

**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, 12 JUNE 2009,
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	CONTRACT NO. CY02012D - ALARM MONITORING - APPROVAL TO EXTEND	2
6	CONTRACT NO. PY07001H - PLANNED AND RESPONSE MAINTENANCE SECURITY - APPROVAL TO EXTEND	5
7	CONTRACT NO. IM04135A - CORPORATE TELEPHONY SYSTEM - APPROVAL TO ISSUE FINANCIAL VARIATION	8
8	CONTRACT SP06004C - NEW LYNN TRANSIT ORIENTED DEVELOPMENT - APPLICATION FOR RESOURCE CONSENT - RENEGOTIATED CONTRACT	11
9	CONTRACT NO. SP06004B - NEW LYNN TRANSIT ORIENTED DEVELOPMENT - QUANTITY SURVEYING SERVICES - RENEGOTIATED CONTRACT	16
10	CONTRACT NO. PY06046G - CITYWIDE EXTERIOR BUILDING WASH - APPROVAL TO EXTEND	21
11	CONTRACT NO. PY06046F - CITYWIDE LIFT AND ESCALATOR MAINTENANCE - APPROVAL TO EXTEND	24
12	CONTRACT NO. PY06046D - RESPONSE MAINTENANCE PLUMBING - APPROVAL TO EXTEND	27
13	CONTRACT NO. PY05017J - WAITAKERE CITY COUNCIL GROUNDS MAINTENANCE - APPROVAL TO EXTEND	29
14	CONTRACT NO. PY07001A - WAITAKERE CENTRAL HEATING, VENTILATION AND AIR CONDITIONING - APPROVAL TO EXTEND	32
15	CONTRACT NO. PY07001I - AQUATIC CENTRE CLEANING - APPROVAL TO EXTEND	34
16	CONTRACT NO. EW08020C - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - RANUI-MASSEY 2009 - 2012 - APPROVAL TO EXTEND	36
17	CONTRACT NO. EW09012B - PROJECT TWIN STREAMS COMMUNITY CONTRACT - OPANUKU STREAM 2009 - 2012	39

18	CONTRACT NO. EW09012C - PROJECT TWIN STREAMS COMMUNITY CONTRACT - ORATIA STREAM 2009 - 2012	43
19	CONTRACT NO. PK09003A - PROJECT TWIN STREAMS PROFESSIONAL SERVICES - APPROVAL TO PROCEED TO TENDER	47
20	CONTRACT NO. EW08005B - PROJECT TWIN STREAMS - RIPARIAN REHABILITATION PROJECT OPANUKU CREEK - APPROVAL TO EXTEND	50
21	CONTRACT NO. EW08005D - PROJECT TWIN STREAMS - RIPARIAN REHABILITATION PROJECT ORATIA STREAM - APPROVAL TO EXTEND	53
22	CONTRACT NO. EW08005E - PROJECT TWIN STREAMS - RIPARIAN REHABILITATION PROJECT SWANSON CREEK - APPROVAL TO EXTEND	56
23	CONTRACT NO. EW08005C - PROJECT TWIN STREAMS - RIPARIAN REHABILITATION PROJECT HENDERSON CREEK - APPROVAL TO EXTEND	60
24	CONTRACT NO. EW08005A - PROJECT TWIN STREAMS - RIPARIAN REHABILITATION PROJECT WAIKUMETE CREEK - APPROVAL TO EXTEND	63
25	CONTRACT NO. PK05002A - CITYWIDE ARBORICULTURAL MAINTENANCE - APPROVAL TO EXTEND CONTRACT PERIOD AND SUM	66
26	CONTRACT NO. SW09001A - MANUFACTURE AND SUPPLY OF OFFICIAL COUNCIL REFUSE BAGS - VARIATION TO CONDITIONS	70

**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, 12 JUNE 2009,
COMMENCING AT 9.00 AM**

1 APOLOGIES



2 URGENT BUSINESS

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

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

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

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



3 CONFLICTS OF INTEREST

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



4 CONFIRMATION OF MINUTES

Meeting Minutes - Friday, 29 May 2009

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 29 May 2009, as circulated, and that they be taken as read and now be confirmed.



5 CONTRACT NO. CY02012D - ALARM MONITORING - APPROVAL TO EXTEND

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. CY02012D - Alarm Monitoring for 24 months, to 30 June 2011.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. CY02012D - Alarm Monitoring - Approval to Extend report.
2. **Approve** that, subject to a satisfactory credit check, the Contract No. CY02012D - Alarm Monitoring as awarded to Monitor New Zealand Limited be extended in the sum of \$56,000.00 excluding GST for the period 1 July 2009 to 30 June 2011.
3. **Approve** the commitment of \$28,000.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. CY02012D - Alarm Monitoring.
4. **Approve** the commitment of \$28,000.00 excluding GST to the 2010/2011 financial year for Contract No. CY02012D - Alarm Monitoring.
5. **Approve** that authority to extend Contract No. CY02012D - Alarm Monitoring for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Executive Manager: Executive Suite.

BACKGROUND

1. The Alarm Monitoring contract provides security alarm monitoring for all Council owned or operated buildings including panic/duress alarms and radio net alarms installed temporarily in at risk sites.
2. Monitor New Zealand Limited is based in the Auckland Metropolitan area with disaster backup sites located outside Auckland. There exists no local Waitakere based or staffed alarm monitoring contractor.
3. Monitor New Zealand Limited provides a high operator to customer ratio, access for Waitakere City Council to view accounts and monitoring logs on line and on line capability for Waitakere City Council alarm maintenance servicing agents.
4. Monitor New Zealand has undertaken alarm monitoring services for Council for six years and has an extensive knowledge of Council buildings and relevant alarm services. The actual unit alarm monitoring cost has not increased in these six years.
5. Monitor New Zealand Limited have performed the contract to a good standard and consistently provide added value in resolving issues in a cost efficient and effective manner.

DECISION MAKING

6. It is proposed to extend Contract No. CY02012D - Alarm Monitoring for a period of two years, with a final expiry date of 30 June 2011.
7. Monitor New Zealand Limited has confirmed that they are willing to carry out the contract for a further 24 months at the same rate as in the current contract.

8. The rationale for extension is to retain institutional knowledge and ensure certainty of service delivery over the period of transition for the following reasons:
- Council has 122 separate security alarm zones currently monitored throughout Waitakere currently monitored. Each zone has site specific instructions loaded in regards to security response and alarm set and unset times. The complexity in setting up and managing the monitoring of this number of individual areas is high. A change of suppliers would require the extensive transferring and loading of data into a compatible system, if available, or full re-programming if the new supplier operating system is different. In each case the security risk of a disruption of service or breach is high;
 - A change of suppliers would require Council's response maintenance contractor to physically re-programme each individual alarm on 35 sites. The total service cost of a full site change over is estimated at \$3,000. There are increased security risks during the process of reprogramming;
 - Monitor New Zealand Limited provides multiple monitoring stations giving Council an increased certainty of service in the event of a disaster or localised disruption. This requirement is a significant part of Council's security business recovery plan and is not provided by other main alarm monitoring providers;
 - The capability to access all alarm and monitoring logs on line by Council provides an important facility to directly review security response to alarm activations and overall staff usage of sites. As a result, false alarm activations have been reduced by 40% resulting in a cost saving in after hour security patrol callouts. This direct access service is not provided by other main alarm monitoring providers;
 - It is considered likely that the majority of properties covered by this contract will still require alarm monitoring up to June 2011. This contract allows for additions and deletions to be made as required should changes be necessary; and
 - The current service rates have been recently benchmarked against other suppliers and found to be highly competitive. Given the good performance of the contractor and the competitive pricing it is advantageous to Council to extend this contract for 2 years at the current rate.

Contractor's Performance

9. An evaluation of Monitor New Zealand Limited performance to date contains the following features:
- They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety with no reported issues; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

10. A credit check on Monitor New Zealand Limited has been requested.

JOB COSTS

11.		excl. GST
	Contract sum (12 months 2009/2010)	\$28,000.00

	Total Job Cost	\$28,000.00
12.		excl. GST
	Contract sum (12 months 2010/2011)	\$28,000.00

	Total Job Cost	\$28,000.00

SOURCE OF FUNDING

13. Source of funding for 2009/2010 is shown in Table 1 below:

Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
2009/2010 Response Maintenance/ Property Maintenance	Various	\$28,000		\$28,000	\$0	\$0

14. Source of funding for 2010/2011 is shown in Table 2 below:

Financial Year 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
2010/2011 Response Maintenance/ Property Maintenance	Various	\$28,000		\$28,000	\$0	\$0

IMPLEMENTATION ISSUES

15. There are no implementation issues expected with this extension.

AUCKLAND COUNCIL TRANSITION ISSUES

16. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Brian Loudon, Security Manager.



6 **CONTRACT NO. PY07001H - PLANNED AND RESPONSE MAINTENANCE SECURITY - APPROVAL TO EXTEND**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PY07001H - Planned and Response Maintenance Security for 24 months, to 30 June 2011.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PY07001H - Planned and Response Maintenance Security - Approval to Extend report.
2. **Approve** that, subject to a satisfactory credit check, the Contract No. PY07001H - Planned and Response Maintenance Security as awarded to ACS Services Limited be extended in the sum of \$150,000.00 excluding GST for the period 1 July 2009 to 30 June 2011.
3. **Approve** the commitment of \$75,000.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. PY07001H - Planned and Response Maintenance Security.
4. **Approve** the commitment of \$75,000.00 excluding GST to the 2010/2011 financial year for Contract No. PY07001H - Planned and Response Maintenance Security.
5. **Approve** that authority to extend Contract No. PY07001H - Planned and Response Maintenance Security for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Executive Manager: Executive Suite.

BACKGROUND

1. The Planned and Response Maintenance Security contract provides security maintenance for all Council owned or operated buildings covering both emergency response and planned maintenance works. These works include all security cameras, access swipe card control systems and security alarms.
2. ACS Services Limited has provided the Planned and Response Security Maintenance services for Council for six years and has an extensive knowledge of Council buildings and relevant security systems. Council currently have 35 security alarmed sites, 192 security cameras and 11 access controlled buildings covered by this contract.
3. ACS Services Limited have performed the contract to a good standard and consistently provide added value in resolving issues in a cost efficient and effective manner.

DECISION MAKING

4. It is proposed to extend Contract No. PY07001H - Planned and Response Maintenance Security for a period of two years, with a final expiry date of 30 June 2011.
5. ACS Services Limited has confirmed that they are willing to carry out the contract for a further 24 months at the same rate as in the current contract.

6. The rationale for extension is to retain institutional knowledge and ensure certainty of service delivery over the period of transition for the following reasons:
- The electronic security systems are highly integrated and interdependent. For premises equipped with swipe card access these systems monitor and control building lifts, automated lighting, security alarms and sensors, door access both manual and automatic and scheduling of open/close times for public access areas;
 - There are considerable security concerns surrounding changing suppliers. These security systems are not a "plug and play" affair able to be picked up by another supplier without a serious risk of disruption to delivery of service and increased costs. ACS Services Limited has the specialised technical knowledge of the installation and operation of Council security systems and their interdependency;
 - ACS Services Limited were the original successful security systems tenderer for the installation in these new sites and their site knowledge of the wiring and cabling layout reduces considerably the time and cost in maintenance and new installations while reducing the risk of major security breaches or system failures. Five Council sites have access control and security camera equipment under warranty with ACS Services Limited;
 - A process of transfer of this knowledge will be undertaken over this extension period to further reduce any risk to Council in relation to this dependency issue;
 - It is considered likely that the majority of properties covered by this contract will still require servicing up to June 2011. This contract allows for additions and deletions to be made as required, should changes be necessary; and
 - The current service rates have been recently benchmarked against other suppliers and found to be highly competitive. Given the good performance of the contractor and the competitive pricing it is advantageous to Council to extend this contract for 2 years at the current rate.

Contractor's Performance

7. An evaluation of ACS Services Limited performance to date contains the following features:
- They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety with any issues addressed through the contractors Health and Safety policy; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

8. A credit check on ACS Services Limited has been requested.

JOB COSTS

9.	excl. GST
Contract sum (12 months 2009/2010)	\$75,000.00

Total Job Cost	\$75,000.00

10.		excl. GST
	Contract sum (12 months 20010/2011)	\$75,000.00

	Total Job Cost	\$75,000.00

SOURCE OF FUNDING

11. Source of funding for 2009/2010 is shown in Table 1 below:

Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
2009/2010 Response Maintenance/ Property Maintenance	Various	\$75,000		\$75,000	\$0	\$0

12. Source of funding for 2010/2011 is shown in Table 2 below:

Financial Year 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
2010/2011 Response Maintenance/ Property Maintenance	Various	\$75,000		\$75,000	\$0	\$0

IMPLEMENTATION ISSUES

13. There are no implementation issues expected with this extension.

AUCKLAND COUNCIL TRANSITION ISSUES

14. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Brian Loudon, Security Manager.



7 **CONTRACT NO. IM04135A - CORPORATE TELEPHONY SYSTEM - APPROVAL TO ISSUE FINANCIAL VARIATION**

GLOSSARY

Agile NZ Limited

(Agile)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to issue a financial variation to Contract: No. IM04135A - Corporate Telephony System.

RECOMMENDATIONS:

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. IM04135A - Corporate Telephony System - Approval To Issue Financial Variation report
2. **Approve** that a variation in the sum of \$74,705 excluding GST be issued to Contract No. IM04135A - Corporate Telephony System as awarded to Agile NZ Limited.
3. **Approve** the commitment of \$74,705 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. IM04135A - Corporate Telephony System.
4. **Approve** that authority to issue the financial variation for Contract: No. IM04135A - Corporate Telephony System on behalf of the Council be delegated to the Director: Corporate and Business Services.

BACKGROUND

1. Council invested in a new phone system (including a voice messaging component) in November 2005 as part of the move to the new Waitakere Central building as the then existing phone system had reached the end of it's lifecycle.
2. The acquired phone system is still operating as expected and is not expected to reach full capacity or reach the end of its lifecycle in the near future. The phone system services the Waitakere Central building, Central One, Alderman Drive complex including West Wave, GPT building, Waitakere Central Library, Civil Defence and Cemeteries. The system still has additional capacity, should it be required, to connect further Council remote offices.
3. All of these locations use the voice messaging component - Modular messaging which has reached the end of the current version lifecycle.
4. The Council approved the award of Contract No. IM04135A - Corporate Telephony System to Agile NZ Limited (Agile) at a Tenders Subcommittee meeting held on 28 October 2005 where the following was resolved:
 - “2. *That Contract No. IM04135A - Corporate Telephony System be awarded to other than the lowest priced proposal on the basis of the evaluation methodology employed.*
 3. *That subject to a satisfactory credit check, the proposal from Agile NZ Limited for Contract No. IM04135A - Corporate Telephony System in the sum of \$864,754.00 plus \$108,094.25 GST, totalling \$972,848.25 be accepted.*

4. *That commitment to the Annual Plan 2006/2007 for Contract No. IM04135A - Corporate Telephony System in the sum of \$419,979 exclusive of GST for capital expenditure for the balance of the project be approved.*
5. *That commitment to the Annual Plan 2006/2007, 2007/2008, 2008/2009, 2009/2010 and 2010/2011 for Contract No. IM04135A - Corporate Telephony System for operational expenditure as follows:*
Hardware and Software Maintenance
Period Amount
2006/2007 \$ 39,500
2007/2008 \$ 49,500
2008/2009 \$ 49,500
2009/2010 \$ 49,500
2010/2011 \$ 49,500
Excluding GST \$237,500
be approved.
6. *That authority to enter into Contract No. IM04135A - Corporate Telephony System on behalf of Council be delegated to the Chief Executive Officer and/or the Director: Corporate & Civic Services.”*

2081/2005

DECISION MAKING

5. Council recently suffered a lengthy outage due to the failure the voice messaging component and whilst Council and Agile support teams worked extensively on repairing the system, they were unable to restore the system to a fully operational status. At present the system is running with limited functionality which does allow messages to be left and later retrieved. However, it does not allow administration to be undertaken such as the changing of recorded messages, the addition of new staff or the removal of staff from the system that have left Council.
6. Council was aware that the current version of the voice messaging component reached the end of its lifecycle. However, as there had been no major issues with the current system it was budgeted and scheduled for replacement in the 2009/2010 financial year.
7. Further consultation with both Agile has revealed that Council is unable to source replacement parts and associated support for the current version. As a result Council now needs to invest in the upgrading of the current voice messaging system to a later version in order to be fully supported and to provide a reliable and stable system.

CONTRACTOR'S PERFORMANCE

8. An evaluation of Agile to date contains the following features:
 - They have been satisfactory in their performance of maintaining the telephony system albeit with management;
 - They are a well resourced company;
 - They have a strong focus on health and safety; and
 - They assist the Council to work through difficult issues.

CREDIT CHECK

9. A credit check on Agile dated 28 May 2009 revealed no adverse information.

JOB COSTS

10.		excl. GST
	Upgrade of Hardware and Software (Agile)	\$ 35,625
	New Licenses	\$ 4,300
	Agile Services (installation)	<u>\$ 34,780</u>
	Sub Total - Cost of Variation	\$ 74,705
	Contingency	\$ 7,470
	Internal Council costs	\$ 9,500
	Total Job Cost	<u>\$ 91,675</u>

SOURCE OF FUNDING

11. Provision has been made in the draft Annual Plan 2009/2010 of \$280,000 for Telephone System (PABX) Upgrades/Replacement.
12. Source of funding is shown in Table 1 below:

Budget Description (from annual budget line item) Draft Annual Plan 2009/2010	Codes	2009/2010 Budget	Committ ed to Other Projects	Allocation to this Project	Unallocated Balance	Potential surplus
Telephone System (PABX) Upgrades/Replacement	3IMIC-09-001- 40-19	\$280,000	\$ 0	\$91,675	Nil	\$188,325
Total				\$91,675		

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

14. Confirmation from the Auckland Transition Agency of a decision by the Council to issue a financial variation to Contract No. IM04135A - Corporate Telephony System is not required as funding has been provided for in the Council's draft Long Term Council Community Plan 2009-2019 and the contract runs up to 30 June 2011.

Report prepared by: Steve McIntosh, IT Manager, Information Management.



8 **CONTRACT SP06004C - NEW LYNN TRANSIT ORIENTED DEVELOPMENT - APPLICATION FOR RESOURCE CONSENT - RENEGOTIATED CONTRACT**

GLOSSARY

Beca Carter Hollings and Ferner Limited	(Beca)
Auckland Regional Transport Authority	(ARTA)
New Zealand Transport Agency	(NZTA)
Transit Oriented Development	(TOD)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award a renegotiated contract for professional services to Beca Carter Hollings and Ferner Limited (Beca) from June 2009 to October 2010, subject to approval from the New Zealand Transport Agency (NZTA).

The Council's funding application to NZTA was approved by NZTA's Board on 27 February 2009. This approval signified a major milestone in the ongoing development of the New Lynn Transit Oriented Development (TOD) design scope, which commenced in February 2007. During the design period, the Council collaboratively engaged with ONTRACK and Auckland Regional Transport Authority (ARTA) to develop and enhance the New Lynn TOD design and also agreed the boundaries of accountability between these organisations in October 2008.

Integration of projects under the New Lynn TOD Integrated Programme, together with confirmation of accountabilities between the Council, ONTRACK and ARTA has necessitated the renegotiation of the Council's resource consent services contract with Beca.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SP06004C - New Lynn Transit Oriented Development - Application for Resource Consent - Renegotiated Contract report.
2. **Approve** that, subject to approval by the New Zealand Transport Agency, the renegotiated tender from Beca Carter Hollings and Ferner Limited for Contract No. SP06004C - New Lynn Transit Oriented Development - Application for Resource Consent - Renegotiated Contract in the sum of \$415,086.72 plus \$51,885.84 GST, totalling \$466,972.56, to be completed in October 2010 be accepted.
3. **Approve** that authority to enter into Contract No. SP06004C - New Lynn Transit Oriented Development - Application for Resource Consent - Renegotiated Contract on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. On 7 March 2007, the Council awarded a professional services contract to Beca. This contract covered the submission of the resource consent application on completion of the concept design stage for the New Lynn TOD transport interchange, roads and associated works, as it was defined at that time. The original contract provided for a fixed lump sum for the preparation of the resource consent applications and for specialist advice during the design and construction stages.

2. The concept design was approved by the Council at its meeting on 10 October 2007 whereby the Council resolved as follows:

- “1. That the New Lynn Transit Oriented Development Project - Progress Report and Concept Design Approval report be received.*
- 2. That the Concept Design be approved.*
- 3. That as necessary due to the upcoming election process, the Chief Executive Officer be delegated authority to act in all matters relating to the New Lynn TOD project, including:*
- Lodgement of any consents or regulatory applications that may be required under the Resource Management Act;*
 - Submission of any funding applications to LTNZ and ARTA;*
 - Taking of any land identified as necessary for the project that has not already been specifically approved by Council;*
 - Letting of any contracts; and*
 - Finalising any financial agreements between Council and ONTRACK or ARTA.*
- 4. That the draft partnering and funding agreement with ONTRACK be approved.*
- 5. That a further report be submitted to Council in December 2007 on implementation and funding issues for the New Lynn Transit Oriented Development project.”*

3621/2007

3. The Council's foresight in committing to the transport interchange and roads project early, while permitting flexibility within its design process, has had the combined effect of catalysing other developments and maximising integration potential between these developments as they mature. The net benefits that will be achieved through this synergy are greater than could have been achieved independently.

SCOPE OF WORK

4. Through the Council's establishment of a New Lynn TOD Integrated Programme governance team, ongoing planning of the wider New Lynn Town Centre between the Council and various land owners, developers, Lynn mall, Infratil, Ontrack and ARTA significantly influenced the direction and scope of the developing New Lynn transport interchange and roading infrastructure project. Ongoing consultations with these organisations shaped the developing project scope for the transport interchange and associated roads to maximise benefits and enhance future development potential opportunities in New Lynn.
5. At programme commencement, the Council's transport interchange project was more advanced than those of ONTRACK and ARTA and hence the Council's initial project scope was largely based on assumptions upon which neither ONTRACK or ARTA were in a position to provide input. The Council's subsequent engagement with ONTRACK and ARTA as their programmes gained momentum, progressively evolved during the Council's design development and through growing collaboration between their respective teams. The project scope was further developed and enhanced to provide the best benefit/cost ratio upon which the Council's funding application to NZTA was based, and the boundaries of accountability between these organisations was determined. Establishment of these boundaries facilitated the novation to ARTA of portion of the Council's design contract associated with the rail platform and concourse building and also defined the extent of the physical works that would be constructed by Ontrack on the Council's behalf, under their TOC contract with Fletcher Construction Consortium.

6. The approval of the Council's funding by NZTA on 27 February 2009, effectively confirmed the developed scope for the Council's professional services contract, necessitating renegotiation of the professional services contract with Beca for the confirmed scope. NZTA have been approached by Council officers for approval of the renegotiated professional services contract with Beca.
7. Management of the New Lynn TOD Project is extremely complex in comparison to a conventional project in which there would normally be an autonomous Client body. The New Lynn TOD Project has three large organisations simultaneously acting as Client bodies, each with their own complex individual projects that are enmeshed with multiple potential conflict fronts. The degree of coordination required between the three teams is substantial and requires considerable time inputs from all. Hence, while there are benefits to be reaped from the synergies of working collaboratively together, these come at a marginal cost of increased management demands.
8. Due to the scope adjustments made to the Council's transport interchange and roading project during the collaborative programme integration process (over those assumed in the original brief), planning services and resource consents are required for the following key items:
 - **Stage 1:** Roding construction comprising additional roads, cycle lanes and walkways along Portage, Neville and Astley roads, intersection construction to convert the Portage roundabout to a signalised four-way intersection, street parking, tree plantings, services relocation, land acquisition and seismic strengthening for a building to be partly demolished at 4 Clark Street;
 - **Stage 2:** Roding and bridge construction for the expanded Clark Street flyover, alternative access road at Ambrico Place and construction of a signalised intersection at Great North Road; and
 - **Stage 3:** Roding construction at Totara Avenue west to support the planned merchant quarter development and intersection construction at Todd Triangle and Great North Road.
9. The renegotiated professional services tender includes agreed fees for the preparation and lodgement of resource consent and notice of requirement applications for Stages 1, 2 and 3. The scope has also been increased to include the post-lodgement work, which had been excluded from the original contract due to the difficulties in defining the scope during the early stages of the project.

TENDERS RECEIVED

10. A negotiated tender was received from Beca that is based on the confirmed scope contained in the Council's funding application to NZTA. This tender is provided in Table 1 below:

CONTRACTOR	REG OFFICE	TENDER PRICE (excl. GST)
Beca Carter Hollings & Ferner Limited	Level 2, 21 Pitt Street, Auckland	\$415,086.72
Pre-tender contract estimate		\$490,000.00
Budget estimate		\$490,000.00

Table 1 - Summary of Tender Price

TAGS, ERRORS OR OMISSIONS

11. The negotiated tender submitted by Beca contained tags, but these were resolved during the negotiation process.

TENDER EVALUATION

12. In accordance with the conditions of tendering, the tender was evaluated in line with the Lowest Price Conforming Tender Method contained in NZTA's "Competitive Pricing Procedures Manual".
13. Under this method, the tender is assessed against each of the non-price attributes to determine the tender acceptability. Each attribute is scored on a pass / fail basis.
14. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exp.	Track Record	Tech. Skill	Res.	Manage. Skill	Method.	Lowest Price Conforming Tender
Tenderer	Tender Sum	Grades						
Beca Carter Hollings & Ferner Limited	\$415,086.72	Pass	Pass	Pass	Pass	Pass	Pass	Yes

Table 2 - Summary of Tender Evaluation

15. The negotiated tender price was reviewed by the Council's independent professional quantity surveyors, WTP NZ Infrastructure Limited, who reported that the tendered price is reasonable. In assessing whether the price was reasonable, the quantity surveyors have based their opinion on guidance from the standard fee percentages prescribed by the New Zealand Planning Institute and benchmarked against their knowledge of current market values for similar projects.

CONTRACTOR'S PERFORMANCE

16. An evaluation of Beca's performance to date indicates that:
- They have a sound working relationship with Council officers;
 - They are well resourced and have adequate skilled staff and professional subcontractors able to undertake the work;
 - They respond well to Client queries and changes;
 - They have a good technical grasp of the Resource Management Act process and procedure; and
 - They have performed well and met all of their contract deadlines to date.

CREDIT CHECK

17. A credit check on Beca dated 28 May 2009 revealed no adverse information.

JOB COSTS

18.	excl. GST
Tender sum - Beca	\$415,086.72
Contingency 10%	\$ 41,508.67

Total Job Cost	\$456,595.39

SOURCE OF FUNDING

19. The source of funding is shown in Table 3 below:

Budget Description (Annual Plan 2008/2009 line item New Lynn Transport Project)	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
New Lynn TOD Project / Infrastructure / Interchange/ Professional Services	8AMTA-07-192/2/3/9	\$3,550,550	\$3,398,352	\$152,198	\$0	\$0
New Lynn TOD Project / Infrastructure / Rooding Projects/ Professional Services	8AMTA-07-192/2/2/12	\$6,638,268	\$6,333,871	\$304,397	\$0	\$0
	Total	\$10,188,818	\$9,732,223	\$456,595	\$0	\$0

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

21. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: John Scherbrucker, Special Projects Manager.



9 **CONTRACT NO. SP06004B - NEW LYNN TRANSIT ORIENTED DEVELOPMENT - QUANTITY SURVEYING SERVICES - RENEGOTIATED CONTRACT**

GLOSSARY

WTP NZ Infrastructure Limited	(WTP)
Auckland Regional Transport Authority	(ARTA)
New Zealand Transport Agency	(NZTA)
Transit Oriented Development	(TOD)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award a renegotiated contract for professional services for quantity surveying to WTP NZ Infrastructure Limited (WTP) from June 2009 to October 2010, subject to approval from the New Zealand Transport Agency (NZTA).

The Council's funding application to NZTA was approved by NZTA's Board on 27 February 2009. This approval signified a major milestone in the ongoing development of the New Lynn Transit Oriented Development (TOD) design scope, which commenced in February 2007. During the design period, the Council collaboratively engaged with ONTRACK and Auckland Regional Transport Authority (ARTA) to develop and enhance the New Lynn TOD design and also agreed the boundaries of accountability between these organisations in October 2008.

Integration of projects under the New Lynn TOD Integrated Programme, together with confirmation of accountabilities between the Council, ONTRACK and ARTA has necessitated the renegotiation of the Council's quantity surveying services contract with WTP.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SP06004B - New Lynn Transit Oriented Development - Quantity Surveying Services - Renegotiated Contract report.
2. **Approve** that, subject to approval by the New Zealand Transport Agency, the renegotiated tender from WTP NZ Infrastructure Limited for Contract No. SP06004B - New Lynn Transit Oriented Development - Quantity Surveying Services - Renegotiated Contract in the sum of \$665,987.00 plus \$83,248.37 GST, totalling \$749,235.37, to be completed in October 2010 be accepted.
3. **Approve** that authority to enter into Contract No. SP06004B - New Lynn Transit Oriented Development - Quantity Surveying Services - Renegotiated Contract on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. On 13 April 2007, the Council awarded a professional services contract to WTP. This contract covered: cost estimates for the concept; final design and construction tender stages; preparation of tender documents and schedules of quantity; review of payment certificates and variations during construction; and, preparation of the final account for the New Lynn TOD transport interchange, roads and associated works as it was defined at that time.

2. The concept design was approved by the Council at its meeting on 10 October 2007 whereby the Council resolved as follows:

- “1 *That the New Lynn Transit Oriented Development Project - Progress Report and Concept Design Approval report be received.*
2. *That the Concept Design be approved.*
3. *That as necessary due to the upcoming election process, the Chief Executive Officer be delegated authority to act in all matters relating to the New Lynn TOD project, including:*
 - *Lodgement of any consents or regulatory applications that may be required under the Resource Management Act;*
 - *Submission of any funding applications to LTNZ and ARTA;*
 - *Taking of any land identified as necessary for the project that has not already been specifically approved by Council;*
 - *Letting of any contracts; and*
 - *Finalising any financial agreements between Council and ONTRACK or ARTA.*
4. *That the draft partnering and funding agreement with ONTRACK be approved.*
5. *That a further report be submitted to Council in December 2007 on implementation and funding issues for the New Lynn Transit Oriented Development project.”*

3621/2007

3. The Council's foresight in committing to the transport interchange and roads project early, while permitting flexibility within its design process, has had the combined effect of catalysing other developments and maximising integration potential between these developments, as they mature. The net benefits that will be achieved through this synergy are greater than could have been achieved independently.

SCOPE OF WORK

4. Through the Council's establishment of a New Lynn TOD Integrated Programme governance team, ongoing planning of the wider New Lynn Town Centre between the Council and various land owners, developers, Lynn mall, Infratil, Ontrack and ARTA significantly influenced the direction and scope of the developing New Lynn transport interchange and roading infrastructure project. Ongoing consultations with these organisations shaped the developing project scope for the transport interchange and associated roads to maximise benefits and enhance future development potential opportunities in New Lynn.
5. At programme commencement, the Council's transport interchange project was more advanced than those of ONTRACK and ARTA and hence the Council's initial project scope was largely based on assumptions upon which neither ONTRACK or ARTA were in a position to provide input. The Council's subsequent engagement with ONTRACK and ARTA as their programmes gained momentum, progressively evolved during the Council's design development and through growing collaboration between their respective teams. The project scope was further developed and enhanced to provide the best benefit/cost ratio upon which the Council's funding application to NZTA was based, and the boundaries of accountability between these organisations was determined. Establishment of these boundaries facilitated the novation to ARTA of portion of the Council's professional services contract associated with the rail platform and concourse building and also defined the extent of the physical works that would be constructed by Ontrack on the Council's behalf, under their TOC contract with Fletcher Construction Consortium.

6. The approval of the Council's funding by NZTA on 27 February 2009, effectively confirmed the developed scope for the Council's professional services contract, necessitating renegotiation of the professional services contract with WTP for the design and construction monitoring stages, as required in the original contract. NZTA have been approached by Council officers for approval of the renegotiated professional services contract with WTP.
7. Management of the New Lynn TOD project is extremely complex in comparison to a conventional project in which there would normally be an autonomous Client body. The New Lynn TOD project has three large organisations simultaneously acting as Client bodies, each with their own complex individual projects that are enmeshed with multiple potential conflict fronts. The degree of coordination required between the three teams is substantial and requires considerable time inputs from all. Hence, while there are benefits to be reaped from the synergies of working collaboratively together, these come at a marginal cost of increased management demands.
8. Over a number of years and past projects, Council officers have cultivated a long standing positive relationship with WTP. This positive relationship and the associated goodwill has greatly contributed to the successful novation of portion of the professional services contract scope to ARTA, as well as renegotiation of the balance of the developed project scope, despite the extreme complexities of the project.
9. The renegotiated professional services tender that has been submitted by WTP has achieved efficiencies through value engineering as well as clear scope definition to produce an outcome with improved fee/construction cost ratio. The fee/construction cost ratio on the original contract at 0.83% has now been improved through efficiencies to 0.78%. This renegotiated tender has been evaluated by measurement against current industry data and deemed to be good value.
10. The scope adjustments made to the Council's transport interchange and roading project during the collaborative programme integration process, over those assumed in the original design brief, include additions and enhancements to the following key items:
 - **Transport Interchange (Option 1)** comprising a second platform entry point, shifted platform location, extended island platform as opposed to side platforms, passive ventilation solutions, fire engineering solutions, enclosed escalators and stairs, greater trench coverage, rearranged concourse to allow for future ticketing, public waiting areas, bicycle storage, larger overhead canopy structure, greater bus shelter coverage, artistic treatment to trench walls, prop beams and street level works and contract supervision;
 - **Transport Interchange (Option 2)** comprising additional trench coverage to enable above-rail land development, including architecture, structural design, building services, fire engineering, ventilation design, acoustic design, design coordination and contract supervision;
 - **Stage 1:** Roothing design comprising additional roads, cycle lanes and walkways along Portage, Neville and Astley roads, intersection design to convert the Portage roundabout to a signalised four-way intersection, street parking, tree plantings, storm water outfall, services relocation, land acquisition, traffic modelling and seismic strengthening for a building to be partly demolished at 4 Clark Street;

- **Stage 2:** Roading and bridge design for the expanded Clark Street flyover, alternative access lane at Ambrico Place, extensive geotechnical exploration for the bridge foundations across the rail trench and a signalised intersection at Great North Road; and
 - Management and coordination between the design and construction teams of three Client bodies.
11. Following the concept development process, ARTA independently obtained funding for the rail station and concourse elements that had previously been incorporated into the Council's contract with WTP. The Council agreed to novate the relevant portion of WTP's contract to ARTA. This novation was negotiated between senior officers of the Council and ARTA on 15 October 2008 in the value of \$111,489.00 plus GST.

TENDERS RECEIVED

12. A negotiated tender was received from WTP that is based on the confirmed scope contained in the Council's funding application to NZTA. This tender is provided in Table 1 below:

CONTRACTOR	REG OFFICE	TENDER PRICE (excl. GST)
WTP NZ Infrastructure Limited	111 Hurstmere Road, Takapuna, Auckland	\$665,987.00
Pre tender contract estimate		\$760,000.00
Budget estimate		\$760,000.00

Table 1 - Summary of Tender Price

13. This tender from WTP includes the deducted sum for the contract portion novated to ARTA.

TAGS, ERRORS OR OMISSIONS

14. An allowance of \$25,000 has been included in the contract to cover ancillary items that are non-quantifiable at this stage. This allowance can only be claimed with the approval of Council officers.

TENDER EVALUATION

15. In accordance with the conditions of tendering, the tender was evaluated in line with the Lowest Price Conforming Tender Method contained in NZTA's "Competitive Pricing Procedures Manual".
16. Under this method, the tender is assessed against each of the non-price attributes to determine the tender acceptability. Each attribute is scored on a pass / fail basis.
17. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exp.	Track Record	Tech. Skill	Res.	Manage. Skill	Method.	Lowest Price Conforming Tender
Tenderer	Tender Sum	Grades						
WTP NZ Infrastructure Limited	\$665,987.00	Pass	Pass	Pass	Pass	Pass	Pass	Yes

Table 2 - Summary of Tender Evaluation

CONTRACTOR'S PERFORMANCE

18. An evaluation of WTP's performance to date indicates that:
- They have a sound working relationship with Council officers;
 - They are well resourced and have adequate skilled staff and professional subcontractors able to undertake the work;
 - They respond well to Client queries and changes;
 - They have a good technical grasp of interchange and roading design;
 - Their work is consistently of a high standard;
 - They interface well with key ONTRACK and ARTA staff;
 - They have performed well, particularly in meeting very tight deadlines required for the NZTA funding application submitted in October 2008; and
 - They have a proven track record with Council.

CREDIT CHECK

19. A credit check on WTP dated 28 May 2009 revealed no adverse information.

JOB COSTS

20.	excl. GST
Tender sum - WTP	\$665,987.00
Contingency 10%	\$ 66,598.70

Total Job Cost	\$732,585.70

SOURCE OF FUNDING

21. The source of funding is shown in Table 3 below:

Budget Description (Annual Plan 2008/2009 line item New Lynn Transport Project)	Codes	Budget	Committed to other projects	Allocation to this project	Unallo- cated balanc e	Potential surplus
New Lynn TOD Project / Infrastructure / Interchange/ Professional Services	8AMTA-07- 192/2/3/9	\$3,550,550	\$3,306,355	\$244,195	\$0	\$0
New Lynn TOD Project / Infrastructure / Roading Projects/ Professional Services	8AMTA-07- 192/2/2/12	\$6,638,268	\$6,149,878	\$488,390	\$0	\$0
	Total	\$10,188,818	\$9,456,233	\$732,585	\$0	\$0

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

23. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: John Schermbrucker, Special Projects Manager.



10 CONTRACT NO. PY06046G - CITYWIDE EXTERIOR BUILDING WASH - APPROVAL TO EXTEND

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PY06046G - Citywide Exterior Building Wash for 12 months, to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PY06046G - Citywide Exterior Building Wash - Approval to Extend report.
2. **Approve** that the Contract No. PY06046G - Citywide Exterior Building Wash as awarded to Milestone Group Limited be extended in the sum of \$70,584.00 excluding GST for the period 1 July 2009 to 30 June 2010.
3. **Approve** the commitment of \$70,584.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. PY06046G - Citywide Exterior Building Wash.
4. **Agree** that the extension to Contract No. PY06046G - Citywide Exterior Building Wash for a further one year for 2010/2011 be brought back to the Tenders Subcommittee for approval subject to funding availability and contractor approval.
5. **Approve** that authority to extend Contract No. PY06046G - Citywide Exterior Building Wash for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. Council owns or manages a number of large buildings which require regular cleaning.
2. The buildings to be covered by this contract are:
 - Community Centres;
 - Libraries;
 - Council Offices; and
 - Council Direct Service Units.

3. This contract is for exterior and gutter cleaning of all of Council's non-residential buildings. The contract includes programmed maintenance services, to be carried out in accordance with the appropriate New Zealand standards.
4. The Tenders Subcommittee approved the award of Contract No. PY06046G - Citywide Exterior Building Wash to Milestone Group Limited at a Tenders Subcommittee meeting held on 2 May 2008 with the following recommendations:

The Tenders Subcommittee resolved to:

- “1. **Receive** the Contract No. PY06046G - Citywide Exterior Building Wash report.
2. **Approve** that the tender from Milestone Group Limited for Contract No. PY06046G - Citywide Exterior Building Wash in the sum of \$211,921.00 plus \$26,490.13 GST, totalling \$238,411.13 be accepted for a term of three (3) years.
3. **Approve** that the tender for Contract No. PY06046G - Citywide Exterior Building Wash be awarded to other than the lowest priced tender, because the weighted attributes tender evaluation method requires the tendering authority to enter into a contract only with the tender that scores the highest overall index.
4. **Approve** committing \$67,223.00 plus GST against the 2008/2009 Annual Plan for Contract No. PY06046G - Citywide Exterior Building Wash.
5. **Approve** committing \$70,584.00 plus GST against the 2009/2010 Annual Plan for Contract No. PY06046G - Citywide Exterior Building Wash.
6. **Approve** committing \$74,114.00 plus GST against the 2010/2011 Annual Plan for Contract No. PY06046G - Citywide Exterior Building Wash.
7. **Agree** that renewals for Contract No. PY06046G - Citywide Exterior Building Wash be brought back to the Tenders Subcommittee for approval.
8. **Approve** that authority to enter into Contract No. PY06046G - Citywide Exterior Building Wash on behalf of Council be delegated to the Group Manager: Asset Management.”

677/2008

DECISION MAKING

5. This contract has provision for two annual extensions up to 30 June 2011, based on the satisfactory performance by the Contractor and subject to Council's approval.

CONTRACTOR'S PERFORMANCE

6. An evaluation of Milestone Group Limited's performance to date contains the following features:
 - They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

7. A credit check on Milestone Group Limited dated 7 May 2009 revealed that Milestone Group Limited are a 'significant risk', with a 4.5% probability of experiencing financial distress. This probability is slightly above the industry average of 1.5%.
8. The risk to Council is relatively minor should Milestone Group Limited suffer financial distress during the term of the contract as although the works included in this contract are essential, the timing of the work is flexible, and payments are made monthly for works undertaken during the preceding month.

JOB COSTS

9.		excl. GST
	Contract sum (12 months) Milestone Group Limited	\$70,584.00

	Total Job Cost	\$70,584.00

SOURCE OF FUNDING

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

Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallo- cated balance	Potential surplus
Property Maintenance	Various	\$211,500.00	\$140,916.00	\$70,584.00	\$0.00	\$0.00
	Total			\$70,584.00		

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

12. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Rory Chacko, Facilities Manager.



11 **CONTRACT NO. PY06046F - CITYWIDE LIFT AND ESCALATOR MAINTENANCE - APPROVAL TO EXTEND**

GLOSSARY

Original equipment manufacturer (OEM)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PY06046F - Citywide Lift and Escalator Maintenance for 12 months, to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PY06046F - Citywide Lift and Escalator Maintenance - Approval to Extend report.
2. **Approve** that the Contract No. PY06046F - Citywide Lift and Escalator Maintenance as awarded to Otis Elevator Company Limited be extended in the sum of \$48,635.00 excluding GST for the period 1 July 2009 to 30 June 2010.
3. **Approve** the commitment of \$48,635.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. PY06046F - Citywide Lift and Escalator Maintenance.
4. **Agree** that the extension to Contract No. PY06046F - Citywide Lift and Escalator Maintenance for a further one (1) year for 2010/2011 be brought back to the Tenders Subcommittee for approval subject to funding availability and contractor approval.
5. **Approve** that authority to extend Contract No. PY06046F - Citywide Lift and Escalator Maintenance for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. The scope of work includes planned and response maintenance of lifts installed at Waitakere City Council sites. This includes all statutory checks, and the issuing of 12A certificates, which are essential for building warrant of fitness purposes.
2. The Tenders Subcommittee approved the award of Contract No. PY06046F - Citywide Lift and Escalator Maintenance to Otis Elevator Company Limited at a Tenders Subcommittee meeting held on 2 May 2008 with the following recommendation:

The Tenders Subcommittee resolved to:

- “1. **Receive** the Contract No. PY06046F - Citywide Lift and Escalator Maintenance report.
2. **Approve** the tender from Otis Elevator Company Pty Limited for Contract No. PY06046F - Citywide Lift and Escalator Maintenance in the sum of \$140,313.00 plus \$17,539.13 GST, totalling \$157,852.13 be accepted for a term of three (3) years.
3. **Approve** committing \$46,771.00 plus GST against the 2008/2009 Annual Plan for Contract No. PY06046F - Citywide Lift and Escalator Maintenance.

4. **Approve** committing \$46,771.00 plus GST against the 2009/2010 Annual Plan for Contract No. PY06046F - Citywide Lift and Escalator Maintenance.
5. **Approve** committing \$46,771.00 plus GST against the 2010/2011 Annual Plan for Contract No. PY06046F - Citywide Lift and Escalator Maintenance.
6. **Agree** that renewals for Contract No. PY06046F - Citywide Lift and Escalator Maintenance be brought back to the Tenders Subcommittee for approval.
7. **Approve** that authority to enter into Contract No. PY06046F - Citywide Lift and Escalator Maintenance on behalf of Council be delegated to the Group Manager: Asset Management.”

676/2008

DECISION MAKING

3. The contract has provision for up to two (2) annual extensions based on satisfactory performance by the Contractor and subject to the Council's approval.
4. There are two (2) options when selecting a lift and escalator servicing contractor, either to engage the lift or escalator manufacturer or another qualified service agent.
5. Contracting directly with the lift or escalator manufacturer removes the ability to competitively tender the service, and can result in significantly increased service costs. In addition, contracting directly with the manufacturer would result in multiple lift and escalator servicing contracts, requiring additional staff time for monitoring and management.
6. Contracting with a qualified service agent other than the manufacturer can result in delays in rectifying faults that require original equipment manufacturer (OEM) parts or knowledge, as the lift or escalator manufacturer maintains “proprietary” information on some aspects of the lift or escalator operations.
7. Over the past 12 months, there have been two (2) instances of significant delays in identifying and rectifying lift faults. In both of these instances the faults were due to OEM parts and knowledge and the delays were primarily due to disagreements between Council's contracted service agent and the lift manufacturer, and the inability of the two companies to co-operate to address the issues.
8. This report recommends continuing with a single lift and escalator maintenance contractor, to ensure both best value for money and use of staff resources. Issues requiring access to proprietary information are expected to occur at a very low frequency, as the lifts contained in this contract are primarily less than three (3) years old, and thus should not experience any major faults. Where faults occur that require the manufacturer to repair Council will work directly with the manufacturer to ensure a smooth and cooperative process.

CONTRACTOR'S PERFORMANCE

9. An evaluation of Otis Elevator Company Limited performance to date contains the following features:
 - They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They have a strong focus on health and safety; and
 - Their workmanship is generally to a good standard.

CREDIT CHECK

10. A credit check on Otis Elevator Company Limited dated 30 April 2009 revealed no adverse information.

JOB COSTS

11.		excl. GST
	Contract sum (12 months) Otis Elevator Company Limited	\$48,635.00

	Total Job Cost	\$48,635.00

SOURCE OF FUNDING

12. Source of funding is shown in Table 1 below:

Budget Description Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallo- cated balance	Poten- tial surplus
Property and Response Maintenance and Building Compliance.	Various	\$1,061,000.00	\$1,014,229.00	\$48,635.00	\$0.00	\$0.00
	Total			\$48,635.00		

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

14. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Rory Chacko, Facilities Manager.



12 **CONTRACT NO. PY06046D - RESPONSE MAINTENANCE PLUMBING - APPROVAL TO EXTEND**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PY06046D - Response Maintenance Plumbing for 12 months, to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PY06046D - Response Maintenance Plumbing - Approval To Extend report.
2. **Approve** that the Contract No. PY06046D - Response Maintenance Plumbing as awarded to Allwest Plumbing Limited be extended in the sum of \$180,000.00 excluding GST for the period 1 July 2009 to 30 June 2010.
3. **Approve** the commitment of \$180,000.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. PY06046D - Response Maintenance Plumbing.
4. **Agree** that the extension to Contract No. PY06046D - Response Maintenance Plumbing for a further one year for 2010/2011 be brought back to the Tenders Subcommittee for approval subject to funding availability and contractor approval.
5. **Approve** that authority to extend Contract No. PY06046D - Response Maintenance Plumbing for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. The Response Maintenance Plumbing contract provides plumbing maintenance for all Council owned or operated buildings including response and planned maintenance works.
2. Allwest Plumbing Limited is a local Waitakere contractor who has undertaken response maintenance plumbing services for Council and has an extensive knowledge of Council buildings and relevant plumbing services.
3. Allwest Plumbing Limited have performed the contract to a good standard and consistently provide added value in resolving issues in a cost efficient and effective manner.
4. The Tenders Subcommittee approved the award of Contract No. PY06046D - Response Maintenance Plumbing to Allwest Plumbing Limited at a Tenders Subcommittee meeting held on 2 May 2008 with the following recommendations:

The Tenders Subcommittee resolved to:

1. **Receive** the Contract No. PY06046D - Response Maintenance - Plumbing report.
2. **Approve** that the tender from AllWest Plumbing Ltd for Contract No. PY06046D - Response Maintenance - Plumbing in the sum of \$540,000.00 plus \$67,500.00 GST, totalling \$607,500.00 be accepted for a term of three (3) years.

3. *Approve committing \$180,000.00 plus GST against the 2008/2009 Annual Plan for Contract No. PY06046D - Response Maintenance - Plumbing.*
4. *Approve committing \$180,000.00 plus GST against the 2009/2010 Annual Plan for Contract No. PY06046D - Response Maintenance - Plumbing.*
5. *Approve committing \$180,000.00 plus GST against the 2010/2011 Annual Plan for Contract No. PY06046D - Response Maintenance - Plumbing.*
6. *Agree that renewals for Contract No. PY06046D - Response Maintenance - Plumbing be brought back to the Tenders Subcommittee for approval.*
7. *Approve that authority to enter into Contract No. PY06046D - Response Maintenance -Plumbing on behalf of Council be delegated to the Group Manager: Asset Management.”*

675/2008

DECISION MAKING

5. This contract has provision for two annual extensions up to 30 June 2011, based on the satisfactory performance by the Contractor and subject to Council's approval.

CONTRACTOR'S PERFORMANCE

6. An evaluation of Allwest Plumbing Limited's performance to date contains the following features:
 - They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

7. A credit check on Allwest Plumbing Limited dated 7 May 2009 revealed no adverse information.

JOB COSTS

8.		excl. GST
	Contract sum (12 months) Allwest Plumbing Limited's	\$180,000.00

	Total Job Cost	\$180,000.00

SOURCE OF FUNDING

9. Source of funding is shown in Table 1 below:

Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Response and Property Maintenance	Various	\$924,500.00	\$744,500.00	\$180,000.00	\$0.00	\$0.00
	Total			\$180,000.00		

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

11. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Rory Chacko, Facilities Manager.



13 CONTRACT NO. PY05017J - WAITAKERE CITY COUNCIL GROUNDS MAINTENANCE - APPROVAL TO EXTEND

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PY05017J - Waitakere City Council Grounds Maintenance for 12 months, to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PY05017J - Waitakere City Council Grounds Maintenance - Approval to Extend report.
2. **Approve** that the Contract No. PY05017J - Waitakere City Council Grounds Maintenance as awarded to Envirotech Maintenance Limited be extended in the sum of \$134,593.00 excluding GST for the period 1 July 2009 to 30 June 2010.
3. **Approve** the commitment of \$134,593.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. PY05017J - Waitakere City Council Grounds Maintenance.

4. **Approve** that authority to extend Contract No. PY05017J - Waitakere City Council Grounds Maintenance for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. The Grounds Maintenance contract covers Council owned and leased properties. Services provided include lawn mowing and gardening, garden waste removal, response maintenance and minor contract work as required.
2. The Tenders Subcommittee approved the award of Contract No. PY05017J - Waitakere City Council Grounds Maintenance to Envirotech Maintenance Limited at a Tenders Subcommittee meeting held on 23 November 2007 with the following recommendations:

- “1. *That the Contract No. PY05017J - Waitakere City Council Grounds Maintenance report be received.*
2. *That following the satisfactory credit check, the tender from Envirotech Maintenance Ltd for Contract No. PY05017J - Waitakere City Council Grounds Maintenance, for an initial seven month term in the sum of \$52,729.25, plus \$6,591.16 GST, totalling \$59,320.41, be accepted.*
3. *That approval for Contract No. PY05017J - Waitakere City Council Grounds Maintenance is given to committing \$90,393.00 against the 2008/2009 Annual Plan.*
4. *That approval for Contract No. PY05017J - Waitakere City Council Grounds Maintenance is given to committing \$90,393.00 against the 2009/2010 Annual Plan.*
5. *That the authority to enter into Contract No. PY05017J - Waitakere City Council Grounds Maintenance on behalf of Council be delegated to the Group Manager: Asset Management.*
6. *That the renewal for Contract No. PY05017J - Waitakere City Council Grounds Maintenance for the 2008/2009 and 2009/2010 financial years be reported back to the Tenders Subcommittee for approval.”*

3814/2007

3. The Tenders Subcommittee approved the first of two one year renewals at a Tenders Subcommittee meeting held on 8 August 2008 with the following recommendations:

The Tenders Subcommittee resolved to:

- “1. **Receive** the Contract No. PY05017J - Waitakere City Council Ground Maintenance - Approval to Extend report.
2. **Approve** that the Contract No. PY05017J - Waitakere City Council Ground Maintenance as awarded to Envirotech Maintenance Limited be extended in the sum of \$141,673.00 for the period 1 July 2008 to 30 June 2009.
3. **Approve** that the authority to extend Contract No. PY05017J - Waitakere City Council Ground Maintenance for the period 1 July 2008 to 30 June 2009 on behalf of Council be delegated to the Group Manager: Asset Management.”

1323/2008

DECISION MAKING

4. Contract No. PY05017J - Waitakere City Council Grounds Maintenance was awarded as a seven month contract with an expiry date of 30 June 2008. The contract has a provision for two annual extensions up to 30 June 2010, based on the satisfactory performance by the Contractor and subject to Council's approval.
5. This renewal is the second and final renewal available for Contract No. PY05017J - Waitakere City Council Grounds Maintenance.
6. The contract sum has been reduced for the final renewal to account for the removal of a number of Twin Streams properties from the work schedule.

CONTRACTOR'S PERFORMANCE

7. An evaluation of Envirotech Maintenance Limited's performance to date contains the following features:
 - They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

8. A credit check on Envirotech Maintenance Limited dated 3 April 2009 revealed no adverse information.

JOB COSTS

9.	excl. GST
Contract sum (12 months) Envirotech Maintenance Limited	\$134,593.00

Total Job Cost	\$134,593.00

SOURCE OF FUNDING

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

Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Response and Property Maintenance	Various	\$924,500.00	\$789,907.00	\$134,593.00	\$0.00	\$0.00
	Total			\$134,593.00		

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

12. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Rory Chacko, Facilities Manager.



14 CONTRACT NO. PY07001A - WAITAKERE CENTRAL HEATING, VENTILATION AND AIR CONDITIONING - APPROVAL TO EXTEND

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PY07001A - Waitakere Central Heating, Ventilation and Air Conditioning for 12 months, to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PY07001A - Waitakere Central Heating, Ventilation and Air Conditioning - Approval to Extend report.
2. **Approve** that, the Contract No. PY07001A - Waitakere Central Heating, Ventilation and Air Conditioning as awarded to Airpro Service Limited be extended in the sum of \$75,000.00 excluding GST for the period 1 July 2009 to 30 June 2010.
3. **Approve** the commitment of \$75,000.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. PY07001A - Waitakere Central Heating, Ventilation and Air Conditioning.
4. **Approve** that authority to extend Contract No. PY07001A - Waitakere Central Heating, Ventilation and Air Conditioning for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. The scope of work includes planned and response maintenance of the air conditioning installations at a number of Waitakere City Council sites, this contract is due to expire on 30 June 2009.
2. The air conditioning installation at the Waitakere Civic Centre and Waitakere Central library has equipment that is unique to Waitakere City Council and one other commercial building in Auckland City, the equipment has been installed by Airpro Mechanical Limited and in turn maintained by Airpro Service Limited. Airpro Service Limited are uniquely qualified to maintain this equipment.

3. The awarding of Contract No. PY07001A - Waitakere Central Heating, Ventilation and Air Conditioning to Airpro Service Limited was approved 11 October 2007 through Council's Procurement Manual process.

DECISION MAKING

4. Contract No. PY07001A - Waitakere Central Heating, Ventilation and Air Conditioning expires 30 June 2009. It is proposed that this contract be extended based on the satisfactory performance by the Contractor and subject to the Council's approval.
5. Airpro Service Limited has confirmed in writing that they are willing to carry out the contract for a further 12 months.

CONTRACTOR'S PERFORMANCE

6. An evaluation of Airpro Service Limited's performance to date contains the following features:
 - They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

7. A credit check on Airpro Service Limited dated 25 May 2009 revealed no adverse information.

JOB COSTS

	excl. GST
Contract sum (12 months) - Airpro Services Limited	\$55,000.00
Response Maintenance	\$20,000.00

Total Job Cost	\$75,000.00

SOURCE OF FUNDING

9. Source of funding is shown in Table 1 below:

Budget Description Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocate d balance	Potential surplus
Air Conditioning Maintenance	Various	\$38,000.00	\$00.00	\$38,000.00	\$00.00	\$00.00
Property/Response Maintenance	Various	\$924,500.00	\$887,500.00	\$37,000.00	\$00.00	\$00.00
	Total			\$75,000.00		

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

11. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Rory Chacko, Facilities Manager.



15 CONTRACT NO. PY07001I - AQUATIC CENTRE CLEANING - APPROVAL TO EXTEND

GLOSSARY

Crewcut Franchise Group Limited

(Crewcut)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PY07001I - Aquatic Centre Cleaning for 12 months, to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PY07001I - Aquatic Centre Cleaning - Approval to Extend report.
2. **Approve** that the Contract No. PY07001I - Aquatic Centre Cleaning as awarded to Crewcut Franchise Group Limited be extended in the sum of \$145,926.00 excluding GST for the period 1 July 2009 to 30 June 2010.
3. **Approve** the commitment of \$145,926.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. PY07001I - Aquatic Centre Cleaning.
4. **Approve** that authority to extend Contract No. PY07001I - Aquatic Centre Cleaning for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. West Wave Aquatic Centre is a multi-purpose leisure facility containing swimming pools, a fitness centre and a recreation centre.
2. The cleanliness of the facility is a key performance indicator, and meeting levels of service is a major priority for West Wave management.

3. Daily cleaning of the facility is undertaken by cleaning staff employed directly by West Wave. Daily cleaning tasks include the cleaning of all poolside areas, change rooms and common areas.
4. Nightly cleaning is undertaken by contract cleaners, and is the subject of this contract. Nightly cleaning tasks include cleaning of all areas except poolside.
5. The Director City Services approved the award of Contract No. PY070011 - Aquatic Centre Cleaning to Crewcut Franchise Group Limited on 16 September 2008, for a nine month period to 30 June 2009.

DECISION MAKING

6. It is proposed that this contract be extended for a further 12 month period to 30 June 2010.
7. Crewcut Franchise Group Limited (Crewcut) have performed to a significantly higher level than the previous two contractors, and have provided a good standard of cleaning and there have not been any noted security issues.
8. Crewcut have indicated that they will hold the existing contract price firm for a further 12 months, this price offers considerable savings over Contractors that have historically tendered for this work.

CONTRACTOR'S PERFORMANCE

9. An evaluation of Crewcut's performance to date contains the following features:
 - They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

10. A credit check on Crewcut dated 11 May 2009 revealed no adverse information.

JOB COSTS

11.	excl. GST
Contract sum (12 months)	\$145,926.00

Total Job Cost	\$145,926.00

SOURCE OF FUNDING

12. Source of funding is shown in Table 1 below:

Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallo- cated balance	Potential surplus
2009/2010 cleaning	Various	\$177,000.00	\$31,074.00	\$145,926.00	\$0	\$0
	Total			\$145,926.00		

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

14. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Rory Chacko, Facilities Manager.



16 CONTRACT NO. EW08020C - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - RANUI-MASSEY 2009 - 2012 - APPROVAL TO EXTEND

GLOSSARY

Project Twin Streams	(PTS)
Te Ukaipo Mercy Initiatives for Rangatahi Limited	(Te Ukaipo)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 for 12 months, to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 - Approval to Extend report.
2. **Approve** that the Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 as awarded to Te Ukaipo Mercy Initiatives for Rangatahi be extended in the sum of \$120,000.00 excluding GST for the period 1 July 2009 to 30 June 2010.
3. **Approve** the commitment of \$120,000.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012.
4. **Approve** that authority to extend Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Group Manager: Asset Management.

BACKGROUND

1. On 19 December 2008 the Tenders Subcommittee resolved the following with respect to Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012:

The Tenders Subcommittee resolved to:

- “1. **Receive** the Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 report.
2. **Approve** the tender from Te Ukaipo Mercy Initiatives for Rangatahi Limited (Te Ukaipo) for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 in the sum of \$400,000 excluding GST for the period 1 January 2009 to 30 June 2012.
3. **Approve** the commitment of \$120,000 excluding GST against the Annual Plan 2009/2010 for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012.
4. **Approve** the commitment of \$120,000 excluding GST against the Annual Plan 2010/2011 for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012.
5. **Approve** the commitment of \$100,000 excluding GST against the Annual Plan 2011/2012 for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012.
6. **Approve** that authority to enter into Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 for the period 1 January 2009 to 30 June 2012 on behalf of Council be delegated to the Deputy Director: City Services.
7. **Approve** that the authority to extend Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 for the periods 1 July 2009 to 30 June 2010, 1 July 2010 to 30 June 2011 and 1 July 2011 to 30 June 2012 (renewable each year) on behalf of Council be brought back to the Tenders Subcommittee.”

2160/2008

DECISION MAKING

2. Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 is a three (3) year and six (6) month contract with an expiry date on June 2012.
3. Te Ukaipo Mercy Initiatives for Rangatahi Limited (Te Ukaipo) has confirmed that they are willing to carry out the contract for a further twelve months.

CONTRACTOR'S PERFORMANCE

4. Te Ukaipo has met all their contract deliverables (planting, maintenance, community liaison and engagement) during the first six months of this contract.
5. They have established good relationships with their community as exemplified by excellent community participation at public planting days. They have 12 community groups and organisations involved in regular restoration and maintenance work on the Swanson stream. Sites for planting have been identified and prepared to ensure the planting targets for the 2009 and 2010 planting season can be achieved.

CREDIT CHECK

6. A credit check on Te Ukaipo dated 23 April 2009 revealed no adverse information.

JOB COSTS

7.		excl. GST
	Contract sum (12 months)	\$120,000.00
	Engineering and Supervision	Nil
	Contingency	\$ 10,000.00

	Total Job Cost	\$130,000.00

SOURCE OF FUNDING

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

Budget Description (from annual budget line item) Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallo- cated balance	Potential surplus
Project Twin Streams	8AMEW-07- 191/02/01/04	\$4,733,000.00	\$4,603,000	\$130,000.00	-	-
	Total	\$4,733,000.00	\$4,603,000	\$130,000.00	-	-

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

10. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

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



17 **CONTRACT NO. EW09012B - PROJECT TWIN STREAMS COMMUNITY CONTRACT - OPANUKU STREAM 2009 - 2012**

GLOSSARY

Project Twin Streams (PTS)
McLaren Park Henderson South Community Initiative Inc (MPHS)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012.

Approval for a three year contract (renewable each year on a 1+1+1 basis) is being sought.

The contract period starts 1 July 2009 and ends 30 June 2012.

This contract is for engaging the local community in the rehabilitation of the riparian margin along the Opanuku Stream while at the same time raising community awareness of the wider vision of Project Twin Streams (PTS).

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 report.
2. **Approve** subject to resolution 8 below, that the tender from McLaren Park Henderson South Community Initiative Inc for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 in the sum of \$450,000 plus \$56,250.00 GST, totalling \$506,250.00 be accepted.
3. **Approve** subject to resolution 8 below, the commitment of \$150,000.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012.
4. **Approve** subject to resolution 8 below, the commitment of \$150,000.00 excluding GST for the 2010/2011 financial year for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012.
4. **Approve** subject to resolution 8 below, the commitment of \$150,000.00 excluding GST for the 2011/2012 financial year for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012.
5. **Approve** subject to resolution 8 below, that authority to enter into Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 on behalf of Council be delegated to the Deputy Director: City Services.
6. **Agree** subject to resolution 8 below, that future renewals for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 under the 1 + 1 + 1 right of renewal provisions be reported back to the Council for approval.
7. **Agree** that the resolutions 2-7 above for Contract No EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 be subject to final confirmation by the Auckland Transition Agency.

BACKGROUND

1. PTS aims to restore five streams in the Huruhuru Creek and Henderson Creek catchments through stormwater management and rehabilitation of the stream riparian margins.
2. Key to the success and sustainability of this project is the public involvement and participation in the revegetation programme organised through community contract organisations.
3. McLaren Park Henderson South Community Initiative (MPHS) has held a community contract for the Oratia Stream since January 2007. As a PTS contract organisation MPHS has made outstanding progress in organising public planting events in the Oratia Stream area, and engaging local residents, schools, groups and businesses in this work.
4. The Opanuku Stream community contract has been held by the Corban Estate Art Centre since November 2005. However with the extension of the contract into the Upper Opanuku area in 2009 the Corban Estate Art Centre Board made the decision not to continue with their involvement as a community contract organisation.
5. MPHS expressed their interest in holding this contract in addition to their current contract for the Oratia Stream as they already operate in this area and have demonstrated that they have both the capacity and the commitment to hold two community contracts in tandem.
6. The timeframe for completion of PTS is by 30 June 2012.
7. PTS has regional funding of \$39.5 million over ten years from 2002 to 2012, which is held by Auckland Regional Holdings Ltd (formerly Infrastructure Auckland).
8. On 1 May 2009 the Tenders Subcommittee resolved to:

“The Tenders Subcommittee resolved to:

1. **Receive** the Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 report.
2. **Approve** that the Deputy Director: City Services invite McLaren Park Henderson South Community Initiative Inc to tender for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 for a total period of three years from 1 July 2009 to 30 June 2012.
3. **Approve** that the results of the tender evaluation process for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 be reported back to the Tenders Subcommittee for approval.”

623/2009

SCOPE OF WORK

9. Using a community development approach MPHS will provide the following works:
 - Undertake weeding, planting and maintenance of the Upper and Lower Opanuku Stream areas as outlined in the Opanuku Stream rehabilitation planting plan;
 - Plan and organise at least two public community events per year to engage the wider community in weeding, planting and maintenance;

- Build the capacity of the local residents and groups including the business sector in the Opanuku Stream area to participate in PTS and take guardianship of parts of these streams;
 - 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;
 - Assist with monitoring and evaluation of the environmental, social, cultural and economic aspects of the project; and
 - Establish a sustainable structure for the long term implementation of this project in the Opanuku Stream area.
10. The contract includes tangible project deliverable timeframes and key performance indicators to be measured under the contract.

TENDERS RECEIVED

11. MPHS was invited to tender for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 for a three year period as shown in Table 1.

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
McLaren Park Henderson South Community Initiative Inc	64D Bruce McLaren Road, Henderson	\$450,000
Pre-tender contract estimate		\$480,000

Table 1 - Summary of Tender Prices

12. The tender price submitted by MPHS is for the sum of \$450,000.
13. This sum consists of:
- \$150,000 plus GST for the 2009/2010 financial year;
 - \$150,000 plus GST for the 2010/2011 financial year; and
 - \$150,000 plus GST for the 2011/2012 financial year.

TAGS, ERRORS OR OMISSIONS

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

TENDER EVALUATION

15. The approved procurement option of a sole invited tender from MPHS was benchmarked against similar works. The price submitted by MPHS is below the pre-tender estimate and is therefore deemed acceptable.

CREDIT CHECK

16. Credit check on MPHS dated 7 April 2009 revealed no adverse information.

JOB COSTS

17.		excl. GST
	Tender sum -McLaren Park Henderson	
	South Community Initiative Inc	\$450,000.00
	Contingency	\$ 45,000.00
	Engineering and Supervision	Nil

	Total Job Cost	\$495,000.00

SOURCE OF FUNDING

18. Source of funding is shown in Table 2.1 - 2.3 below:

Budget Description (from Annual Budget line item) Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	8AMEW-07/191/02/01/03	\$4,733,000	\$4,568,000	\$165,000	-
	Total	\$4,733,000	\$4,568,000	\$165,000	-

Table 2.1 - Funding source to be committed for the 2009/2010 financial year

Budget Description (from Annual Budget line item) 2010/2011 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	8AMEW-07/191/02/01/03	\$2,740,000	\$2,575,000	\$165,000	-
	Total	\$2,740,000	\$2,575,000	\$165,000	-

Table 2.2 - Funding source to be committed for the 2010/2011 financial year

Budget Description (from Annual Budget line item) 2011/2012 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	8AMEW-07/191/02/01/03	\$1,365,000	\$1,200,000	\$165,000	-
	Total	\$1,365,000	\$1,200,000	\$165,000	-

Table 2.3 - Funding source to be committed for the 2011/2012 financial year

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 fully recoverable from the Auckland Regional Holdings grant.
20. Funding of \$4.733 million for this project has been provided in the draft Annual Plan 2009/2010.

IMPLEMENTATION ISSUES

21. No implementation issues are anticipated from this contract.

AUCKLAND COUNCIL TRANSITION ISSUES

22. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities in respect of:
- Section 31(4)(b) - to adopt or amend a Long Term Council Community Plan or to adopt an Annual Plan;
 - Section 31(4)(i) - to enter into any contract (other than an employment agreement) -
 - (i) that imposes, or will continue to impose, any obligation on the existing local authority after 30 June 2011; and
 - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.

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



18 CONTRACT NO. EW09012C - PROJECT TWIN STREAMS COMMUNITY CONTRACT - ORATIA STREAM 2009 - 2012

GLOSSARY

Project Twin Streams	(PTS)
McLaren Park Henderson South Community Initiative Inc	(MPHS)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012.

Approval for a three year contract (renewable each year on a 1+1+1 basis) is being sought.

The contract period starts 1 July 2009 and ends 30 June 2012.

This contract is for engaging the local community in the rehabilitation of the riparian margin along the Oratia Stream while at the same time raising community awareness of the wider vision of Project Twin Streams (PTS).

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 report.
2. **Approve** subject to resolution 8 below, that the tender from McLaren Park Henderson South Community Initiative Inc for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 in the sum of \$315,000.00 plus \$39,375.00 GST, totalling \$354,375.00 be accepted.

3. **Approve** subject to resolution 8 below, the commitment of \$105,000.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012.
4. **Approve** subject to resolution 8 below, the commitment of \$105,000.00 excluding GST for the 2010/2011 financial year for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012.
5. **Approve** subject to resolution 8 below, the commitment of \$105,000.00 excluding GST for the 2011/2012 financial year for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012.
6. **Approve** subject to resolution 8 below, that authority to enter into Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 on behalf of Council be delegated to the Deputy Director: City Services.
7. **Agree** subject to resolution 8 below, that future renewals for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 under the 1 + 1 + 1 right of renewal provisions be reported back to the Council for approval.
8. **Agree** that the resolutions 2-7 above for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 be subject to final confirmation by the Auckland Transition Agency.

BACKGROUND

1. PTS aims to restore five streams in the Huruuru Creek and Henderson Creek catchments through storm water management and rehabilitation of the stream riparian margins.
2. Key to the success and sustainability of this project is the public involvement and participation in the revegetation programme organised through community contract organisations.
3. McLaren Park Henderson South Community Initiative Inc (MPHS) has held a community contract for the Oratia Stream since January 2007.
4. As a PTS contract organisation MPHS has made outstanding progress in organising public planting events in the Oratia Stream area, and engaging local residents, schools, groups and businesses in this work.
5. The timeframe for completion of PTS is by 30 June 2012.
6. PTS has regional funding of \$39.5 million over ten years from 2002 to 2012, which is held by Auckland Regional Holdings Ltd (formerly Infrastructure Auckland).
7. On 1 May 2009 the Tenders Subcommittee resolved to:

“The Tenders Subcommittee resolved to:

1. **Receive** the Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 report.
2. **Approve** that the Deputy Director: City Services invite McLaren Park Henderson South Community Initiative Inc to tender for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 for a total period of three years from 1 July 2009 to 30 June 2012.

3. *Approve that the results of the tender evaluation process for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 be reported back to the Tenders Subcommittee for approval.*"

624/2009

SCOPE OF WORK

8. Using a community development approach MPHS will provide the following works:
- Undertake weeding, planting and maintenance of the Oratia Stream area as outlined in the Oratia Stream rehabilitation planting plan;
 - Plan and organise at least two public community events per year to engage the wider community in weeding, planting and maintenance;
 - Build the capacity of the local residents and groups including the business sector in the Oratia Stream area to participate in PTS and take guardianship of parts of these streams;
 - 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;
 - Assist with monitoring and evaluation of the environmental, social, cultural and economic aspects of the project; and
 - Establish a sustainable structure for the long term implementation of this project in the Oratia Stream area.
9. The contract includes tangible project deliverable timeframes and key performance indicators to be measured under the contract.

TENDERS RECEIVED

10. MPHS was invited to tender for Contract No. EW09012C - Project Twin Streams Community Contract - Oratia Stream 2009 - 2012 for a three year period as shown in Table 1:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
McLaren Park Henderson South Community Initiative Inc	64D Bruce McLaren Road, Henderson	\$315,000
Pre-tender contract estimate		\$320,000

Table 1 - Summary of Tender Prices

11. The tender price submitted by MPHS is for the sum of \$315,000.
12. This sum consists of:
- \$105,000 plus GST for the 2009/2010 financial year;
 - \$105,000 plus GST for the 2010/2011 financial year; and
 - \$105,000 plus GST for the 2011/2012 financial year.

TAGS, ERRORS OR OMISSIONS

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

TENDER EVALUATION

14. The approved procurement option of a sole invited tender from MPHS was benchmarked against similar works. The price submitted by MPHS is below the pre-tender estimate and is therefore deemed acceptable.

CREDIT CHECK

15. Credit check on MPHS dated 7 April 2009 revealed no adverse information.

JOB COSTS

16.		excl. GST
	Tender sum - McLaren Park Henderson South Community Initiative Inc	\$315,000.00
	Contingency	\$ 31,500.00
	Engineering and Supervision	Nil

	Total Job Cost	\$346,500.00

SOURCE OF FUNDING

17. Source of funding is shown in Table 2.1 - 2.3 below:

Budget Description (from Annual Budget line item) Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	8AMEW-07/191/02/01/01	\$4,733,000	\$4,617,500	\$115,500	-
	Total	\$4,733,000	\$4,617,500	\$115,500	-

Table 2.1 - Funding source to be committed for the 2009/2010 financial year

Budget Description (from Annual Budget line item) 2010/2011 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	8AMEW-07/191/02/01/01	\$2,740,000	\$2,624,500	\$115,500	-
	Total	\$2,740,000	\$2,624,500	\$115,500	-

Table 2.2 - Funding source to be committed for the 2010/2011 financial year

Budget Description (from Annual Budget line item) 2011/2012 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	8AMEW-07/191/02/01/01	\$1,365,000	\$1,249,500	\$115,500	-
	Total	\$1,365,000	\$1,249,500	\$115,500	-

Table 2.3 - Funding source to be committed for the 2011/2012 financial year

18. The engagement of community organisations to achieve the outcomes and deliverables of PTS is a direct cost associated to the project and as such is fully recoverable from the Auckland Regional Holdings grant.

19. Funding of \$4.733 million for this project has been provided in the draft Annual Plan 2009/2010.

IMPLEMENTATION ISSUES

20. No implementation issues are anticipated from this contract.

AUCKLAND COUNCIL TRANSITION ISSUES

21. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities in respect of:
- Section 31(4)(b) - to adopt or amend a Long Term Council Community Plan or to adopt an Annual Plan;
 - Section 31(4)(i) - to enter into any contract (other than an employment agreement) -
 - (i) that imposes, or will continue to impose, any obligation on the existing local authority after 30 June 2011; and
 - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.

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



19 CONTRACT NO. PK09003A - PROJECT TWIN STREAMS PROFESSIONAL SERVICES - APPROVAL TO PROCEED TO TENDER

GLOSSARY

Project Twin Streams (PTS)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to publicly call for tenders for Contract No. PK09003A - Project Twin Streams Professional Services for a contract period of 22 months from 1 September 2009 to 30 June 2011.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK09003A - Project Twin Streams Professional Services - Approval to Proceed to Tender report.
2. **Approve** to publicly call for tenders for Contract No. PK09003A - Project Twin Streams Professional Services for a contract period of 22 months from 1 September 2009 to 30 June 2011.
3. **Agree** that the results of the tender evaluation process for Contract No. PK09003A - Project Twin Streams Professional Services be reported back to the Tenders Subcommittee.

BACKGROUND

1. Project Twin Streams (PTS) involves the improvement of water and riparian quality of the Oratia, Opanuku, Waikumete, and Swanson streams (and several of their associated tributaries), and Henderson Creek. These outcomes are to be achieved mainly through:
 - purchasing property for riparian margin restoration purposes;
 - weed clearance;
 - re-vegetation planting; and
 - stream bank stabilisation.
2. Funding for this project is provided via a grant from the Auckland Regional Holding Limited (a subsidiary of the Auckland Regional Council formerly known as Infrastructure Auckland).
3. Council has adopted a community partnership and development model to deliver PTS. As part of this delivery model, community participation has been encouraged during both the planning and implementation phases of PTS. To ensure that community groups are able to successfully contribute in this sustainable partnership, Council needs to ensure sufficient resources are put into empowering community groups via provision of resources, information/knowledge sharing and training and education.
4. Due to the large scale of the project (the extensive project area and the complexity of managing a Quadruple Bottom Line project), the project needs professional services and engineering support for the project management, planning and implementation phases of the project.
5. Assistance with project management and planning is required to ensure the following:
 - efficient delivery of the PTS property purchase and removal programme;
 - comply with District Plan rules;
 - comply with rules of other regulatory authorities;
 - follow the Council's protocols and procedures;
 - implement best industry practices;
 - integration with programmes of other units within the Council; and
 - meet community needs and expectations.

SCOPE OF WORK

6. The scope of works required from the consultant has been apportioned into three components, and includes the following tasks:

Project Management

- Managing property purchases and removals, and covenant acquisition processes;
- Providing regular progress updates on the property and easement acquisition process; and
- Working with the PTS team to review project budgets and activity plans and mapping these to track progress.

Engineering Services

- Developing and obtaining approvals for planting and restoration plans within the riparian margins.

Restoration Projects

Provision of four full time equivalent roles to provide riparian co-ordination services which are responsible for:

- Co-ordinating and planning streamside planting events and restoration works with multiple stakeholders, community groups and contractors;
 - Providing advice on ecological restoration to various stakeholders, community groups and schools; and
 - Reporting on progress of restoration works.
7. The services provided by this contract will cover all five of the PTS streams which currently have stream restoration works underway.

PROPOSAL

8. It is proposed to let the contract for a term of 22 months from 1 September 2009 to 30 June 2011. The estimated contract value is \$987,000.
9. A public tendering process is required for the following reasons:
- a specialist skill-set not available within the Council is required;
 - the works are a one-off requirement unable to be resourced internally at present;
 - external involvement is appropriate for the work requirements; and
 - the cost estimate for the contract works will exceed \$50,000.
10. The proposal to tender a contract for works over a 22 month period provides the following benefits to Council:
- the longer term will promote value for money setting a platform for competitive pricing due to the volume of work over this period;
 - the longer term allows the prospective Contractor to become established and gain specific property knowledge to operate the contract efficiently; and
 - the risk to Council is minimised through the inclusion of performance criteria within the terms and conditions of the contract, which allow for early termination for non-performance.

SOURCE OF FUNDING

11. Funding of \$987,000 has been provided in the draft Long Term Council Community Plan 2009-2019 for all works associated with this contract.

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

13. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Anil Karan, Project Twin Streams Evaluation Leader.



20 **CONTRACT NO. EW08005B - PROJECT TWIN STREAMS - RIPARIAN REHABILITATION PROJECT OPANUKU CREEK - APPROVAL TO EXTEND**

GLOSSARY

Project Twin Streams	(PTS)
Auckland Regional Holdings Limited	(ARH)
Wildland Consultants Limited	(WCL)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. EW08005B - Project Twin Streams - Riparian Rehabilitation Project Opanuku Stream for twelve months, from 1 July 2009 to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08005B - Project Twin Streams - Riparian Rehabilitation Project Opanuku Stream - Approval to Extend report.
2. **Approve** that the Contract No. EW08005B - Project Twin Streams - Riparian Rehabilitation Project Opanuku Stream as awarded to Wildland Consultants Limited be extended for the period 1 July 2009 to 20 December 2010.
3. **Approve** the commitment of \$327,411.23 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. EW08005B - Project Twin Streams - Riparian Rehabilitation Project Opanuku Stream.
4. **Approve** that authority to extend Contract No. Contract No. EW08005B - Project Twin Streams - Riparian Rehabilitation Project Opanuku Creek for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. Project Twin Streams (PTS) is a large, innovative project that formally began works in 2003. Its focus is on restoring six streams: Waikumete Stream, Opanuku Stream, Henderson Creek, Oratia Stream, Swanson Stream and Pixie Stream (now completed) and their environs, principally through innovative stormwater management and weeding and planting of stream banks. Over time this focus broadened into a Quadruple Bottom Line approach, which recognises and weaves together the social, economic, cultural, spiritual and environmental aspects of the project.
2. At the end of 2004, a local community organisation was contracted to engage local residents in the aims of PTS, including local stewardship of the streams. There are now six community organisations contracted in five areas within the catchment to work with local residents to restore the streams and improve the sustainability of our ecosystems.
3. PTS has regional funding of \$39.5 million over ten years from 2002 to 2012, which is held by Auckland Regional Holdings Limited (ARH) (formerly Infrastructure Auckland). In order to facilitate and enhance the stream restoration programme and community participation process, technical assistance needs to be provided to the community groups to provide them with experienced mentors/supervisors who can provide:
 - weed identification knowledge;
 - weed removal skills;

- an understanding of plant species and communities and their distribution zones; and
 - proper planting techniques.
4. In terms of the (ARH grant terms and conditions, PTS is required to successfully deliver the stream restoration programme on the Opanuku Stream by 2012. To achieve this, a Contractor is required to carry out the weed control and re-vegetation programme as well as assist community groups where necessary.
 5. Environmental weeds are a major problem along the riparian margins of the Opanuku Stream. In order for PTS restoration planting to be successful, these weeds must be removed, as otherwise they have the potential to damage or destroy the restoration effort. Even after re-vegetation, sites may need some maintenance works to control weeds and allow for establishment of the planted plants. Some species require long term management in order to successfully eradicate them, for example bamboo can take on wards of 18 months to be completely eradicated.
 6. Community groups are constantly being engaged by PTS to assist with and take responsibility for the restoration of their local stream. While community groups may have the interest to become involved, they do not necessarily have the skills or knowledge to do so. To empower community groups to become involved and grow their skill sets, it is essential that the groups are provided with resources that will impart these skills and knowledge. In the past, Contractors who are experienced in weed management, re-vegetation and/or stream restoration have been utilised to work alongside community groups and provide the community with training in this field.
 7. There are many parts of the Opanuku Stream that are too dangerous for community groups to work in due to problems such as stream bank stability, stream flows or stream bank topography. Competent contractors experienced with dealing with these conditions are required to undertake all aspects of the restoration works at such sites.
 8. The Council approved the award of Contract No. EW08005B - Project Twin Streams - Riparian Rehabilitation Project Opanuku Stream at a Tender Subcommittee meeting held on 25 July 2008 with the following recommendations:
 - “1. That the tender from Wildland Consultants Limited for Contract No. EW08005B - Project Twin Streams - Riparian Rehabilitation Project Opanuku Stream 2008/2009 and 2009/2010 in the sum of \$573,043.86 plus GST, totalling \$644,674.34 be accepted.
 2. That subject to acceptable contractor performance Contract No. EW08005B - Project Twin Streams - Riparian Rehabilitation Project Opanuku Stream 2008/2009 and 2009/2010 be reported back to the Tenders Subcommittee in June 2009 for approval to re-award for the second year of the contract term.
 3. That authority to enter into Contract No. EW08005B - Project Twin Streams - Riparian Rehabilitation Project Opanuku Stream 2008/2009 and 2009/2010 on behalf of Council be delegated to the Group Manager: Asset Management”.

DECISION MAKING

9. Contract No. EW08005B - Project Twin Streams - Opanuku Stream Rehabilitation Project is a 12 month contract, with a right of renewal for a further 12 months.
10. Wildland Consultants Limited (WCL) have confirmed in writing that they are willing to carry out the contract for a further 12 months.
11. Efficiencies will be gained by continuing to engage the current contractor through the 2010 planting period. WCL is familiar with the programmed works of the Opanuku Stream adding continuity to the stream works.
12. Funding for this contract will be provided by ARH. Based on the nature of these works, Council will be able to claim the full amount from ARH.

CONTRACTOR'S PERFORMANCE

13. An evaluation of WCL performance to date contains the following features:
 - They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety; and have demonstrated ongoing compliance to health and safety requirements. Their workmanship is generally to a very good standard.

CREDIT CHECK

14. A credit check on WCL dated 7 May 2009 revealed no adverse information.

JOB COSTS

15.	excl. GST
	Contract sum 2009/2010 (12 months) \$327,411.23

	Total Job Cost \$327,411.23

SOURCE OF FUNDING

16. Source of funding is shown in Table 1 below:

Budget Description (from annual budget line item) Draft Annual Plan 2009/2010	Codes	Budget	Committe d to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams - Opanuku Stream Rehabilitation Project Draft Annual Plan 2009/2010	8AMEW-07- 191/02	\$345,000.00	\$0	\$327,411.23	\$17,588.77	\$0
	Total	\$345,000.00		\$327,411.23	\$17,588.77	

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

18. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Gill Thurlow Parks Contract Officer: Environmental.



21 CONTRACT NO. EW08005D - PROJECT TWIN STREAMS - RIPARIAN REHABILITATION PROJECT ORATIA STREAM - APPROVAL TO EXTEND

GLOSSARY

Project Twin Streams (PTS)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. EW08005D - Project Twin Streams - Riparian Rehabilitation Project Oratia Stream for 12 months, from 1 July 2009 to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08005D - Project Twin Streams - Riparian Rehabilitation Project Oratia Stream - Approval to Extend report.
2. **Approve** that the Contract No. EW08005D - Project Twin Streams - Riparian Rehabilitation Project Oratia Stream as awarded to Wildland Consultants Limited be extended for the period 1 July 2009 to 30 June 2010.
3. **Approve** the commitment of \$338,500 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. EW08005D - Project Twin Streams - Riparian Rehabilitation Project Oratia Stream.
4. **Approve** that authority to extend Contract No. Contract No. EW08005D - Project Twin Streams - Riparian Rehabilitation Project Oratia Stream for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. Project Twin Streams (PTS) is a large, innovative project that formally began works in 2003. Its focus is on restoring six streams: Waikumete Stream, Opanuku Stream, Henderson Creek, Oratia Stream, Swanson Stream and Pixie Stream (now completed) and their environs, principally through innovative stormwater management and weeding and planting of stream banks. Over time this focus broadened into a Quadruple Bottom Line approach, which recognises and weaves together the social, economic, cultural, spiritual and environmental aspects of the project.

2. At the end of 2004, a local community organisation was contracted to engage local residents in the aims of PTS, including local stewardship of the streams. There are now six community organisations contracted in five areas within the catchments to work with local residents to restore the streams and improve the sustainability of our ecosystems.
3. PTS has regional funding of \$39.5 million over ten years from 2002 to 2012, which is held by Auckland Regional Holdings Limited (formerly Infrastructure Auckland). In order to facilitate and enhance the stream restoration programme and community participation process, technical assistance needs to be provided to the community groups to provide them with experienced mentors/supervisors who can provide:
 - weed identification knowledge;
 - weed removal skills;
 - an understanding of plant species and communities and their distribution zones; and
 - proper planting techniques.
4. In terms of the Auckland Regional Holdings Ltd grant terms and conditions, PTS is required to successfully deliver the stream restoration programme on the Oratia Stream by 2012. To achieve this, a Contractor is required to carry out the weed control and re-vegetation programme as well as assist community groups where necessary.
5. Environmental weeds are a major problem along the riparian margins of the Oratia Stream. In order for PTS restoration planting to be successful, these weeds must be removed, as otherwise they have the potential to damage or destroy the restoration effort. Even after re-vegetation, sites may need some maintenance works to control weeds and allow for establishment of the planted plants. Some species require long term management in order to successfully eradicate them, for example bamboo can take on wards of 18 months to be completely eradicated.
6. Community groups are constantly being engaged by PTS to assist with and take responsibility for the restoration of their local stream. While community groups may have the interest to become involved, they do not necessarily have the skills or knowledge to do so. To empower community groups to become involved and grow their skill sets, it is essential that the groups are provided with resources that will impart these skills and knowledge. In the past, Contractors who are experienced in weed management, re-vegetation and/or stream restoration have been utilised to work alongside community groups and provide the community with training in this field.
7. There are many parts of the Oratia Stream that are too dangerous for community groups to work in due to problems such as stream bank stability, stream flows or stream bank topography. Competent contractors experienced with dealing with these conditions are required to undertake all aspects of the restoration works at such sites.
8. The Council approved the award of Contract No. EW08005D - Project Twin Streams - Riparian Rehabilitation Project; Oratia Stream at a Tender Subcommittee meeting held on 25 July 2008 with the following recommendations:
 - “1. That the tender from Wildland Consultants Limited for Contract No. EW08005D- Project Twin Streams - Riparian Rehabilitation Project Oratia Stream 2008/2009 and 2009/2010 in the sum of \$573,043.86 plus GST, totalling \$644,674.34 be accepted.

2. *That subject to acceptable contractor performance Contract No. EW08005D- Project Twin Streams - Riparian Rehabilitation Project Oratia Stream 2008/2009 and 2009/2010 be reported back to the Tenders Subcommittee in June 2009 for approval to re-award for the second year of the contract term.*
3. *That authority to enter into Contract No. EW08005D - Project Twin Streams - Riparian Rehabilitation Project Oratia Stream 2008/2009 and 2009/2010 on behalf of Council be delegated to the Group Manager: Asset Management.”*

1321/2008

DECISION MAKING

9. Contract No. EW08005D - Project Twin Streams - Oratia Stream Rehabilitation Project is a 12 month contract, with a right of renewal for a further 12 months.
10. Wildland Consultants Limited have confirmed in writing that they are willing to carry out the contract for a further 12 months.
11. Funding for this contract will be provided by Auckland Regional Holdings Limited. Based on the nature of these works, Council will be able to claim the full amount from Auckland Regional Holdings Limited.

CONTRACTOR'S PERFORMANCE

12. An evaluation of Wildland Consultants Limited performance to date contains the following features:
 - They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety;
 - They have demonstrated ongoing compliance to health and safety requirements; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

13. A credit check on Wildland Consultants Limited dated 7 May 2009 revealed no adverse information.

JOB COSTS

14.		excl. GST
	Contract sum (12 months) Wildland Consultants Limited	\$337,967.48

	Total Job Cost	\$337,967.48

SOURCE OF FUNDING

15. Source of funding is shown in Table 1 below:

Budget Description (from annual budget line item) Draft Annual Plan 2009/2010	Codes	Budget	Committe d to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams - Oratia Stream Rehabilitation Project Draft Annual Plan 2009/2010	8AMEW- 07-191/02	\$338,500.00	-	\$337,967.48	\$532.52	\$0
	Total	\$338,500.00		\$337,967.48	\$532.52	

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

17. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Gill Thurlow Parks Contract Officer: Environmental.



22 CONTRACT NO. EW08005E - PROJECT TWIN STREAMS - RIPARIAN REHABILITATION PROJECT SWANSON CREEK - APPROVAL TO EXTEND

GLOSSARY

Project Twin Streams (PTS)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. EW08005E - Project Twin Streams - Riparian Rehabilitation Project Swanson Creek for 12 months, from 1 July 2009 to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08005E - Project Twin Streams - Riparian Rehabilitation Project Swanson Creek - Approval to Extend report.

2. **Approve** that the Contract No. EW08005E - Project Twin Streams - Riparian Rehabilitation Project Swanson Creek as awarded to Parks and Maintenance Services be extended for the period 1 July 2009 to 30 June 2010.
3. **Approve** the commitment of \$241,523.70 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. EW08005E - Project Twin Streams - Riparian Rehabilitation Project Swanson Creek.
4. **Approve** that authority to extend Contract No. Contract No. EW08005E - Project Twin Streams - Riparian Rehabilitation Project Swanson Creek for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. Project Twin Streams (PTS) is a large, innovative project that formally began works in 2003. Its focus is on restoring six streams: Waikumete Stream, Opanuku Stream, Henderson Creek, Oratia Stream, Swanson Stream and Pixie Stream (now completed) and their environs, principally through innovative stormwater management and weeding and planting of stream banks. Over time this focus broadened into a Quadruple Bottom Line approach, which recognises and weaves together the social, economic, cultural, spiritual and environmental aspects of the project.
2. At the end of 2004, a local community organisation was contracted to engage local residents in the aims of PTS, including local stewardship of the streams. There are now six community organisations contracted in five areas within the catchments to work with local residents to restore the streams and improve the sustainability of our ecosystems.
3. PTS has regional funding of \$39.5 million over ten years from 2002 to 2012, which is held by Auckland Regional Holdings Limited (formerly Infrastructure Auckland). In order to facilitate and enhance the stream restoration programme and community participation process, technical assistance needs to be provided to the community groups to provide them with experienced mentors/supervisors who can provide:
 - weed identification knowledge;
 - weed removal skills;
 - an understanding of plant species and communities and their distribution zones; and
 - proper planting techniques.
4. In terms of the Auckland Regional Holdings Limited grant terms and conditions, PTS is required to successfully deliver the stream restoration programme on the Swanson Creek by 2012. To achieve this, a Contractor is required to carry out the weed control and revegetation programme as well as assist community groups where necessary.
5. Environmental weeds are a major problem along the riparian margins of the Swanson Creek. In order for PTS restoration planting to be successful, these weeds must be removed, as otherwise they have the potential to damage or destroy the restoration effort. Even after revegetation, sites may need some maintenance works to control weeds and allow for establishment of the planted plants. Some species require long term management in order to successfully eradicate them, for example bamboo can take on wards of 18 months to be completely eradicated.

6. Community groups are constantly being engaged by PTS to assist with and take responsibility for the restoration of their local stream. While community groups may have the interest to become involved, they do not necessarily have the skills or knowledge to do so. To empower community groups to become involved and grow their skill sets, it is essential that the groups are provided with resources that will impart these skills and knowledge. In the past, Contractors who are experienced in weed management, revegetation and/or stream restoration have been utilised to work alongside community groups and provide the community with training in this field.
7. There are many parts of the Swanson Creek that are too dangerous for community groups to work in due to problems such as stream bank stability, stream flows or stream bank topography. Competent contractors experienced with dealing with these conditions are required to undertake all aspects of the restoration works at such sites.
8. The Council approved the award of Contract No. EW08005E - Project Twin Streams - Riparian Rehabilitation Project Swanson Creek at a Tender Subcommittee meeting held on Friday, 8 August 2008 with the following recommendations:

The Tenders Subcommittee resolved to:

- “1. **Receive** the Contract No. EW08005E - Project Twin Streams - Swanson Stream Rehabilitation Project 2008/2009 and 2009/2010 report.
2. **Approve** that the tender from Parks Maintenance and Services Limited for Contract No. EW08005E - Project Twin Streams - Swanson Stream Rehabilitation Project 2008/2009 and 2009/2010 in the sum of \$575,173.50 plus \$71,896.69 GST, totalling \$647,070.19 be accepted.
3. **Approve** that \$241,523.70 be committed to Contract No. EW08005E - Project Twin Streams - Swanson Stream Rehabilitation Project 2008/2009 and 2009/2010 for the 2009/2010 financial year.
4. **Approve** that authority to enter into Contract No. EW08005E - Project Twin Streams - Swanson Stream Rehabilitation Project 2008/2009 and 2009/2010 on behalf of the Council be delegated to the Group Manager: Asset Management.
5. **Agree** that subject to acceptable contractor performance Contract No. EW08005E - Project Twin Streams - Swanson Stream Rehabilitation Project 2008/2009 and 2009/2010 be reported back to the Tenders Subcommittee in June 2009 for approval to re-award for the second year of the contract term.”

1320/2008

DECISION MAKING

9. Contract No. EW08005E - Project Twin Streams - Swanson Stream Rehabilitation Project is a 12 month contract, with a right of renewal for a further 12 month period.
10. Parks and Maintenance Services have confirmed in writing that they are willing to carry out the contract for a further 12 months.
11. Funding for this contract will be provided by Auckland Regional Holdings Limited. It is estimated that the cost of this contract for the 2009/2010 will be requested in the Long Term Council Community Plan 2009-2019. Based on the nature of these works, Council will be able to claim the full amount from Auckland Regional Holdings Limited.

CONTRACTOR'S PERFORMANCE

12. An evaluation of Parks and Maintenance Services performance to date contains the following features:
- They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety;
 - They have demonstrated ongoing compliance to health and safety requirements; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

13. A credit check on Parks Maintenance Services dated 2 April 2009 revealed no adverse information.

JOB COSTS

14.		excl. GST
	Contract sum (12 months) Parks Maintenance Services	\$241,523.70

	Total Job Cost	\$241,523.70

SOURCE OF FUNDING

15. Source of funding is shown in Table 1 below:

Budget Description (from annual budget line item) Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallo- cated balance	Potential surplus
Project Twin Streams - Swanson Stream Rehabilitation Project Draft Annual Plan 2009/2010	8AMEW-07- 191/02	\$243,500	\$0	\$241,523.70	\$1,976.30	\$0
Total		\$243,500		\$241,523.70	\$1,976.30	

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

17. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Gill Thurlow Parks Contract Officer: Environmental.



23 **CONTRACT NO. EW08005C - PROJECT TWIN STREAMS - RIPARIAN REHABILITATION PROJECT HENDERSON CREEK - APPROVAL TO EXTEND**

GLOSSARY

Project Twin Streams (PTS)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to amend contract sum and extend the contract period for Contract No. EW08005C - Project Twin Streams - Riparian Rehabilitation Project Henderson Creek for 12 months, from 1 July 2009 to 30 June 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08005C - Project Twin Streams - Riparian Rehabilitation Project Henderson Creek - Approval to Extend report.
2. **Approve** that the Contract No. EW08005C - Project Twin Streams - Riparian Rehabilitation Project Henderson Creek as awarded to Parks and Maintenance Services be extended for the period 1 July 2009 to 30 June 2010.
3. **Approve** the commitment of \$170,934.50 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. EW08005C - Project Twin Streams - Riparian Rehabilitation Project Henderson Creek.
4. **Approve** that authority to extend Contract No. Contract No. EW08005C - Project Twin Streams - Riparian Rehabilitation Project Henderson Creek for the period 1 July 2009 to 30 June 2010 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. Project Twin Streams (PTS) is a large, innovative project that formally began works in 2003. Its focus is on restoring six streams: Waikumete Stream, Opanuku Stream, Henderson Creek, Oratia Stream, Swanson Stream and Pixie Stream (now completed) and their environs, principally through innovative stormwater management and weeding and planting of stream banks. Over time this focus broadened into a Quadruple Bottom Line approach, which recognises and weaves together the social, economic, cultural, spiritual and environmental aspects of the project.
2. At the end of 2004, a local community organisation was contracted to engage local residents in the aims of PTS, including local stewardship of the streams. There are now six community organisations contracted in five areas within the catchments to work with local residents to restore the streams and improve the sustainability of our ecosystems.
3. PTS has regional funding of \$39.5 million over ten years from 2002 to 2012, which is held by Auckland Regional Holdings Limited (formerly Infrastructure Auckland). In order to facilitate and enhance the stream restoration programme and community participation process, technical assistance needs to be provided to the community groups to provide them with experienced mentors/supervisors who can provide:
 - weed identification knowledge;
 - weed removal skills;
 - an understanding of plant species and communities and their distribution zones; and
 - proper planting techniques.

4. In terms of the Auckland Regional Holdings Limited grant terms and conditions, PTS is required to successfully deliver the stream restoration programme on the Henderson Creek by 2012. To achieve this, a Contractor is required to carry out the weed control and re-vegetation programme as well as assist community groups where necessary.
5. Environmental weeds are a major problem along the riparian margins of the Henderson Creek. In order for PTS restoration planting to be successful, these weeds must be removed, as otherwise they have the potential to damage or destroy the restoration effort. Even after re-vegetation, sites may need some maintenance works to control weeds and allow for establishment of the planted plants. Some species require long term management in order to successfully eradicate them, for example bamboo can take onwads of 18 months to be completely eradicated.
6. Community groups are constantly being engaged by PTS to assist with and take responsibility for the restoration of their local stream. While community groups may have the interest to become involved, they do not necessarily have the skills or knowledge to do so. To empower community groups to become involved and grow their skill sets, it is essential that the groups are provided with resources that will impart these skills and knowledge. In the past, Contractors who are experienced in weed management, re-vegetation and/or stream restoration have been utilised to work alongside community groups and provide the community with training in this field.
7. There are many parts of the Henderson Creek that are too dangerous for community groups to work in due to problems such as stream bank stability, stream flows or stream bank topography. Competent contractors experienced with dealing with these conditions are required to undertake all aspects of the restoration works at such sites.
8. The Council approved the award of Contract No. EW08005C - Project Twin Streams - Riparian Rehabilitation Project; Henderson Creek at a Tender Subcommittee meeting held on 8 October 2008 with the following recommendations:

- “1. That the tender from Parks and Maintenance Services for Contract No. EW08005C - Project Twin Streams - Riparian Rehabilitation Project Henderson Creek 2008/2009 and 2009/2010 in the sum of \$359,353.50 plus GST, totalling \$404,272.69 be accepted.
2. That subject to acceptable contractor performance Contract No. EW08005C - Project Twin Streams - Riparian Rehabilitation Project Henderson Creek 2008/2009 and 2009/2010 be reported back to the Tenders Subcommittee in June 2009 for approval to re-award for the second year of the contract term.
3. That authority to enter into Contract No. EW08005C - Project Twin Streams - Riparian Rehabilitation Project Henderson Creek 2008/2009 and 2009/2010 on behalf of Council be delegated to the Group Manager: Asset Management”.

1319/2008

DECISION MAKING

9. Contract No. EW08005C - Project Twin Streams - Henderson Stream Rehabilitation Project is a 12 month contract with a right of renewal for a further 12 month period.
10. Parks and Maintenance Services have confirmed in writing that they are willing to carry out the contract for a further 12 months.

11. Funding for this contract will be provided by Auckland Regional Holdings Limited. Based on the nature of these works, Council will be able to claim the full amount from Auckland Regional Holdings Limited.

CONTRACTOR'S PERFORMANCE

12. An evaluation of Parks and Maintenance Services performance to date contains the following features:
- They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety and have demonstrated ongoing compliance to health and safety requirements; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

13. A credit check on Parks Maintenance Services dated 2 April 2009 revealed no adverse information.

JOB COSTS

14.		excl. GST
	Contract sum (12 months) Parks Maintenance Services	\$170,934.50

	Total Job Cost	\$170,934.50

SOURCE OF FUNDING

15. Source of funding is shown in Table 1 below:

Budget Description (from annual budget line item) Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams - Henderson Stream Rehabilitation Project Draft Annual Plan 2009/2010	8AMEW-07-191/02	\$245,00.00	\$0	\$170,934.50	\$74,065.50	\$0
	Total	\$245,00.00		\$170,934.50	\$74,065.50	

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

2. At the end of 2004, a local community organisation was contracted to engage local residents in the aims of PTS, including local stewardship of the streams. There are now six community organisations contracted in five areas within the catchments to work with local residents to restore the streams and improve the sustainability of our ecosystems.
3. PTS has regional funding of \$39.5 million over ten years from 2002 to 2012, which is held by Auckland Regional Holdings Ltd (formerly Infrastructure Auckland). In order to facilitate and enhance the stream restoration programme and community participation process, technical assistance needs to be provided to the community groups to provide them with experienced mentors/supervisors who can provide:
 - weed identification knowledge;
 - weed removal skills;
 - an understanding of plant species and communities and their distribution zones; and
 - proper planting techniques.
4. In terms of the Auckland Regional Holdings Limited grant terms and conditions, PTS is required to successfully deliver the stream restoration programme on the Waikumete Stream by 2012. To achieve this, a Contractor is required to carry out the weed control and revegetation programme as well as assist community groups where necessary.
5. Environmental weeds are a major problem along the riparian margins of the Waikumete Stream. In order for PTS restoration planting to be successful, these weeds must be removed, as otherwise they have the potential to damage or destroy the restoration effort. Even after revegetation, sites may need some maintenance works to control weeds and allow for establishment of the planted plants. Some species require long term management in order to successfully eradicate them, for example bamboo can take on wards of 18 months to be completely eradicated.
6. Community groups are constantly being engaged by PTS to assist with and take responsibility for the restoration of their local stream. While community groups may have the interest to become involved, they do not necessarily have the skills or knowledge to do so. To empower community groups to become involved and grow their skill sets, it is essential that the groups are provided with resources that will impart these skills and knowledge. In the past, Contractors who are experienced in weed management, revegetation and/or stream restoration have been utilised to work alongside community groups and provide the community with training in this field.
7. There are many parts of the Waikumete Stream that are too dangerous for community groups to work in due to problems such as stream bank stability, stream flows or stream bank topography. Competent contractors experienced with dealing with these conditions are required to undertake all aspects of the restoration works at such sites.
8. The Council approved the award of Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project; Waikumete Stream at a Tender Subcommittee meeting held on 25 July 2008 with the following recommendations:
 - “1. *That the tender from Te Ngahere Limited for Contract No. EW08005A- Project Twin Streams - Riparian Rehabilitation Project Waikumete Stream 2008/2009 and 2009/2010 in the sum of \$872,335.72 plus GST, totalling \$981,377.69 be accepted.*

2. *That subject to acceptable contractor performance Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project Waikumete Stream 2008/2009 and 2009/2010 be reported back to the Tenders Subcommittee in June 2009 for approval to re-award for the second year of the contract term.*
3. *That authority to enter into Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project Waikumete Stream 2008/2009 and 2009/2010 on behalf of Council be delegated to the Group Manager: Asset Management."*

1220/2008

DECISION MAKING

9. Contract No. EW08005A - Project Twin Streams - Waikumete Stream Rehabilitation Project is a 12 month contract, with a right of renewal for a further 12 month period.
10. Te Ngahere Limited have confirmed in writing that they are willing to carry out the contract for a further 12 months.
11. Funding for this contract will be provided by Auckland Regional Holdings Limited. Based on the nature of these works, Council will be able to claim the full amount from Auckland Regional Holdings Limited.

CONTRACTOR'S PERFORMANCE

12. An evaluation of Te Ngahere Limited performance to date contains the following features:
 - They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety and have demonstrated ongoing compliance to health and safety requirements; and
 - Their workmanship is generally to a very good standard.

CREDIT CHECK

13. A credit check on Te Ngahere Limited dated 2 April 2009 revealed no adverse information.

JOB COSTS

14.	excl. GST
Contract sum (12months) Te Ngahere Limited	\$458,400.65

Total Job Cost	\$458,400.65

SOURCE OF FUNDING

15. Source of funding is shown in Table 1 below:

Budget Description (from annual budget line item) Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams - Waikumete Stream Rehabilitation Project Draft Annual Plan 2009/2010	8AMEW-07-191/02	\$470,000.00	\$0	\$458,400.65	\$11,599.35	\$0
	Total	\$470,000.00		\$458,400.65	\$11,599.35	

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

17. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Gill Thurlow Parks Contract Officer: Environment.



25 CONTRACT NO. PK05002A - CITYWIDE ARBORICULTURAL MAINTENANCE - APPROVAL TO EXTEND CONTRACT PERIOD AND SUM

GLOSSARY

Treescape Limited (TSL)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to increase the contract sum for Contract No. PK05002A - Citywide Arboricultural Maintenance for 1 July 2009 to 30 June 2011, and extend the contract for twenty four (24) months from 1 July 2009 to 30 June 2011, in accordance with the provisions of the original contract.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK05002A - Citywide Arboricultural Maintenance - Approval to Extend Contract Period and Sum report.
2. **Approve** that the Contract No. PK05002A - Citywide Arboricultural Maintenance as awarded to Treescape Limited be extended in the sum of \$2,463,038.00 excluding GST for the period 1 July 2009 to 30 June 2011.
3. **Approve** the commitment of \$1,208,407.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. PK05002A - Citywide Arboricultural Maintenance.
4. **Approve** the commitment of \$1,254,631.00 excluding GST and escalations to the 2010/2011 financial year for Contract No. PK05002A - Citywide Arboricultural Maintenance.
5. **Approve** that authority to extend Contract No. PK05002A - Citywide Arboricultural Maintenance for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. This contract is a continuation of Council's routine citywide tree maintenance programme. The works are required in order to ensure the continued health, safety and general integrity of the City's tree asset. The scope of work includes:
 - Formative pruning;
 - Tree removal;
 - Stump grinding and removal;
 - Line clearing around overhead services;
 - Control of vegetation along carriageways, tracks, walkways and footpaths;
 - Updating of the City's Street Tree Asset Inventory;
 - Provision of a twenty four (24) hour emergency response service;
 - Tree planting;
 - Aftercare of newly planted trees;
 - Management of roadside, track and walkway vegetation; and
 - Tree maintenance throughout Waikumete Cemetery.
2. The contractor is required to maintain the tree asset within Town Centres and High Profile Areas in a defect free condition. This requires weekly inspections of the High Profile Areas and to treat any works required within these areas as a high priority and action immediately.
3. In accordance with the Electricity (Hazards from Trees) Regulations 2003, the contractor has, on behalf of Council, become responsible for the clearance of trees from overhead power and telecommunications cables. The scope of this work has grown on an incremental basis, in line with progress by the utility companies on their First Cut or Trim programmes. Following the First Cut or Trim, undertaken at no cost by the utility, tree owners become legally responsible for their tree asset in relation to power cables.

4. The contractor also provides services such as staff relief, specialist tree assessments and reports, resource consent applications and project co-ordination.

DECISION MAKING

5. Contract No. PK05002A - Citywide Arboricultural Maintenance was awarded to Treescape Limited (TSL) for a period of 24 months with rights of renewal of 24 months, plus 24 months subject to the satisfactory performance of the contractor and Tenders Subcommittee approval.
6. The Tenders Subcommittee approved the extension of Contract No. PK05002A - Citywide Arboricultural Maintenance to TSL at its meeting held on 8 June 2007 which resolved the following:

- “1. That the Contract No. PK05002A - Citywide Arboricultural Maintenance - Extension to Contract Period and Sum report be received.*
- 2. That the renewal of Contract No. PK05002A - Citywide Arboricultural Maintenance for 2007/2008 and 2008/2009 to Treescape Limited in the sum of \$1,950,915.20 plus \$243,864.40 GST totalling \$2,194,779.60 be approved.*
- 3. That the commitment to the 2007/2008 financial year for Contract No. PK05002A - Citywide Arboricultural Maintenance in the sum of \$1,072,957.60 plus \$134,119.70 GST totalling \$1,207,077.30 be approved.*
- 4. That the commitment to the 2008/2009 financial year for Contract No. PK05002A - Citywide Arboricultural Maintenance in the sum of \$1,072,957.60 plus \$134,119.70 GST totalling \$1,207,077.30 be approved.*
- 5. That the authority to extend Contract No. PK05002A - Citywide Arboricultural Maintenance, as in recommendation 2 above, be delegated to the Group Manager: Asset Management.”*

1016/2007

7. Approval is now being sort from the Tenders Subcommittee for the second 24 month extension period based on the performance of the contractor as outlined below.
8. The contract sum for 2009/2010 has been increased from \$975,457.60 to \$1,208,407.00 and is required for the following reasons:
 - More extensive control of roadside vegetation is required to meet safety requirements. A NZTA subsidy is received for this work; and
 - The control of woody weed species such as wattle and pine trees which is a requirement of Council's Weed Management Strategy adopted in June 2006.
9. Provision for this amount has been made in the draft Annual Plan 2009/2010.

CONTRACTOR'S PERFORMANCE

10. An evaluation of TSL performance to date contains the following features:
- They have developed a good working relationship with relevant Council officers;
 - They are a well resourced company;
 - They respond quickly to customer complaints;
 - They have a strong focus on health and safety;
 - Their workmanship is generally to a very good standard; and
 - They have demonstrated excellence in customer services.

CREDIT CHECK

11. A credit check on TSL dated 21 April 2009 revealed no adverse information.

JOB COSTS

12.		excl. GST
	Contract sum (12 months 2009/2010) - TSL	\$1,208,407.00

	Total Job Cost	\$1,208,407.00

13.		excl. GST
	Contract sum (12 months 2010/2011) - TSL	\$1,254,631.00

	Total Job Cost	\$1,254,631.00

SOURCE OF FUNDING

14. Source of funding for the 2009/2010 financial year is shown in Table 1 below:

Budget Description (from annual budget line item) Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Arboricultural Maintenance	5310-74000	\$788,000.00	\$0.00	\$788,000.00	\$0	\$0
Tree Maintenance Under Powerlines	5150-74000	\$250,000.00	\$0.00	\$250,000.00	\$0	\$0
Tree Planting	8AMPK-09-001	\$54,000.00	\$0.00	\$54,000.00	\$0	\$0
Weed & Pest Maintenance	5190-74000	\$888,000.00	\$838,000.00	\$50,000.00	\$0	\$0
Vegetation Control (Subsidised)	5490-74000	\$334,000.00	\$267,593.00	\$66,407.00	\$0	\$0
	Total	\$2,314,000.00	\$1,105,593.00	\$1,208,407.00	\$0	\$0

Table 1 - Source of Funding

15. Source of funding for the 2010/2011 financial year is shown in Table 2 below:

Budget Description (from annual budget line item) 2010/2011 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Arboricultural Maintenance	5310-74000	\$824,800.00	\$0	\$824,800.00	\$0	\$0
Tree Maintenance Under Powerlines	5150-74000	\$257,750.00	\$0	\$257,750.00	\$0	\$0
Tree Planting	8AMPK-10-001	\$55,674.00	\$0	\$55,674.00	\$0	\$0
Weed & Pest Maintenance	5190-74000	\$923,776.00	\$873,776.00	\$50,000.00	\$0	\$0
Vegetation Control (Subsidised)	5490-74000	\$370,129.00	\$303,722.00	\$66,407.00	\$0	\$0
Total		\$2,432,129.00	\$1,177,498.00	\$1,254,631.00	\$0	\$0

Table 2 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

17. The decision making proposed in this report is not constrained by section 31 of the local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganization, significantly constrain the powers or capacity of the Auckland council or any subsidiary of the Auckland Council following the reorganization, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganization.

Report prepared by: Helen Biffin, Parks Contract Officer - Environmental.



26 CONTRACT NO. SW09001A - MANUFACTURE AND SUPPLY OF OFFICIAL COUNCIL REFUSE BAGS - VARIATION TO CONDITIONS

GLOSSARY

High-Tech Packaging Limited (HTPL)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to vary the conditions of the Contract No. SW09001A - Manufacture and Supply of Official Council Refuse Bags.

- Supplier/Distributor's bond; and
- Payment terms.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SW09001A - Manufacture And Supply Of Official Council Refuse Bags - Variations to Conditions report.
2. **Approve** that the variation of Supplier/Distributor's bond required for this contract from one million dollars to \$300,000 and a personal guarantee by director/share holders of Hi-Tech Packaging Limited be accepted.
3. **Approve** that the variation of payment terms from that of Council invoicing for all bags manufactured in the preceding week to all bags sold to retailers/resellers in the preceding week be accepted.

BACKGROUND

1. At the Tenders Subcommittee meeting held on 17 April 2009, the following was resolved:

"The Tenders Subcommittee resolved to:

1. **Receive** the Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags report.
2. **Approve** that, subject to a satisfactory credit check, the tender from Hi-Tech Packaging Limited for Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags in the sum of \$139.47 per 1000 bags plus \$17.43 GST, totalling \$156.90 per 1000 bags be accepted.
3. **Approve** the commitment of \$470,707 excluding GST to the draft Annual Plan 2009/2010 for Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags.
4. **Approve** the commitment of \$470,707, excluding GST and cost escalation, to the draft Annual Plan 2010/2011 for Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags.
5. **Approve** that authority to enter into Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags on behalf of the Council be delegated to the Group Manager: Service Management.
6. **Agree** that future renewals for Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags under the 1 + 1 + 1 right of renewal provisions are to be reported back to the Council for approval.

557/2009

2. Hi-Tech Packaging Limited was selected out of three tenders received as it met all the required criteria.
3. After the contract was awarded on 3 April 2009, HTPL informed the Council by e-mail on 13 May 2009, of its inability to meet the required bond for one million dollars. HTPL also requested to make changes to the weekly payment terms having received advice from its bankers that the terms for payment would have a negative impact on HTPL's cash flow and financial position.
4. The Supplier/Distributor's bond was set at \$1 million and HTPL was the only tenderer agreed to provide it while the other two tenderers tagged this item.
5. During the tender process, HTPL was asked to reconfirm its ability to supply the required bond, and they responded in writing to the satisfaction of the council officers.

6. Following the award of contract, HTPL's bankers advised HTPL that it was not considered reasonable to provide a \$1 million bond based on cash flow analysis of the contract, and declined to do so.
7. Council was put in a position to consider a contractor unable to fulfil all the terms they had agreed to and being forced to renegotiating after the award of a contract.
8. The council had the option to hold HTPL in breach of contract that may have meant awarding the contract to a more expensive contractor and seeking damage from HTPL. HTPL were advised that they have placed council in a difficult position and the ethics of renegotiating terms after the contract was awarded was highly unethical. Unfortunately this was beyond councils control.
9. The only practical solution was to renegotiate the two particular terms in the contract with HTPL and then to seek a variation to the contract.
10. As part of the renegotiated terms involving any lesser bond council officers insisted upon personal director guarantees which was agreed to.

DECISION MAKING

Supplier/Distributor's Bond

11. The Supplier/Distributor's bond requirement through the tender process for this contract was set at one million dollars.
12. HTPL provided the lowest priced tender while being the only tenderer to fulfil the bond requirement in its tender which was further confirmed in an e-mail subsequently sent to the council during the tender process.
13. HTPL has now proposed a variation to the bond requirement. The option proposed is to replace the original bond requirement of one million dollars with a \$300,000 bond and a personal guarantee by the directors and share holders of HTPL to be activated in respect of the agreement should HTPL default in payment. In addition, it is worth noting that all refuse bags once manufactured, and whilst held by HTPL prior to sale to resellers, are subject to a security interest in favour of Council. This would provide Council with security to uplift those refuse bags in the case of default or insolvency of HTPL. Council's view is that the reduced bond, together with the payment arrangements being committed to, provide Council with a level of security in respect of the arrangements, and that with close control over the payment process there is adequate protection for Council in these arrangements. It is worth noting that the bond level of \$300,000 will provide protection for a projected three weeks' period of operation under the contract. Whilst a greater bond would be desirable, it is worth noting no other tenderer had committed to providing a bond of \$1million, and that the inclusion of the personal guarantees provides Council with additional leverage and possible security in the case of default
14. Upon re-evaluation of all three tenders on the basis of varied terms, it was found that HTPL are still the successful tenderer.

Payment terms

15. The original contract required HTPL to pay Council for all refuse bags within a defined period after the refuse bags were manufactured by HTPL. A weekly schedule was to be prepared detailing the bags manufactured in the preceding week, with Council then issuing an invoice based on that schedule and payment being due three working days later. This process did not take into account whether or not those refuse bags had been sold by HTPL to resellers and/or retailers in the community. Accordingly, HTPL was to carry the cash-flow impact of the purchase of those refuse bags from Council ahead of receiving payment itself from resellers and/or retailers.
16. Council officers recognised at the time the tender was released to the market that this could be an area of concern for tenderers. HTPL's financiers have required that there be a change in the time payment is due by HTPL to Council for the refuse bags, to allow time for cash-flow from sales to resellers and retailers to assist HTPL to meet this payment. Importantly, Council's right to receive payment is not conditional under the contract on payment being received by HTPL from the resellers/retailers, but the timing for such payment is triggered from the point HTPL sells the refuse bags to the reseller or retailer. The risk of collection of such amounts still remains with HTPL.
17. Accordingly, the proposed variation will still require a weekly schedule to be prepared detailing refuse bags manufactured and (now) sold in the preceding week. However, the invoice that is now prepared will only be in respect of those refuse bags that have actually been sold by HTPL to resellers/retailers during that week, with payment then due 8 working days later.
18. Council officers are comfortable with these payment arrangements, as essentially weekly payments will be undertaken, and this falls within the levels budgeted by Council.
19. The HTPL's proposed new bond and terms of payment are to the satisfaction of the Council's officers and are viewed as no less favourable than the other two tenders.
20. Council's solicitors, Kensington Swan, are involved in preparing the drafting changes to the contract to reflect the above variations, and will be prepare a deed of variation and/or a conformed copy of the contract for execution by the parties to reflect the above changes once approved. .

SOURCE OF FUNDING

21. There are no funding issues or financial implications

IMPLEMENTATION ISSUES

22. There are no expected implementation issues with this contract

Report prepared by: Ben Somaratne, Solid Waste Engineer.

