

**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, 10 JULY 2009,
COMMENCING AT 9.00 AM**

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1 APOLOGIES



2 URGENT BUSINESS

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

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

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

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



3 CONFLICTS OF INTEREST

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



4 CONFIRMATION OF MINUTES

Meeting Minutes - Friday, 26 June 2009

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 26 June 2009, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. QY09002A - WAITAKERE QUARRY OPERATING LICENCE - APPROVAL TO PROCEED TO TENDER**

GLOSSARY

Waitakere City Council	(Council)
Waitakere Quarry	(the Quarry)
Waitakere City Council District Plan	(District Plan)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to publicly call for tenders for Contract No. QY09002A - Waitakere Quarry Operating Licence for the period from the end of the existing contract, being 14 November 2009, until the planned closure of the Waitakere Quarry (the Quarry), estimated to be mid-2017. This timeframe is relevant given the capital investment required of operators in terms of operating machinery investment and consent monitoring and compliance.

It is noted that approval from the Auckland Transition Agency will be required given the proposed term of any resulting contract, subject to Local Government (Tamaki Makaurau Reorganisation) Act 2009, section 31(4)(i).

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. QY09002A - Waitakere Quarry Operating Licence - Approval To Proceed To Tender Operating Licence report.
2. **Approve** to publicly call for tenders for Contract No. QY09002A - Waitakere Quarry Operating Licence for the period from the end of the existing contract, being 14 November 2009, until the remainder of its operating life, estimated to be mid-2017.
3. **Agree** that the results of the tender evaluation process for Contract No. QY09002A - Waitakere Quarry Operating License be reported back to the Tenders Subcommittee for approval.
4. **Note** that subject to resolution 2 above, Contract No. QY09002A - Waitakere Quarry Operating Licence be subject to final confirmation of the Auckland Transition Agency.

BACKGROUND

1. The Quarry is situated to the north of Te Henga Road in Swanson and is owned by the Waitakere City Council (Council). The extraction of rock resources from the quarry is contracted to Perry Aggregates Limited, in the name of Waitakere Quarry Limited, who had the operational contract assigned to them subsequent to their purchase of the previous operator, Warahene owned by Yelavich Brothers Limited.
2. Contract 70390 - Licence to Operate the Waitakere City Quarry, was originally dated 28 February 2000, with an effective commencement date 15 November 1999. The initial term was for five years, with a conditional right of extension for a further five years.
3. The original Licencee (operator) was Yelavich Brothers Limited. The operator accepted the offer of an extension to the Licence up to 14 November 2009.

4. On 24 August 2006 Council was advised that on 30 March 2006 the shares in Yelavich Brothers Limited had been transferred to Waitakere Quarries Limited. On 1 August 2006 the staff and assets of Yelavich Brothers Limited were sold to Waitakere Quarries Limited, with Yelavich Brothers Limited agreeing to hold the quarry licence and resource consents in trust for Waitakere Quarries Limited until Council consented to assignment of the Licence.
5. The Quarry operation is a permitted activity in accordance with Rule 13 of the Waitakere City Council District Plan (District Plan). A Quarry Management Plan, included in Appendix A(51) of Rule 13 of the District Plan, established the sequencing of extraction from the different areas of the Quarry, in addition to the setting of conditions of the Quarry operation, including restorative works to be completed by the end of the consent period. The Quarry Management Plan was developed with the expectation of a quarry life of approximately 30 years (1989 to 2020).
6. Waitakere Quarry Limited has prepared a Quarry Management Plan which is being used to track actual quarrying progress and plan the new zones to be quarried. This management plan will also be used as the vehicle for planning the reinstatement of the quarry once it ceases to be an operational facility.

SCOPE OF WORK

7. The scope of work is to provide all resources to extract rock and metal from the Quarry, in accordance with all relevant legislation and regulations and pay Council a royalty for metal processed.
8. Considering that the current lease expires on 14 November 2009, a decision will need to be taken in the period leading up to that date as to how the contract for the remaining operational life of the Quarry is to be procured. This remaining life period is anticipated to be for a further eight years, during which time a key focus will be on having an operator working closely with Council to collectively address the reinstatement of the Quarry.
9. A Waitakere Quarry Aftercare Fund has been established and annual contributions are being made to generate an anticipated balance of \$2 million dollars over the next eight year period. This fund will be used to revegetate the quarry.
10. Council's Park's representative for the Quarry is working closely with the management team from Waitakere Quarry Limited to plan and undertake interim plantings on the overburden as it is to be in the final position according to the agreed Quarry Management Plan.
11. The Quarry will be re-instated to the natural environment post operation. It is the intention to make the site safe and simply restore it back to form part of the Waitakere Ranges environment.
12. Based on current forecasts, the Quarry is expected to remain in operation until mid-2017.

PROPOSAL

13. It is proposed to let the negotiated contract QY09002A for a term equivalent to the remaining life of the Quarry, estimated to be mid-2017.
14. A public tendering process is required for the following reasons:
 - The Quarry operation presents a significant revenue source to Council;

- The operating timeframe, being approximately eight years, is a significant amount of time and it is prudent to ensure transparency of contract; and
- To ensure Council obtains the optimum royalty for the Quarry licence during the remainder of its operating life.

SOURCE OF FUNDING

15. Council receives royalty payments of approximately \$500,000 per year from the sale of crushed rock at the Quarry. This income source will cease when the Quarry is closed in approximately mid- 2017.
16. The Waitakere Quarry Aftercare Fund 2009/2010 opening balance is anticipated to be \$1,185,173 with annual contributions to this fund in the order of \$115,000.

IMPLEMENTATION ISSUES

17. The overall operational management at the Quarry has improved significantly since Perry Group Limited has taken over the Licence. There have been significant improvements in health and safety, reduction in noise and dust, improved water monitoring and record keeping and a greatly enhanced relationship with both Council and the local residents. These improvements have been discussed and noted in the minutes of the Quarry Consultative Committee meetings.
18. Council must consider and factor all implications of any change in operator such as revenue, demonstrated history of performance, ongoing regulatory compliance, relationship between Council and the operator.

AUCKLAND COUNCIL TRANSITIONS ISSUES

19. The impact of this decision will be constrained by the establishment of the Auckland Transition Agency in anticipation of the Auckland Council as follows:
 - Section 29(3)(c) of the Local Government (Tamaki Makaurau Reorganisation) Act 2009 obliges existing local authorities to act in accordance with section 31 in their decision making during the transition period, namely:
 - Section 31(4)(i) restricts Council's ability 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.
20. The decision making proposed in this report is subject to legislative constraints during the transition period to the Auckland Council. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Council's decision making capabilities in respect of entering into any contract which is outside of the scope of transition and is anticipated as being greater than \$20,000 in financial impact.
21. Where Council's decision making is constrained by section 31(3) of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, the Chief Executive Officer must ensure that the decision has been confirmed in writing by the Auckland Transition Agency before implementing the decision (section 31(5)). The Chief Executive Officer will seek the Transition Agency's approval of this decision prior to implementation.

Report prepared by: Mark Abbot, Deputy Group Manager: Asset Management.



6 **CONTRACT NO. SP06002ZD - PROJECT TWIN STREAMS WALK AND CYCLEWAYS LIGHTING - DESIGN AND INSTALLATION**

GLOSSARY

New Zealand Transport Agency	(NZTA)
Lighting Design Partnership	(LDP)
Light Emitting Diode	(LED)
Transfield Services Limited	(Transfield)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SP06002ZD - Project Twin Streams Walk and Cycleways Lighting - Design and Installation.

Funding has been provided by the New Zealand Transport Agency (NZTA) and Infrastructure Auckland for the lighting of the Project Twin Streams walk and cycleways. A condition of the NZTA funding is that the walk and cycleways shall serve as commuter routes with lighting during peak commuter times within the hours of darkness.

The contract is for the design and installation of lighting along five of the six walk and cycleways in the Project Twin Streams project. The Millbrook Road Walk and Cycleway is excluded from this contract as it is already illuminated by streetlights.

Tenders were publicly advertised on 16 May 2009 and on the closing date of 9 June 2009 four tenders were received. A (fifth) late tender from the United Group Limited could not be accepted. The tender from Electrix Limited was withdrawn due to a major error in the pricing, and the tender from Northpower Limited was disqualified due to no information having been provided for the relevant experience and track record attributes. The price envelopes have been returned unopened to the tenderers.

Tenderers were required to tender for two options based on spacing of lights, as defined in Lighting Standard AS/NZS 1158.3.1 Lighting for Roads and Public Spaces. Tenders were evaluated for these options and only two tender submissions for Option 2 (lighting to category P4) are within the contract budget.

Any savings realised from Option 2 by installing lighting to category P4 only cannot be utilised on other Council projects as the funding is all from external agencies. It is therefore recommended that the contract for the lighting be awarded to Coll Electrical Limited for the Option 2 tender and that Council officers and the Contractor identify areas along the walk and cycleways where the installation of additional lighting would benefit commuters in terms of safety and security, with a view to negotiating an extension to the contract to utilise all of the available funds.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SP06002ZD - Project Twin Streams Walk And Cycleways Lighting - Design And Installation report.
2. **Approve** that, subject to a satisfactory credit check, the tender from Coll Electrical Limited for Contract No. SP06002ZD - Project Twin Streams Walk and Cycleways Lighting - Design and Installation in the sum of \$1,114,825.00 plus \$139,353.13 GST, totalling \$1,254,178.13 be accepted.
3. **Approve** that authority to enter into Contract No. SP06002ZD - Project Twin Streams Walk and Cycleways Lighting - Design and Installation on behalf of the Council be delegated to the Group Manager: Project Services.

4. **Approve** that authority to award cumulative contract variations to Contract No SP06002ZD - Project Twin Streams Walk and Cycleways Lighting - Design and Installation, up to the value of the contingency sum of \$167,223.75 plus GST on behalf of the Council be delegated to the Group Manager: Project Services.
5. **Approve** that authority to negotiate an extension to the contract with Coll Electrical Limited up to a final contract value (excluding contingency) of \$1,665,000.00 on behalf of the Council be delegated to the Group Manager, Project Services.

BACKGROUND

1. The Project Twin Streams walk and cycleways which have been under construction over the last two and a half years, since early 2007 are:
 - The Lower Opanuku Stream Walk and Cycleway;
 - The Upper Opanuku Stream Walk and Cycleway;
 - The Oratia Stream Walk and Cycleway;
 - The Lower Waikumete Stream Walk and Cycleway;
 - The Upper Waikumete Stream Walk and Cycleway; and
 - The Millbrook Road Walk and Cycleway.
- A1 2. All the walk and cycleways, with the exception of the Upper Opanuku Stream walk and cycleway, are complete. The Upper Opanuku Stream walk and cycleway is presently under construction and will be completed in April 2010. The walk and cycleways are shown on page A1.
3. The construction of the walk and cycleways has been funded jointly by NZTA. A condition of the NZTA funding is that the walk and cycleways are to serve as commuter routes for pedestrian and cyclist traffic, in addition to the function that they provide for exercise and leisure. A consequence of this requirement is that the walk and cycleways are required to be lit to provide safe passage for commuters in peak commuting times that fall within the hours of darkness. Hence the walk and cycleway are required to be lit for a limited number of hours on weekdays only. The peak hour duration for which lighting shall be required varies between summer and winter, with no requirement for lighting in December to a maximum of three hours and twenty minutes in June. The Millbrook Road Walk and Cycleway is already lit by streetlights and is therefore not included in the scope of works of the lighting contract.
4. A lighting options report by Lighting Design Partnership (LDP) was commissioned in 2007. This report outlined options for lighting of the walk and cycleways, including the spacing of lights, type of lights (for example Metal Halide, Light Emitting Diode (LED), etc) and the proposed hours of operation. Preliminary cost estimates were provided by LDP. These cost estimates were then used as a basis for funding applications to funding agencies.
5. Infrastructure Auckland has provided a grant of \$1,255,000 for the provision of lighting to the walk and cycleways. In April 2009 the award of a contract for the construction of the Upper Opanuku Stream Walk and Cycleway resulted in a saving to the project budget of \$650,000. This saving, which is part of the NZTA funding for the construction of the walk and cycleways, has been transferred to the lighting project.

6. In order to obtain the most favourable outcome in terms of performance, cost efficiency and sustainability, tenders were advertised for a design and installation contract with the intention of targeting lighting suppliers as well as contractors and consultants.

SCOPE OF WORK

7. The contract is for the design, supply, installation and commissioning of lighting along five of the six walk and cycleways in the Project Twin Streams project. The five walk and cycleways are:
- Lower Opanuku Stream Walk and Cycleway, including the short link between Great North Road at the Alderman Drive/Henderson Valley Road intersection and the existing footpath passing Pak 'N' Save leading to the Aquatic/Recreation Centre at 20 Alderman Drive;
 - Upper Opanuku Stream Walk and Cycleway;
 - Upper Waikumete Stream Walk and Cycleway;
 - Lower Waikumete Stream Walk and Cycleway;
 - Oratia Stream Walk and Cycleway, but excluding the ONTRACK footpaths adjacent to and under the rail track at Sunnyvale Station; and
 - The Millbrook Road Walk and Cycleway is excluded from the scope of works in this contract as it is already lit by streetlights.
8. The work includes but is not limited to the following:
- Preliminary and detailed design of poles, luminaries, power reticulation, connections, controls and all associated aspects required to enable the installation and commissioning of lighting along the walk and cycleways referred to above.
 - Preliminary and detailed design information including all drawings, documents, specifications and pricing schedules necessary to complete the work.
 - Supply and installation of the lighting system complete, including all materials, labour and commissioning.
 - Provision of signage at entry points to warn users of the limited hours of operation of the lights.
 - Provision of temporary project signage.
 - Liaison with Genesis Energy Limited and Vector Limited to arrange new power connections into the lighting system.
 - Liaison with Council officers to arrange new metering commissioning.
 - Make good all surfaces affected by the construction to the original condition.
 - Provide as-built drawings of the installed works.
 - Provide Road Assessment and Maintenance Management asset data as required by the Council, including GPS asset coordinates.

TENDERS RECEIVED

9. Tenders were publicly advertised on Tenderlink on 16 May 2009. Tenderers were required to price two options as below:
- Option 1. Lighting in accordance with lighting categories P1 to P4 as defined in Lighting Standard AS/NZS 1158.3.1 Lighting for Roads and Public Spaces.
 - Option 2. Lighting in accordance with lighting category P4 only as defined in the same standard.

10. The lighting categories define spacing of lights for a variety of physical and topographical situations, and take into account the recommended levels of lighting in terms of perceived security and safety risks.
11. On the tender closing date of 9 June 2009, four tenders were received as shown in Table 1 below. As this was a two envelope tender, the price envelopes were not opened until all the qualifications contained in the non-price envelopes had been resolved to the satisfaction of the tender evaluation panel.

TENDERER	REG OFFICE	PRICE
Option 1 (P1 to P4)		
Coll Electrical Limited	Auckland	Not priced
Electrix Limited	Auckland	Tender withdrawn
Northpower Limited	Greenmount	Disqualified
Transfield Services Limited Offer A	Otahuhu	\$2,096,748.21
Transfield Services Limited Offer B	Otahuhu	\$1,810,477.32
Pre-tender contract estimate Option 1		\$2,287,778.00
Budget Estimate Option 1		\$2,177,540.00
Option 2 (P4 Only)		
Coll Electrical Limited	Auckland	\$1,090,600.00
Electrix Limited	Auckland	Tender withdrawn
Northpower Limited	Greenmount	Disqualified
Transfield Services Limited Offer A	Otahuhu	\$1,814,234.78
Transfield Services Limited Offer B	Otahuhu	\$1,113,026.99
Pre-tender contract estimate Option 2		\$1,273,977.00
Budget estimate Option 2		\$1,212,590.00

Table 1 - Summary of Tender Prices

12. In addition to the tenders shown in Table 1 above, a late tender was received from United Group Limited in Penrose. This late tender could not be accepted and the un-opened tender was returned to the tenderer.
13. Because this tender is for both design and installation, there are no detailed designs on which tender estimates can be accurately provided. The budget estimates and the pre-tender estimates are based on the estimates provided in the LDP lighting options report.

TAGS, ERRORS OR OMISSIONS

14. Coll Electrical Limited submitted a tender for Option 2 only, utilising LED lighting. The only qualification affecting the price was the statement that the 60 metre link between Great North Road and the existing footpath alongside Pak 'N' Save had not been priced. Coll Electrical Limited was asked to price this. The additional price for this link is \$24,225.00 plus GST. The amended price for Coll Electrical Limited's tender is shown in Table 2 below.

15. The tender from Electrix Limited contained a major error in the proposed spacing of the lights. The tender submission assumed far greater spacing of lights for all lighting categories than what is required to comply with Lighting Standard AS/NZS 1158.3.1 Lighting for Roads and Public Spaces. Upon querying, Electrix Limited confirmed the error and requested the opportunity to re-price the tender. In accordance with the Council's Procurement Manual this is not permitted and Electrix Limited were asked to stand by their price for the installation of lighting complying with the Standard, or withdraw their tender. Electrix Limited have chosen to withdraw their tender and the price envelope has been returned unopened.
16. The tender of Northpower Limited was disqualified during the scoring of the non-price attributes as the tenderer did not provide any attribute statements on relevant experience and track record and was thus disqualified. The price envelope has been returned to Northpower Limited unopened.
17. The tender of Transfield Services Limited (Transfield) contained a number of qualifications as follows:
 - Transfield advised that the prices provided for the Vector Limited charges for power supply charges are provisional and will be adjusted to the actual cost from Vector Limited plus a mark up. This is acceptable as the charges from Vector Limited cannot be finalised until the design is finalised. Coll Electrical Limited have also allowed for provisional sums for these items;
 - Material that cannot be excavated with a three tonne excavator will be treated as rock. This is an acceptable qualification;
 - The installation price for cables has been based on thrusting. Transfield indicated that savings could be achieved by carrying out open trenching using a chain digger. At tender stage the quantum of savings were not stated. Further enquiry resulted in Transfield providing an estimated cost saving of \$100,000.00. As the only other qualifying tender, that of Coll Electrical Limited is also based on thrusting the cables and as the offer from Transfield was an estimate only, not contained in the original submission, it was decided not to pursue this offer further;
 - The price is based on the charges for Road Opening Notices being to the account of the Council. As it is envisaged that only one Road Opening Notice will be required for the contract at a minimal charge, Transfield have agreed to withdraw this qualification;
 - Transfield required an expiry date to be inserted in the Performance Bond certificate, stating that this is a requirement from the Surety. This is not normal practice as the release of the performance bond is linked to the issue of a Certificate of Practical Completion. However, further to discussion with the Legal Services Manager, the Council project manager has offered to include an expiry date of April 2012 (scheduled completion plus two years). This offer was not accepted by Transfield, who have asked for an expiry date of May 2010. This is not acceptable;
 - Transfield requested that in respect of the contract works, the amount of liquidated damages of \$495.00 per working day be limited to a maximum amount payable of 10% of the contract price. This is not acceptable and Transfield have agreed to withdraw the qualification; and
 - Transfield requested that the Tender be placed at a higher level in the hierarchy of documents in the Second Schedule - Contract Agreement, as the Tender clarifies comments in a number of the other documents and needs to rank ahead of the other documents. As the tender is for design and installation and not a tender based on a detailed design as is the norm, this qualification has been accepted.

TENDER EVALUATION

18. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in the NZTA “Competitive Pricing Procedures Manual”.
19. The “Two envelope process” as described in Section 2.7 of the above manual was followed. Under this method, only the first tender envelope is opened and the non-price attributes evaluated for all tenders before the second envelope containing the tender price is opened, and the tender prices duly included in the evaluation.
20. As Electrix Limited withdrew their tender and the tender of Northpower Limited was disqualified, the prices for these tenders were not included in the evaluation.
21. The Tender documents required the submission of prices for both design and installation. Tenderers were required to provide details of luminaries to be used, including expected life and replacement cost, power consumption of the lights, the number of solar lights proposed in the design, and battery life and replacement costs. This data was analysed by Council officers to establish the expected operational costs for the lighting options offered over a project life of 15 years. In order to assess the life-cycle costs of the lighting, weightings have been applied to the capital (tender) prices and the operational costs. For the purposes of the tender evaluation an “effective price” was calculated by allocating thirty percent (30%) of the scoring to operational costs and seventy percent (70%) to the capital cost. These effective prices are then used in the evaluation tables below to calculate the final indices.
22. Transfield has submitted two offers (A and B) for each of Options 1 and 2. Offer A is using LED lights while Offer B is for metal halide lights. Coll Electrical Limited did not provide a tender price for Option 1. The summary of evaluation results for Option 1 is shown in Table 2a:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number SP06002ZD
									Total Weights
	Weights	5	5	2	1	2	15	70	100
Tenderer	Effective Tender Sum	Grades							INDEX
Transfield Services Limited Offer A	\$1,472,719.95	67	60	54	65	64	66	45	49
Transfield Services Limited Offer B	\$1,273,767.92	67	60	54	65	64	59	55	58
Med.n Tender Price	\$1,373,243.94								

Table 2 - Summary of Tender Evaluation Option 1

23. The tender prices in Table 2 above represent adjusted “effective” tender prices as calculated below in Table 3.

Tenderer	Tender Price (70%)	Operational Cost (30%)	“Effective” Price
Transfield Offer A	\$2,096,748.21	\$16,654.00	\$1,472,719.95
Transfield Offer B	\$1,810,477.32	\$21,466.00	\$1,273,773.92

Table 3 - Adjusted Effective Tenders Prices Option 1

24. The available budget for the contract (excluding contingency) is \$1,665,000.00. Neither of the tenders received from Transfield are within the budget provision.
25. Coll Electrical Limited and Transfield provided tender prices for Option 2. The summary of evaluation results for Option 2 is shown in Table 4.

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number SP06002ZD
									Total Weights
	Weights	5	5	2	1	2	15	70	100
Tenderer	Effective Tender Sum	Grades							INDEX
Coll Electrical Ltd	\$765,033.70	60	65	63	63	53	68	52	56
Transfield Services Limited Offer A	\$1,274,227.95	67	60	54	65	64	66	-13	10
Transfield Services Limited Offer B	\$781,839.29	67	60	54	65	64	59	50	53
Med.n Tender Price	\$781,839.29								

Table 4 - Summary of Tender Evaluation Option 2

26. The tender prices in the table above represent adjusted “effective” tender prices as calculated below in Table 5.

Tenderer	Tender Price (70%)	Operational Cost (30%)	“Effective” Price
Coll Electrical Limited	\$1,090,600.00	\$5,379.00	\$765,033.70
Transfield Offer A	\$1,814,234.78	\$14,212.00	\$1,274,227.95
Transfield Offer B	\$1,113,026.99	\$9,068.00	\$781,839.29

Table 5 - Adjusted Effective Tenders Prices Option 2

27. Of the tenders within the budget, that of Coll Electrical Limited has attained the highest overall index of 56. However, this tender does not include the price for the 60 metre link section from Great North Road to the existing footpath past Pak ‘N’ Save to the Aquatic/Recreation Centre. Coll Electrical Limited was asked to provide a price for this link. The price has been provided at \$24,225.00. Table 6 below shows the results of the amended price from Coll Electrical Limited.

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number SP06002ZD
									Total Weights
	Weights	5	5	2	1	2	15	70	100
Tenderer	Effective Tender Sum	Grades							INDEX
Coll Electrical Limited	\$782,032.60	60	65	63	63	53	68	50	54
Transfield Services Limited Offer A	\$1,274,227.95	67	60	54	65	64	66	-13	10
Transfield Services Limited Offer B	\$781,839.29	67	60	54	65	64	59	50	53
Med.n Tender Price	\$782,032.60								

Table 6 - Summary of Tender Evaluation Option 2 - Link Price Added

28. The tender prices in Table 6 above represent adjusted “effective” tender prices as calculated below in Table 7 with link price added.

Tenderer	Tender Price (70%)	Operational Cost (30%)	“Effective” Price
Coll Electrical Limited	\$1,114,825.00	\$5,517.00	\$782,032.60
Transfield Offer A	\$1,814,234.78	\$14,212.00	\$1,274,227.95
Transfield Offer B	\$1,113,026.99	\$9,068.00	\$781,839.29

Table 7 - Adjusted Effective Tenders Prices Option 2

29. The amended tender price from Coll Electrical Limited including the link section results in this tenderer attaining a slightly higher index than Transfield. While the two indices are very close in value, it should be noted that Coll Electrical Limited have scored higher on the important methodology attribute as a result of the design methodology and offer of sustainable, cost efficient lighting.
30. The results of the tender evaluation, as summarised in Tables 2, 3, 4 and 6 above, shows that the tender submitted by Coll Electrical Limited for Option 2 achieved the highest index of 54. This tender is the second lowest priced tender. The tender is 12% below the pre-tender contract estimate.
31. Coll Electrical Limited has carried out a number of lighting projects which have been supervised by John McKensey of LDP (Council’s lighting consultant). Mr McKensey has spoken highly of the capabilities and performance of the company. Coll Electrical Limited was also the electrical and street lighting sub-contractor for the New Lynn streetscape upgrade in 2006. A favourable reference has been obtained from the Council project manager involved in the upgrade project. A third reference check from HEB Landscaping Limited has also resulted in a favourable reference. The reference checks indicated a well-resourced, well-managed and capable contractor.
32. The funding for the Project Twin Streams lighting project is through a grant from Infrastructure Auckland and a subsidy from NZTA. Any savings realised by installing the lighting to the P4 lighting category only, as per Option 2, would not be transferable to other Council projects. It is therefore recommended that the contract be awarded to Coll Electrical Limited for the Option 2 tender, and that during the design period, Council officers and the Contractor’s design team jointly identify areas along the walk and cycleways that require increased levels of lighting over and above what is offered by the P4 lighting category, and negotiate with the Contractor for the extension of the contract. The extension to the contract will be priced using the rates in the tendered Schedule of Prices. This will enable the full utilisation of the funds available from Infrastructure Auckland and NZTA and at the same time provide increased security and safety to commuters in areas considered to be high risk. In the tender document, the Council has reserved the right to reduce the number of lights or to combine elements of the two options (P1 to P4 and P4 only) along one or more of the walk and cycleways for budgetary purposes.
33. As part of Council’s contracting process “Quality, Health and Safety and Environmental compliance are not negotiable” - all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

CREDIT CHECK

34. A credit check on Coll Electrical Limited has been requested.

JOB COSTS

35.		excl. GST
	Tender sum - Coll Electrical Limited.	\$1,114,825.00
	Contingency (15%)	\$ 167,223.75
	Supervision and Consent	<u>\$ 55,740.50</u>
	Total Job Cost	\$1,337,789.25

36. As the tender is for a design and installation contract, the detailed design will be developed only during the course of the contract. Due to higher than normal levels of risk presented by this type of contract, 15% contingency has been provided to allow for these additional risks.

SOURCE OF FUNDING

37. The source of funding is shown in Table 8 below. The budget for this project has been carried forward into financial year 2009/2010.

Budget Description (from annual budget line item) Annual Plan 2008/2009	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Twin Streams Cycleways and Walkways	8AMEW-07-191/01/07	\$1,237,240.50	\$0.00	\$1,237,240.50	\$0.00	\$0.00
Upper Opanuku Walk and Cycleways	8AMTA-07-101	\$650,000	\$0.00	\$100,548.75	\$549,451.25	\$549,451.25
	Total	\$1,887,240.50	\$0.00	\$1,337,789.25	\$549,451.25	\$549,451.25

Table 8 - Source of Funding

IMPLEMENTATION ISSUES

37. Infrastructure Auckland requires that all claims to be covered by the funds provided shall be submitted by mid December 2009. This requires as much work as possible to be carried out on the installation prior by the end of November 2009. For this reason it is important to identify and implement any additional lighting requirements referred to in paragraph 29 above.

AUCKLAND COUNCIL TRANSITION ISSUES

38. 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: Duncan Miller, Senior Engineer, Special Projects.



7 **CONTRACT NO. TA06054A - AUCKLAND REGIONAL TRANSPORT AUTHORITY FUNDING APPLICATIONS - APPROVAL TO EXTEND**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications for 12 months, to 30 June 2010. This contract provides for essential work to enable Council to apply for a subsidy from the New Zealand Transport Agency for transport projects, through the Auckland Regional Transport Authority.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications - Approval To Extend report.
2. **Approve** that, subject to a satisfactory credit check, Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications as awarded to OPUS International Consultants Limited be extended in the sum of \$89,000 excluding GST for the period 1 July 2009 to 30 June 2010.
3. **Approve** that authority to extend Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications 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. Each financial year territorial local authorities are required to submit to the Auckland Regional Transport Authority their funding applications for roading projects that qualify for funding assistance from the New Zealand Transport Agency. The requirements of the applications are complex and demand extensive supporting information to achieve approval of the funding applications.
2. The scope of this contract is to provide professional services to assist Council officers in making these funding applications, including carrying out economic evaluations of projects, and producing other supporting reports and information that may be required for specific projects.
3. Award of Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications to OPUS International Consultants Limited was approved at a Tenders Subcommittee meeting held on 26 January 2007 with the following recommendations:

“The Tenders Subcommittee resolved:

1. *That the Contract No. TA06054A - Auckland Regional Transport Authority - Funding Applications report be received.*
2. *That the action taken in accepting the tender from OPUS International Consultants Limited for Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications in the sum of \$205,175 plus \$25,647 GST, totalling \$230,822 be endorsed.*
3. *That the commitment to the 2007/2008 financial year for Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications totalling \$89,000 plus GST be approved.*

4. *That the commitment to the 2008/2009 financial year for Contract No. TA06054A -Auckland Regional Transport Authority Funding Applications totalling \$89,000 plus GST be approved.*
5. *That the action taken by the Group Manager: Asset Management to enter into Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications be endorsed.*
6. *That the authority to extend Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications for an additional year from 1July 2009 to 30 June 2010 based on satisfactory performance by the contractor be reported back to the Tenders Subcommittee.*
7. *That the authority to extend Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications for a further additional year from 1July 2010 to 30 June 2011 based on satisfactory performance by the contractor be reported back to the Tenders Subcommittee”.*

13/2007

DECISION MAKING

4. Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications is a three year contract with an expiry date of 30 June 2009. The delay in this contract being renewed had not caused any difficulties for the contractor as there have been no works requiring completion during the 30 June 2009 to 10 July 2009 period. The contract also has provision for up to two annual extensions based on the satisfactory performance by the contractor and subject to the Council's approval. Extending the contract provides continuity in carrying out the necessary work on funding applications, to continue to progress projects approved under the Annual Plan during the period of transition.
5. OPUS International Consultants Limited has confirmed in writing that they are willing to carry out the contract for a further 12 months and will hold their hourly rates at the same rates provided for in the third year of the original contract. The extension was therefore valued using the existing contract rates for the third year of the contract. These rates were compared against rates received recently in other contracts, and as they compared favourably it was considered most beneficial to Council to extend the contract for a further 12 months.
6. The total accumulation of the three year contract to date and the contract extension now sought, is shown in Table 1 below:

2006/2007	Original Contract Sum	\$27,175.00
2007/2008	Original Contract Sum	\$89,000.00
2008/2009	Original Contract Sum	\$89,000.00
2009/2010	Contract Extension 1	\$89,000.00
	Total	\$294,175.00

Table 1 - Total accumulative amount

CONTRACTOR'S PERFORMANCE

7. An evaluation of OPUS International Consultants Limited performance to date contains the following features:
 - During the course of the contractor relationship with the Council, there have been no performance related issues;

- They have developed a good working relationship with relevant Council staff;
- They are a well resourced company;
- Their workmanship is generally to a very good standard; and
- Their work has facilitated the success of Council in obtaining subsidies of our transport projects throughout the last three years.

CREDIT CHECK

8. A credit check on OPUS International Consultants Limited has been requested.

JOB COSTS

9.		excl. GST
	Contract sum (12 months)	\$89,000.00
	Engineering and Supervision	\$ 0.00

	Total Job Cost	\$89,000.00

SOURCE OF FUNDING

10. Source of funding for the 2009/2010 contract extension is shown in Table 2 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
Forward Design for Benefit Cost Ratios	8AMTA-07- 156	\$150,000.00	\$0.00	89,000.00	\$61,000.00	\$0.00
	Total			\$89,000.00		

Table 2 - Source of Funding

IMPLEMENTATION ISSUES

11. There are no implementation issues expected 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: Adam Moller, Senior Transport Engineer.



8 **CONTRACT NO. TA09020 - APPROVAL OF PROCUREMENT PROCESS FOR CONSTRUCTION OF REPLACEMENT STURGES ROAD BRIDGE AND ROADWORKS**

GLOSSARY

New Zealand Rail Corporation	(ONTRACK)
Registration of Interest	(ROI)
Sturges Road road-over-rail overbridge	(Bridge 58)
Competitive Pricing Procedures	(CCPs)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee for the procurement process for construction of the Sturges Road road-over-rail overbridge (Bridge 58) and roadworks.

The procurement process has been designed taking into account the following factors:

Construction works must be planned to minimise disruption to pedestrians and traffic.

The work programme must be coordinated with the New Zealand Rail Corporation (ONTRACK) and the construction methodology optimised so that any demolition works or works affecting operation of the rail network are carried out during a planned Christmas/New Year shutdown. This also minimises the cost of complying with ONTRACK safety requirements.

Due to the poor condition of Bridge 58 a weight restriction has been imposed and this affects the movement of goods in the City, thus there is an urgent need to replace Bridge 58.

The recommended procurement process is as follows:

- To use a design and build contract which will enable contractors to choose the optimum construction methodology;
- Advertising a Registration of Interest (ROI);
- Shortlisting and evaluation of contracts in accordance with the New Zealand Transport Agency and Council procurement procedures;
- Reporting back to the Tenders Subcommittee for approval to enter into a contract; and
- It is essential that procurement be completed in the shortest possible timeframe to take advantage of any ONTRACK track shutdowns over the Christmas/New Year period to minimise inconvenience to the public during the construction period.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA09020 - Approval Of Procurement Process For Construction Of Replacement Sturges Road Bridge And Roadworks report.
2. **Approve** the procurement process for Contract No. TA09020 - Approval of Procurement Process for Construction of replacement Sturgess Road Bridge and Roadworks, comprising a Registration of Interest and shortlisting process and tendering of a design and build contract to shortlisted contractors.

3. **Agree** that the results of the tendering process for Contract No. TA09020 - Approval of Procurement Process for Construction of replacement Sturges Road Bridge and Roadworks will be submitted to the Tenders Subcommittee for approval prior to awarding any contract.

BACKGROUND

1. Council has approved construction of a replacement bridge over the railway line at Sturges Road. This project has a number of risks that can be mitigated by entering into a design and build contract.
2. Bridge 58 was built in about 1940 by the New Zealand Railways Corporation to permit vehicle traffic to pass over the single rail track to new housing developments in south Massey. The present condition of Bridge 58 is poor with severe alkali silicate reaction producing extensive cracking. The safety and life of this structure is limited. ONTRACK has posted a load limit on the bridge in an attempt to ensure vehicle and rail safety. In late 2006 ONTRACK commenced double tracking of stage 4 of the Western Line from Mt. Lebanon Lane to Swanson Station. The existing piers of Bridge 58 are aligned such that it is not possible to achieve double tracking without undertaking major structural changes.

SCOPE OF WORK

3. The scope of works is as follows:
 - Consultation with key stakeholders, in particular ONTRACK and affected utility providers;
 - Preliminary design, including a topographic survey and geotechnical investigation and the delivery of a comprehensive preliminary design report, incorporating drawings, cost estimates, planning report and preliminary demolition plan for approval by the Council;
 - Developed design, including the delivery of a demolition plan, developed design report, incorporating drawings, cost estimates and planning report for approval by the Council;
 - Preparation and lodgement of resource consent applications, including assessment of environmental effects and responding to requests for further information;
 - Detailed design, including the delivery of a constructability report, a detailed design report, incorporating drawings, specifications and cost estimates for approval by the Council;
 - Demolition of the existing bridge during the Christmas 2009 shut down of the rail corridor - this is an essential requirement of the contract programme; and
 - Construction of the new bridge including the relocation, reconnection of all underground services, reconstruction of the road approaches to the bridge including any affected footways, driveways, drainage, signage, road markings etc, reconstruction of the Sturges Road / Swanson Road intersection and associated traffic signal system.

DECISION MAKING

Design and Build Contract

4. In order to expedite the construction programme, it is recommended that a design and build contract be approved as the project delivery method.

5. A design and build procurement process has been selected as it will enable Bridge 58 to be replaced in the most timely manner and encourage contractor innovator to minimise cost and disruption to the public. The outcomes of the contract will be evaluated and reported back to the Tenders Subcommittee for approval prior to tendering.
6. The outcomes of the contract will be evaluated and reported back to the Tenders Subcommittee for approval prior to tendering.

Registration of Interest

7. The purpose of the ROI is as follows:
 - To select a skilled, competent and experienced group of civil engineering contractors who can provide bids for the design and construction works;
 - To enable preliminary selection processes to be completed earlier, so that a contract can be in place by about September 2009; and
 - To maximise other benefits by early planning and generating interest from a pool of skilled contractors.
8. The ROI will be prepared and managed in accordance with Council's Draft Procurement Manual as well as the New Zealand Transport Agency's Competitive Pricing Procedures (CPPs). The CPPs permit Council to undertake "short listing procedures" by way of a two part selection process.
9. The works envisaged under the ROI are of large value and only contractors having adequate resources, skills and expertise to undertake these works using a design and build project delivery method may be considered.
10. Using the ROI process enables procurement activities to be completed earlier and ensuring that the best resources are available. This in turn has a number of parallel benefits including:
 - Minimisation of project risks such as programme, budget, communication and physical constraints by early planning; and
 - Encouraging more effort in the earlier planning phases, which increases the ability to optimise selection of the most suitable contractors.

SOURCE OF FUNDING

11. Funding for this project has been provided as follows:

Bridge 58 upgrade carry forward from 2008/2009	\$5,306,000
Bridge 58 replacement carry forward from 2008/2009	\$1,280,000
ONTRACK confirmed contribution	<u>\$2,000,000</u>
Total	<u>\$8,586,000</u>

IMPLEMENTATION ISSUES

12. The proposed timeline is set out below in Table 1:

Task	Start	Finish
Preparing ROI documentation	22 June 2009	30 June 2009
Invitation for ROI	10 July 2009	24 July 2009
ROI evaluation and approval	24 July 2009	31 July 2009
Prepare tender document for design & build	29 June 2009	24 July 2009
Tendering design & build contract	31 July 2009	21 August 2009

Task	Start	Finish
Tender evaluation, report and award contract	24 August 2009	4 September 2009
Tenders Subcommittee approval	4 September 2009	4 September 2009
Re-design period	7 September 2009	30 October 2009
Resource consent application - non-notified	2 November 2009	27 November 2009
Building consent application	2 November 2009	27 November 2009
Local Government Act 1974 road level changes process	5 August 2009	27 November 2009
Services relocation	30 November 2009	22 January 2010
Temporary bridging	30 November 2009	18 December 2009
Bridge removed	21 December 2009	1 January 2010
Piling	28 December 2009	22 January 2010
Construct new bridge	25 January 2010	9 July 2010
Construct road and driveways	25 January 2010	6 August 2010
Works completed	6 August 2010	6 August 2010

Table 1 - implementation timeline

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: Tony Miguel, Deputy Director: City Services.



9 CONTRACT NO. TA09011B - TRAFFIC SIGNALS MAINTENANCE AND UPGRADE CONTRACT 2009 - 2012

GLOSSARY

Traffic Management Unit	(TMU)
New Zealand Transport Agency	(NZTA)
Traffic Systems Limited	(TSL)
Downer Edi Works	(Downer)
Fulton Hogan	(FH)
Concord Technology Limited	(Concord)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA09011B - Traffic Signals Maintenance And Upgrade Contract 2009 - 2012.

The contract period starts 1 July 2009 and ends 30 June 2012 and may be extended to 30 June 2014.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** Contract No. TA09011B - Traffic Signals Maintenance And Upgrade 2009 - 2012 report.
2. **Approve** that, subject to resolution 9 below, the tender from Traffic Systems Limited for Contract No. TA09011B - Traffic Signals Maintenance And Upgrade 2009 - 2012 for the sum of \$1,398,701.59 plus \$174,837.70 GST, totalling \$1,573,539.29 be accepted.
3. **Approve** that, subject to resolution 9 below, the commitment of \$466,233.86 excluding GST to the Annual Plan 2009/2010 for Contract No. TA09011B - Traffic Signals Maintenance And Upgrade 2009 - 2012.
4. **Approve** that, subject to resolution 9 below, the commitment of \$466,233.86 excluding GST to the financial year 2010/2011 for Contract No. TA09011B - Traffic Signals Maintenance And Upgrade 2009 - 2012.
5. **Approve** that, subject to resolution 9 below, the commitment of \$466,233.87 excluding GST to the financial year 2011/2012 for Contract No. TA09011B - Traffic Signals Maintenance And Upgrade 2009 - 2012.
6. **Approve** that, subject to resolution 9 below, the authority to enter Contract No. TA09011B - Traffic Signals Maintenance And Upgrade 2009 - 2012 be delegated to the New Zealand Transport Agency.
7. **Approve** that, subject to resolution 9 below, the authority to award cumulative contract variations to Contract No. TA09011B - Traffic Signals Maintenance And Upgrade 2009 - 2012 up to value of the contingency sum of \$209,805.24 plus GST be delegated to the Deputy Director: City Services.
8. **Agree** that, subject to resolution 9 below, that future renewals for Contract No. TA09011B - Traffic Signals Maintenance And Upgrade Contract 2009 - 2012, beyond 30 June 2012 on an annual basis until 30 June 2014; based on the satisfactory performance by the Contractor, be reported back to the Council for approval.
9. **Note** that the resolutions 2-8 above for Contract No TA09011B - Traffic Signals Maintenance And Upgrade Contract 2009 - 2012 be subject to final confirmation by the Auckland Transition Agency.

BACKGROUND

1. This contract is to replace an existing contract which expires on 30 June 2009. This contract has been prepared on behalf of Waitakere City Council by the regional Traffic Management Unit (TMU). The TMU prepared concurrently a similar contract for Manukau City Council.
2. The regional TMU was established on 3 October 2003, following the signing of a Service Level Agreement by the Chief Executives of the Auckland Territorial Authorities and New Zealand Transport Agency (NZTA).
3. The TMU provides comprehensive regional maintenance and development of integrated traffic management systems through professional services and physical works contracts. Tenders are assessed using the NZTA's competitive pricing procedures, and Council's procurement policies.

4. The levels of service to be achieved are set annually by agreement with Council, and have to be within \$850,000 as allowed for in the annual budget.

SCOPE OF WORK

5. This contract is for the maintenance and upgrade of the traffic signals throughout the Council network for a three-year period with a possible one year plus one year extension. It includes routine maintenance, emergency response and some upgrading works. The contract covers routine maintenance of 68 intersections of which eight belong to the NZTA. This contract does not preclude the NZTA or Council from engaging other contractors to install new, or modify existing installations, including the supply of parts.

TENDERS RECEIVED

6. The registration of interest was advertised in the New Zealand Herald on 11 and 14 March 2009, with a closing deadline of 4.00pm on 19 March 2009. A total of seven companies registered their interest with the NZTA within this time frame.
7. Tender documents were issued on 3 April 2009 with tenders closing at 4.00 pm on 23 April 2009 at the NZTA office. Four tenders were received at closing. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Traffic Systems Limited (TSL)	Auckland	\$1,398,701.
Downer Edi Works (Downer)	Auckland	\$2,058,816.
Fulton Hogan (FH)	Auckland	\$2,335,929.
Concord Technology Ltd (Concord)	Tauranga	\$2,867,084.
Pre-tender contract estimate		\$2,286,240.

Table 1 - Summary of Tender Prices

8. The pre-tender contract estimate was based on the current maintenance rates. The TSL rates are 38% lower than the current rates. This may be due to the present economic downturn.

TAGS, ERRORS OR OMISSIONS

9. A minor rounding error was noted on some of the items on the TSL price submission. The effect of this difference (\$8.68) on the tender evaluation is negligible. TSL price remains the same.
10. There were no other tags, errors or omissions in the other tenders.

TENDER EVALUATION

11. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in NZTA's "Competitive Pricing Procedures Manual".
12. These procedures require that where the tender includes provisional sums (work valued by the Principal and placed within the schedule of prices), they are deducted from the tender sum prior to evaluating each tender.

13. In this contract the value of provisional sums is \$57,200.00.
14. The “Two Envelope Process” as described in Section 2.7 of the above manual was followed. Under this method, only the first tender envelope is opened and the non-price attributes evaluated for all tenders before the second envelope containing the tender price is opened; and the tender prices duly included in the evaluation.
15. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exp.	Track Record	Tech Skill	Res .	Manage. Skill	Method.	Pric e	Total Weight s
	Weights	4	6	6	3	5	6	70	100
Tenderer	Tender Sum	Grades	INDEX						
TSL	\$1,398,701.59	80	85	90	85	84	85	86	86
Downer	\$2,058,816.33	85	85	85	90	82	80	56	65
FH	\$2,335,929.18	55	75	70	80	82	70	44	52
Concord	\$2,867,084.05	60	69	65	65	60	60	20	33
Median Tender Price	\$2,197,372.76								

Table 2 - Summary of Tender Evaluation

16. Scores for the non-price attributes were determined on the basis of information provided in each tender, on the information gathered from the referees nominated by the tenderers and on any recent Council and NZTA experience with the tenderers.
17. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by TSL achieved the highest index of 86. This tender is also the lowest priced tender.
18. TSL is the present Council Traffic Signals Maintenance and Upgrade contractor. They have demonstrated that they have the necessary expertise and resources to satisfactorily carry out the works.
19. As part of Council’s contracting process “Quality, Health and Safety and Environmental compliance are not negotiable” - all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting, and imposed during the contract period.

CREDIT CHECK

20. A credit check on TSL dated 5 June 2009 revealed no adverse information.

JOB COSTS

21.	excl. GST
Tender sum -TSL	\$1,398,701.59
Contingency	\$ 209,805.23

Total Job Cost	\$1,608,506.82

22. 15% contingency has been allocated for this contract to manage the risk arising from road accidents that requires repair of signals and to overcome any obsolete technology.

SOURCE OF FUNDING

23. Source of funding is shown in Tables 3 - 5 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
Traffic Facilities Renewal	8AMTA-07-009	\$617,821.00	\$102,321.00	\$250,000.00	\$15,000.00	\$250,500.00
Traffic Facilities Signals Maintenance	5990	\$399,000.00	\$11,446.76	\$286,168.94	0	\$101,384.30
Total		\$1,016,821.00	\$113,767.76	\$536,168.94	\$15,000.00	\$351,884.30

Table 3 - Source of Funding 2009/2010

Budget Description (from annual budget line item) Financial year 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential Surplus
Traffic Facilities Renewal	8AMTA-07-009	\$657,347.00	\$102,321.00	\$250,000.00	\$54,526.00	\$250,500.00
Traffic Facilities Signals Maintenance	5990	\$433,209.00	\$11,446.76	\$286,168.94	0	\$135,593.30
Total		\$1,090,556.00	\$113,767.76	\$536,168.94	\$54,526.00	\$386,093.30

Table 4 - Source of Funding 2010/2011

Budget Description (from annual budget line item) Financial year 2011/2012	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential Surplus
	8AMTA-07-009	\$699,867.00	\$102,321.00	\$250,000.00	\$97,046.00	\$250,500.00
Traffic Facilities Signals Maintenance	5990	\$464,813.00	\$11,446.76	\$286,168.94	0	\$167,197.30
Total		\$1,164,680.00	\$113,767.76	\$536,168.94	\$97,046.00	\$417,697.30

Table 5 - Source of Funding 2011/2012

IMPLEMENTATION ISSUES

24. There are no implementation issues associated with this contract.

AUCKLAND COUNCIL TRANSITION ISSUES

25. The Local Government (Tamaki Makaurau Reorganisation) Act 2009, imposes restrictions on Waitakere City Council's decision making capabilities in respect of:
- 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: Bernard Pang, Team Leader Operations and Maintenance.

