by BBS as they are committed to continuing the contract works. Extending the contract with BBS will ensure the same work standards and working relationships developed with the contractor during the first five (5) years of the contract will continue without disruption.

20. It is therefore recommended that BBS be granted an extension to Contract No. PK03600F – Cemetery Landscape Maintenance for the period 1 January 2009 to 30 June 2009, and that an extension for a further one (1) plus one (1) years for 2009/2010 and 2010/2011 be brought back to the Tenders Subcommittee for approval subject to funding availability and a full review of the Contractor's performance.

21. 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:** Helen Biffin, Parks Contracts Officer: Environmental.



10 **CONTRACT NO. PK03623B – LEGAL WEED CONTROL - APPROVAL TO EXTEND**

**GLOSSARY**

Bilfinger Berger Services Limited  
Techscape Limited

(BBS)  
(TL)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK03623B – Legal Weed Control for six (6) months, from 1 January 2009 to 30 June 2009.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK03623B – Legal Weed Control - Approval To Extend report.
2. **Approve** that the Contract No. PK03623B – Legal Weed Control as awarded to Bilfinger Berger Services Limited be extended in the sum of \$76,147.72 excluding GST for the period 1 January 2009 to 30 June 2009.
3. **Agree** that the Contract No. PK03623B – Legal Weed Control as awarded to Bilfinger Berger Services - Limited be extended for the period 1 January 2009 to 30 June 2009.
4. **Approve** that authority to enter into Contract No. PK03623B – Legal Weed Control for the period 1 January 2009 to 30 June 2009 on behalf of Council be delegated to the Deputy Director: City Services.

**BACKGROUND**

1. The requirements of the current Legal Weed Control contract are to control containment and surveillance pest plants within 454 Waitakere City Council parks and reserves. The contract also has a response component which allows residents to alert Council staff to populations of environmental weeds which require controlling.
2. The Tenders Subcommittee approved the award of Contract No. PK03623B – Legal Weed Control to Techscape Limited (TL) at a Tenders Subcommittee meeting held on 29 August 2003 for two (2) years, with a further renewal period of one (1) plus one (1) plus one (1) years subject to Council providing the budget, the quality of the Contractor's performance and at the discretion of the Council.
3. TL was sold to Bilfinger Berger Services Limited (BBS) during September 2006.
4. In the fifth and final year of the contract period, approval was sought from Council to undertake contract negotiations with BBS with the view to extend further the contract period of Contract No. PK03623B – Legal Weed Control for an additional three (3) years on a one (1) plus one (1) plus one (1) basis, rather than undertake a public tendering process. At its meeting held on 7 December 2007, the Tenders Subcommittee resolved as follows:

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

*outcomes of the negotiations to the Tenders Subcommittee for approval as follows:*

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

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

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5. The Tenders Subcommittee approved the award of Contract No. PK03600F – Cemetery Landscape Maintenance and Contract No. PK03623B – Legal Weed Control to BBS, rather than undertake a public tendering process. At a Tenders Subcommittee meeting held on 27 June 2008 it was resolved to:

“6. *Agree that the Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control as awarded to Bilfinger Berger Services - Limited be extended for the period 1 July 2008 to 31 December 2008.*

7. *Agree that the extension to Contract No. PK03600F - Cemetery Landscape Maintenance and Contract No. PK03623B - Legal Weed Control for a further six (6) months plus one (1) plus one (1) years for 2009/2010 Annual Plan and 2010/2011 Annual Plan be brought back to Tenders Subcommittee for approval subject to funding availability and contractor performance during December 2008."*

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## DECISION MAKING

6. Contract No. PK03623B – Legal Weed Control was a two (2) year contract with an expiry date of 30 June 2005. The contract allowed for three (3) annual extensions up to 30 June 2008 and Council approved a six (6) month extension based on the satisfactory performance by the Contractor and subject to Council's approval. All of these extensions have been exercised and following the resolution of the Tenders Subcommittee on 27 June 2009 as above, negotiations have been undertaken with BBS to extend the contract sum and scope for a further six (6) months to 30 June 2009.
7. BBS have consistently carried out the contract work under Contract No. PK03623B – Legal Weed Control to a high standard which is reflected in Key Performance Index documentation.
8. A negotiated tender sum of \$76,147.72 for six (6) months to 30 June 2009 has been received from BBS for Contract No. PK03623B – Legal Weed Control. The 1 July 2008 to 31 December 2008 contract sum at award was \$127,395.76 for a six

(6) month period. There has been no change in the scheduled rates by the contractor.

9. Due to the seasonal requirements of green asset operational contracts, for example turf management through the spring flush period, approximately 20% more of the contract work will be carried out in the first half of the financial year and therefore the tender sum shows over half the normal annual cost of the contract.
10. BBS have advised that they will absorb the current rising costs of fuel, labour and materials, and have therefore not increased scheduled rates of work.

### CONTRACTOR'S PERFORMANCE

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

### CREDIT CHECK

12. A credit check of BBS, dated 2 September 2008 rated the company at moderate risk.

### JOB COSTS

13. This operational contract is being administered by Council Officers within Parks Assets.
14. The job costs associated with the 1 January 2009 to 30 June 2009 Contract No. PK03623B – Legal Weed Control for the contract period are as follows:

15. Excl. GST		
1 January 2009 to 30 June 2009 tender sum	\$76,147.72	
10% contingency	\$ 7,614.77	
	-----	
Total Job Cost for 1 January 2009 to 30 June 2009	\$83,762.49	

### SOURCE OF FUNDING

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

Annual Plan 2008/2009	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Weed & Pest Control Maintenance	5190-74000	\$904,000.00	\$820,237.51	\$83,762.49	\$0
	<b>Subtotal</b>	<b>\$904,000.00</b>	<b>\$820,237.51</b>	<b>\$83,762.49</b>	<b>\$0</b>

## IMPLEMENTATION ISSUES

17. There are benefits to Council in negotiation of an extension of this contract for the following reasons:
- Cost efficiencies;
  - Continuation of reliable service delivery;
  - Building on existing successful relationships with contractors;
  - Reduction in the cost of engaging and establishing a new contractor;
  - Reduction in the risk of engaging a new contractor where a settling in period is required for the contractor to come up to speed with contract works;
  - Reduction in set up costs in establishing plant and machinery at a time when fuel and machinery costs are significantly increasing;
  - An established knowledge of the City's parks network; and
  - Continuation of innovative practices due to thorough working knowledge of the contract works.
18. Under Contract No. PK03623B - Legal Weed Control BBS has carried out their contractual obligations over the past five (5) year to Council's satisfaction.
19. BBS have not increased their rates for fuel, labour and materials and will absorb these costs should the contract be extended. It is considered that these cost efficiencies are being offered to Council by BBS as they are committed to continuing the contract works. Extending the contract with BBS will ensure the same work standards and working relationships developed with the contractor during the first five (5) years of the contract will continue without disruption.
20. It is therefore recommended that BBS be granted an extension to Contract No. PK03623B - Legal Weed Control for the period 1 January 2009 to 30 June 2009.
21. 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:** Helen Biffin, Parks Contracts Officer: Environmental.



## 11 REGISTRATION OF INTEREST - CONSTRUCTION OF STAGE 1 OF THE NEW LYNN TRANSIT ORIENTED DEVELOPMENT

### GLOSSARY

Auckland Regional Transport Authority	(ARTA)
Competitive Pricing Procedures	(CPP's)
New Zealand Railways Corporation	(ONTRACK)
New Zealand Transport Agency	(NZTA)
Registration of Interest	(ROI)
Transit Oriented Development	(TOD)

## EXECUTIVE SUMMARY

The purpose of this report is to request permission from the Tenders Subcommittee to commence a Registration of Interest (ROI) process from suitably experienced civil engineering contractors to be short listed for the construction of stage 1 of the New Lynn Transit Oriented Development (TOD).

## RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Registration of Interest – Construction Of Stage 1 Of The New Lynn Transit Oriented Development report.
2. **Agree** that a Registration of Interest process be commenced to prepare a shortlist of suitably experienced civil engineering contractors for the Construction of Stage 1 of the New Lynn Transit Oriented Development, with reporting back to the Tenders Subcommittee for approval prior to tendering.

## BACKGROUND

1. The rail tracks at New Lynn currently bisect the traffic roundabout at the intersection of Rankin Avenue, Clark Street and Totara Avenue. The requirement to double track the rail line leads to serious safety issues at this intersection and the New Zealand Railways Corporation (ONTRACK) has been able to secure funding from Central Government to underground the rail trench through the New Lynn Central Business District. The deep rail trench planned by ONTRACK will place tracks about 8 metres below ground. ONTRACK will build two road over rail bridges to allow existing rail crossings to be maintained, with a third track crossing being at grade.
2. Council has resolved to undertake certain works to deliver an integrated public transport network with the construction of a bus interchange, three bridges, road works, cycleways and walkways. In parallel with the Council construction works, the Auckland Regional Transport Authority (ARTA) will be undertaking the construction of a rail interchange and underground station.
3. ONTRACK have commenced construction on the deep rail trench in October 2008. Council intends to commence its roading works in July 2009 or sooner, once funding is secured, consents have been granted and land necessary to widen roads has been acquired. This ROI is needed in order that a shortlist of experienced and competent contractors is identified at an early stage and that these contractors then be invited to bid competitively for the planned works.

## SCOPE OF WORK

4. The proposed works to be let under a single Council contract comprise service diversions, road foundation works, road widening, construction of new walkways and cycle ways, installation of bus canopies, provision of road lighting as well as landscaping.
5. Two bridges, some roads in the interchange area, as well as the transport interchange and rail concourse will be constructed by ONTRACK under a separate agreement, as it is cost efficient for the main rail contractor to undertake these works in parallel with his deep trenching operations.

6. The balance of the Council's stage 1 works, which are away from the interchange, will be constructed under a competitive tender process involving a ROI and formal tender process.
7. The purpose of this ROI is as follows:
  - To select a skilled, competent and experienced group of civil engineering contractors who can provide bids for the construction of the stage 1 works;
  - To enable preliminary selection processes to be completed earlier, so that a construction contract can be in place by about April or May 2009; and
  - To maximise other benefits by early planning and generating interest from a pool of skilled contractors.
8. The ROI will be prepared and managed in accordance with Council's Draft Procurement Manual as well as with Transit's Competitive Pricing Procedures (CPP's). The CPP's permit Council to undertake "short listing procedures" by way of a two part selection process.
9. The works envisaged under the ROI are of large value and only contractors having adequate resources, skills and expertise to undertake these works may be considered. No point is served by permitting inexperienced or incompetent contractors to bid for the works.
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;
  - Encourages more effort in the earlier planning phases, which increases the ability to optimise selection of the most suitable contractors;
  - Reduces tendering timescales as it is not possible to obtain priced bids until the New Zealand Transport Agency (NZTA) confirms funding in about February or March 2009.

#### **DECISION MAKING**

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

#### **SOURCE OF FUNDING**

12. Funding has been provided for in the Project Budget and is also expected from NZTA.

#### **IMPLEMENTATION ISSUES**

13. There are no implementation issues as the ROI process does not require a mandatory award should the project be curtailed or cut back.

**Report prepared by:** Joe Schady, Senior Engineer: Project Services.

