

NOTICE OF MEETING

TENDERS SUBCOMMITTEE

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

DATE: Friday, 13 November 2009 **TIME:** 9.00 am

MEETING ROOM: Manukau Room

VENUE: Waitakere Central, 6 Henderson Valley Road, Henderson, Waitakere

to consider the business as set out herein and to take any necessary action connected therewith.



6 November 2009

Sharlene Riley
SENIOR COMMITTEE ADMINISTRATOR

Telephone (09) 836 8000 extn 8851

MEMBERSHIP:

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

Chief Executive Officer
Director: City Services
Director: Corporate and Business Services
Director: Community Wellbeing
Director: Strategic Planning
Director: Public Affairs
Director: Finance

Mayor RA Harvey, QSO, JP (ex officio)
Deputy Mayor PA Hulse (ex officio)

(Quorum 3 members - one of whom must be a Councillor)

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(Meeting Room could be subject to change)

(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD IN THE
MANUKAU ROOM AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD,
HENDERSON, WAITAKERE, ON FRIDAY, 13 NOVEMBER 2009,
COMMENCING AT 9.00 AM**

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**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, 13 NOVEMBER 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 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 - 30 October 2009

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 30 October 2009, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. EW09005E - STORMWATER RENEWALS, CURED IN PLACE PIPE LINING PROJECTS - APPROVAL TO AWARD**

GLOSSARY

Cured In Place Pipe (CIPP)
The Fletcher Construction Company Limited, trading as PipeWorks (FCCL)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW09005E - Stormwater Renewals, Cured In Place Pipe (CIPP) Lining Projects.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW09005E - Stormwater Renewals, Cured In Place Pipe Lining Projects - Approval to Award report.
2. **Approve** that the tender from The Fletcher Construction Company Limited, trading as PipeWorks for Contract No. EW09005E - Stormwater Renewals - CIPP Lining Projects in the sum of \$399,246.61 plus \$49,905.83 GST, totalling \$449,152.44 be accepted.
3. **Approve** that authority to enter into Contract No. EW09005E - Stormwater Renewals, CIPP Lining Projects on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. Council's objective is to maximise the lifespan of existing assets and reduce overflows in the stormwater network. Inspections on these sections show that the pipes are in a poor state with root intrusions, encrustations, joint displacements and are cracked at certain locations. With this contract, all these issues will be addressed, hence maximising the lifespan and level of service of the existing assets. This also forms part of the Council's Annual Works Programme for 2009/2010.

SCOPE OF WORK

2. The scope of work under this contract includes the remedying of ongoing pipe problems such as joint displacements, leakages, encrustations, cracking and lateral defects using CIPP lining at five different locations as shown in the contract drawings.

TENDERS RECEIVED

3. Tenders were publicly advertised on Tenderlink with 17 sets of documents being uplifted. Three tenders were received by the closing date of 6 October 2009 and are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Interflow (NZ) Limited	3J Henry Rose Place, Albany, Auckland	\$352,900.51
The Fletcher Construction Company Limited, trading as PipeWorks	18 Gabador Place, Mt Wellington, Auckland	\$399,246.61

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Advanced Pipeline Services Limited	146 Neilson Street, Onehunga, Auckland	\$513,397.00
Pre-tender contract estimate (based on most up-to-date tender rate)		\$405,342.70
Budget estimate		\$435,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

4. The tender submitted by Interflow (NZ) Limited was deemed to be a non-conforming tender as they have proposed Expanda Pipe Liner, a single plastic strip that is spirally wound into the existing pipe. This proposal was discussed with EcoWater and was not accepted as an alternative material to CIPP. Their tender has not been considered for further evaluation.
5. The tender from The Fletcher Construction Company Limited, trading as PipeWorks (FCCL) contained one tag. FCCL proposed a Performance Bond issued by the Fletcher Trust & Investment Company. FCCL were advised that this would not be acceptable to Council and have agreed to supply the Performance Bond as specified.
6. Timelines regarding the execution of the works was also omitted from FCCL's tender and when requested, FCCL submitted a preliminary programme of works.
7. The tender from Advanced Pipeline Services Limited contained no tags or omissions.

TENDER EVALUATION

8. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
9. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method	Price	Total Weights
	Weights	5	5	5	5	5	5	70	100
Tenderer	Tender Sum	Grades							INDEX
The Fletcher Construction Company Limited, trading as PipeWorks	\$399,246.61	80	80	75	80	70	80	63	67
Advanced Pipeline Services Limited	\$513,397.00	85	80	85	80	75	80	37	50
Med.n Tender Price	\$456,321.81								

Table 2 - Summary of Tender Evaluation

10. 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 in their tenders and on any recent Council experience with the tenderers.
11. The results of the tender evaluation as summarised in Table 2 show that the tender submitted by FCCL achieved the highest index of 67. This tender is also the lowest priced conforming tender.

12. FCCL have the necessary expertise and resources to satisfactorily carry out the works. Reference checks made on a selection of clients indicate a well-resourced, well-managed and capable contractor.
13. There is a significant difference between the pre-tender contract estimate and the submitted tenders. The pre-tender contract estimate was based on recent tendered rates for contracts of a similar nature within the Auckland region.
14. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance are not negotiable" - all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

CREDIT CHECK

15. A credit check on FCCL dated 9 October 2009 revealed no adverse information.

JOB COSTS

16.		excl. GST
	Tender sum - (FCCL)	\$399,246.61
	Contingency	\$ 39,924.66
	Engineering and Supervision	\$ 59,887.00
	Other (Consent & Arborist)	\$ 2,000.00

	Total Job Cost	\$501,058.27

SOURCE OF FUNDING

17. Source of funding is shown in Table 3 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
SW Renewals	8AMEW-10-121/06/02	\$543,750.00	\$0.00	\$501,058.27	\$42,691.73	\$35,753.39
	Total			\$501,058.27		

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

19. 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: Vijay Mungro, Contracts Engineer, Project Services.



6 **CONTRACT NO. PK09023A - TE ATATU PENINSULA WALKWAY - STAGE 1 PHYSICAL WORKS**

EXECUTIVE SUMMARY

The purpose of this report is to advise the Tenders Subcommittee that Contract No. PK09023A - Te Atatu Peninsula Walkway - Stage 1 Physical Works was awarded to other than the lowest priced tenderer.

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the Contract No. PK09023A - Te Atatu Peninsula Walkway - Stage 1 Physical Works report.

BACKGROUND

1. Te Atatu Peninsula Walkway is part of the Peninsula Route and the proposed section to be built under this contract is located on a cliff edge on the western side of Te Atatu Peninsula and extends from Taipari Strand to Renata Crescent.
2. This section includes concrete paths in Taipari Strand reserve, boardwalk across mangroves and steps up a cliff face to a cliff top reserve.
3. The location of the walkway is in a sensitive coastal environment including inter-tidal mangroves and the nesting sites of a number of coastal birds.
4. Auckland Regional Council coastal consent and Waitakere City Council land use consent has been granted, with a number of conditions relating to construction methodology.
5. The Weighted Attribute Method of evaluation was used because the project has high environmental sensitivity and demanding resource consent conditions and methodology is a critical attribute.
6. Following an expression of interest process, the Tenders Subcommittee resolved at its meeting on 18 September 2009 to approve a shortlist of five contractors:

“The Tenders Subcommittee resolved to:

2. **Approve** that the following five pre approved contractors be invited to submit a priced bid for Contract No. SP07012D - Provision of Construction Services Te Atatu Peninsula Walkway - Phase 1:
 - Nasey Contractors Limited;
 - Te Ngahere Limited;
 - Fort Project Management Limited;
 - HEB Construction Limited; and
 - Decker Landscapes Limited.”

1582/2009

7. Those five contractors were invited to tender using the weighted attribute tender evaluation method. 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.

SCOPE OF WORK

8. The scope of works is to include all the necessary tasks associated with the construction of a boardwalk with adjoining steps and a concrete path at each end of the structure.
9. The proposed works shall include the following: temporary access, works methodology and local authority liaison, geotechnical engineering, construction sign off, location and protection of existing services, environmental protection with sediment control as per the conditions set in the resource consents by Waitakere City Council and Auckland Regional Council, work within the drip line of protected trees, tree pruning and tree removal by qualified arborist, specialist timber and insitu concrete piling.
10. Separable portion 1 includes a concrete path and associated drainage, bamboo and native planting from Renata Crescent to the boardwalk structure across the mangroves.
11. Separable portion 2 includes the stairs and boardwalk from the concrete path in portion 1 to Taipari Strand.
12. Separable portion 3 includes a concrete path and associated drainage from the boardwalk in portion 2 to the car park, Taipari Strand.

TENDERS RECEIVED

13. Tenders were invited from selected tenderers with five sets of documents being uplifted. Four tenders were received by the closing date of 6 October 2009. Te Ngahere Limited did not tender due to work commitments. The four tenders received are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Nasey Contractors Limited	6, Tait Place, Albany, Auckland	\$201,431.00
Decker Landscapes Limited	278 Waitoki Road, RD1 Kaukapakapa	\$335,062.50
Fort Project Management Limited	Level 7, 85 Fort Street, Auckland	\$249,713.00
HEB Construction Limited	Firth Street, Drury, Auckland	\$195,181.38
Pre-tender contract estimate (based on most up-to-date tender rate)		\$306,000.00
Budget estimate		\$306,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

- 14 There were no tags, errors or omissions in the tenders.

TENDER EVALUATION

15. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
16. In light of the environmental sensitivity of the site, the methodology was weighted at 28% of the total assessment criteria, with the price attribute reduced accordingly to 60%.

17. Nasey Contractors Limited and Decker Landscapes Limited tendered conforming documents and HEB Construction Limited and Fort Project Management Limited tendered alternative tenders. In line with Waitakere City Council's procurement manual the conforming tenders were evaluated first and the best conforming tender was then compared to the alternatives.

18. A summary of the evaluation results for the conforming tenders is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number PK09023A
									Total Weights
	Weights	3	3	2	2	2	28	60	100
Tenderer	Tender Sum	Grades							INDEX
Nasey Contractors Limited	\$201,431.00	90	90	90	75	70	90	75	80
Decker Landscapes Limited	\$335,062.50	60	70	80	75	70	60	25	40
Med.n Tender Price	\$268,246.75								

Table 2 - Summary of Conforming Tender Evaluation

19. The tender submitted by Nasey Contractors Limited had an excellent methodology, with specific details on the following aspects of the project:

- Tides and the effects on piling programme;
- Silt control;
- Access;
- Environmental impact reduction; and
- Programme of construction confirmed for completion by Christmas 2009 as desired by Waitakere City Council's Parks Department.

20. The comparison of the best conforming tender with the alternative tenders is shown in table 3:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number PK09023A
									Total Weights
	Weights	3	3	2	2	2	28	60	100
Tenderer	Tender Sum	Grades							INDEX
Nasey Contractors Limited	\$201,431.00	90	90	90	75	70	90	50	65
HEB Construction Limited	\$195,181.38	80	70	80	90	65	65	53	59
Fort Project Management Limited	\$249,713.00	80	80	80	75	70	60	26	42
Med.n Tender Price	\$201,431.00								

Table 3 - Summary Table 3 - Summary of Tender Evaluation

21. HEB Construction Limited tender was an alternative proposal to the original tender documents. Their proposal to use a driven pile system and an in-ground stringer staircase would have meant a change to the design and associated building consent amendment. Their proposal was feasible but lacked the detail of the best conforming tender and would incur additional cost in long term maintenance of the steps as well as additional construction supervisory costs. In addition, when asked to clarify whether their programme included the building consent amendment, the contractor confirmed that it did not and the programme should be adjusted accordingly. This would add approximately one month to their programme.
22. The results of the tender evaluation as summarised in Table 3 shows that the tender submitted by Nasey Contractors Limited achieved the highest index of 65. This tender is also the second lowest priced tender.
23. Nasey Contractors Limited is well known to the Council's Special Projects team having undertaken successfully a number of contracts in the Project Twin Streams walk and cycleways programme receiving very positive references.
24. In accordance with the Delegation to Officers the Acting Director: City Services approved that the tender from Nasey Contractors Limited for Contract No. PK09023A - Te Atatu Peninsula Walkway - Stage 1 Physical Works for the sum of \$201,431 plus \$25,178.88 GST, totalling \$226,609.88 be accepted.
25. The Delegations to Officers Section 54 paragraph 4 states that:

"Where any contract exceeds \$100,000 (net of GST) and is let to other than the lowest tenderer, that matter shall be reported to the next ordinary meeting of the Council's Tenders Subcommittee and the report shall advise the reasons why the lowest tenderer was not preferred."
26. 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

27. A credit check on Nasey Contractors Limited dated 6 October 2009 revealed no adverse information.

JOB COSTS

	excl. GST
Tender sum - Nasey Contractors Limited	\$201,431.00
Contingency (15%)	\$ 30,214.65
Professional Services	\$ 40,018.00
ARC Consent Monitoring Fees	\$ 5000.00

Total Job Cost	\$276,663.65

29. Due to higher than normal levels of risk presented by working in a sensitive coastal environment and the need to adhere to resource consent conditions from both Waitakere City Council and Auckland Regional Council, 15% contingency has been provided to allow for these additional risks.

SOURCE OF FUNDING

30. Source of funding is shown in Table 4 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
TeAtatu Peninsula Walkway	8AMPK-08-042	\$381,110.00	0	\$276,663.65	\$104,446.35	\$104,569.00
	Total			\$276,663.65		

Table 4 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

32. 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: Tim Sherring, Senior Engineer.



7 CONTRACT NO. RM03502B - ELECTRICITY SUPPLY CONTRACT - APPROVAL TO EXTEND

GLOSSARY

Auckland Transition Authority (ATA)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. RM03502B - Electricity Supply Contract for two months, to 31 January 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. RM03502B - Electricity Supply Contract - Approval to Extend.

2. **Approve** that, subject to a satisfactory credit check, Contract No. RM03502B - Electricity Supply Contract as awarded to Genesis Power Limited be extended in the sum of \$479,348 excluding GST for the period 1 December 2009 to 31 January 2010.
3. **Approve** that authority to extend Contract No. RM03502B - Electricity Supply Contract for the period 1 December 2009 to 31 January 2010 on behalf of the Council be delegated to the Acting Director: City Services.

BACKGROUND

1. The scope of work includes the retail supply of electricity for street lighting, traffic signals, water pump stations, parks, leisure facilities and buildings occupied or owned by Waitakere City Council. The existing contract is due to expire on 30 November 2009.
2. The Council approved the award of Contract No. RM03502B - Electricity Supply Contract to Genesis Power Limited at a Tenders Subcommittee meeting held on 28 May 2004 where it was resolved:
 - “3. *That the tender from Genesis Power Limited for Contract No. RM03502B - Electricity Supply be accepted, subject to a satisfactory credit check.*
 4. *That a contract period of 33 or 36 months be negotiated for the term of the electricity contract with Genesis Power Limited.*
 5. *That the commitment of funds for the 2004/05, 2005/06 and 2006/07 financial years for Contract RM03502B Electricity Supply be approved.”*

819/2004
3. The Council approved the extension for Contract No. RM03502B - Electricity Supply Contract to Genesis Power Limited for a further two years at a Tenders Subcommittee meeting held on 25 August 2006 where it was resolved:
 - “5. *That subject to a satisfactory credit check, the proposal for contract extension from Genesis Power Limited for Contract No. RM03502B - Electricity Supply Contract be accepted for a period of two (2) years, April 2007 - March 2009.*
 6. *That the extension for the Contract No. RM03502B - Electricity Supply Contract be negotiated with Genesis Power Limited, based upon the pricing offered.*
 8. *That the commitment of funds for the 2006/2007, 2007/2008 and 2008/2009 financial years for Contract No. RM03502B - Electricity Supply Contract be approved.”*

1579/2006
4. The Council approved the extension for Contract No. RM03502B - Electricity Supply Contract to Genesis Power Limited for a further eight months at a Tenders Subcommittee meeting held on 13 February 2009 where it was resolved:

“The Tenders Subcommittee resolved to:

 2. **Approve** that, subject to a satisfactory credit check, the Contract No. RM03502B - Electricity Supply Contract as awarded to Genesis Power Limited be extended in the sum of \$2,107,603 excluding GST for the period 1 April 2009 to 30 November 2009.”

95/2009

5. As part of the reorganisation of the councils of the Auckland region into a single Auckland Council the Auckland Transition Agency (ATA) has been established under the provisions of the Local Government (Tamaki Makaurau Reorganisation) Act 2009. The ATA, tasked with managing and overseeing the transition to the new Auckland Council by the 31 October 2010, has requested the Chief Executives of the Auckland councils to commence work on regionalised procurement.
6. It was decided that undertaking a joint electricity procurement exercise would be beneficial in avoiding duplication of separate and parallel exercises, and would align with the ATA's and the Chief Executive Forum's desire for some 'quick wins' under the ATA procurement work stream process.
7. The ATA procurement work stream established a Regional Electricity Procurement Steering Group and Regional Electricity Procurement Working Group to determine how a regional electricity supply procurement process could be achieved and to determine the basis on which electricity procurement would be completed.
8. Waitakere City Council is involved in the ATA procurement work stream to work on wider regional procurement outcomes moving towards the new Auckland Council. Waitakere is also involved in the Regional Electricity Procurement Steering Group and Working Group to participate in the regional procurement of electricity supply with individual council contracts to be established on a similar contract basis and contract term pending establishment of the new Auckland Council.
9. It is recommended that Contract No. RM03502B - Electricity Supply Contract be extended with Genesis Power Limited for two months, to 31 January 2010 to enable the Regional Electricity Procurement Working Group complete the request for proposal for electricity supply and evaluation process as part of the preparation of moving towards the Auckland Council.

DECISION MAKING

10. Contract No. RM03502B - Electricity Supply Contract as extended has an expiry date of 30 November 2009. The contract has no provision for further extensions.
11. The original contract was subject to the appropriate tender process and approved through resolution 819/2004.
12. The extension was valued using existing contract rates. The pricing for the Time of Use sites (large buildings), which changes monthly will be based on November 2009 pricing due to the lower electricity usage over December 2009 and January 2010 holiday periods.
13. Genesis Power Limited has confirmed in writing that they are willing to carry out the contract for a further two months, from 30 November 2009 to 31 January 2010, to allow the Regional Electricity Procurement Working Group request for proposal and evaluation to be completed during that timeframe.

CONTRACTOR'S PERFORMANCE

14. An evaluation of Genesis Power Limited performance to date contains the following features:
 - They have developed a good working relationship with relevant Council staff;
 - They are a well resourced company;
 - They have a strong focus on health and safety;

- Their workmanship is generally to a very good standard;
- They assist the Council to work through difficult issues;
- Their annual report for 2008/2009 includes their second sustainability report, using the Global Reporting Initiative (GRI) and reported to an Application Level C - self declared;
- They have continued to reduce the carbon intensity of their generation to meet their target to reduce carbon intensity by 30% below 2005 / 2006 levels by 2015;
- They have reduced the carbon intensity of their generation portfolio by 13.1 percent in 2007/2008 compared to 2005/2006 levels; and
- They have installed 2KW photovoltaic systems in two Waitakere Schools, including Henderson Valley Primary School and Tirimoana Primary School through the Schoolgen programme to provide students, teachers and parents with a hands-on learning experience that teaches them about renewable energy and climate change.

CREDIT CHECK

15. A credit check on Genesis Power Limited has been requested.

JOB COSTS

16. Electricity costs are dependent on the amount of electricity the council sites and infrastructure consumes, which enables the job costs to only be estimated.
17. The job cost are estimated on the Council's actual electricity use for December 2008 - January 2009 is below in Table 1:

Category	December 2008 - January 2009 Kilowatt Hours (kWh)	December 2008 - January 2009 Estimated Cost (excl GST)	Number of Accounts
Street Lighting	826,909	\$217,642	2
Time of Use	1,274,972	\$148,344	8
Non-Time of Use	446,248	\$109,877	259
Residential	11,642	\$3,485	41
Total	2,559,771	\$479,348	310

Table 1 - 12 Month Electricity Load

- 18.
- | | excl. GST |
|---|---------------------|
| Contract sum (two months) - (Genesis Power Limited) | \$479,348.00 |
| Engineering and Supervision | \$ 0.00 |
| | ----- |
| Total Job Cost | \$479,348.00 |

SOURCE OF FUNDING

19. Source of funding for Contract No. RM03502B - Electricity Supply Contract two month extension of is shown in Table 2 below:

Budget Description (from annual budget line item) Annual Plan 2009/2010 for period from 1 December 2009 to 31 January 2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Public Education & Survival	1680	9,000	N/A	2,360	N/A	N/A
Rural Fire Operations	1710	2,000	N/A	524	N/A	N/A
Library Administration	1900	226,000	N/A	59,264	N/A	N/A
SW Administration	3510	26,000	N/A	6,818	N/A	N/A
Library Administration	1900	226,000	N/A	59,264	N/A	N/A
SW Administration	3510	26,000	N/A	6,818	N/A	N/A
Unitec Parking	3620	30,000	N/A	7,867	N/A	N/A
Charge Parking	3630	3,000	N/A	787	N/A	N/A
Animal Welfare Service Administration	3760	13,000	N/A	3,409	N/A	N/A
Vehicle Testing Station Administration	3870	13,000	N/A	3,409	N/A	N/A
Property	4610	265,000	N/A	69,491	N/A	N/A
Recreation Centre Administration	4660	75,000	N/A	19,667	N/A	N/A
Property	4690	75,000	N/A	19,667	N/A	N/A
Cemetery	4790	9,000	N/A	2,361	N/A	N/A
Street Lighting	6140	2,219,000	N/A	217,642	N/A	N/A
Total		\$3,217,000		\$479,348		

Table 2 - Source of Funding Contract No. RM03502B - Electricity Supply Contract

Note: Due to the uncertainties of actual use within the different budget provisions the above allocations are approximate only. There is sufficient overall budget for the 2009/2010 year to cover likely costs.

IMPLEMENTATION ISSUES

20. There are no implementation issues.

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: Michelle Dawson, Corporate Sustainability Manager and Mark Abbot, Deputy Group Manager: Assets.



8 CONTRACT NO. IM05146A - NETWORK REPLACEMENT PROJECT 2006 - APPROVAL TO EXTEND

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. IM05146A - Network Replacement Project 2006 for 24 months, to 30 June 2011.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. IM05146A - Network Replacement Project 2006 - Approval to Extend report.
2. **Approve** that, subject to a satisfactory credit check, Contract No. IM05146A - Network Replacement Project 2006 as awarded to Datacraft NZ Limited be extended in the sum of \$237,600 excluding GST for the period 1 July 2009 to 30 June 2011.
3. **Approve** the commitment of \$118,800.00 excluding GST as provided in the 2010/2011 financial year for Contract No. IM05146A - Network Replacement Project 2006.
4. **Approve** that authority to extend Contract No. IM05146A - Network Replacement Project 2006 for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Group Manager: Information Management.

BACKGROUND

1. The scope of work includes the monitoring and support of all the network equipment and the firewalls within the Council computing environment.
2. Confirmation has been given that although staff may be relocated as part of the new Auckland Council, systems and applications located in the existing Council computing infrastructures will need to be maintained for a period of time after 1 November 2010.

3. The Council approved the award of Contract No. IM05146A - Network Replacement Project 2006 to Datacraft NZ Limited at a Tenders Subcommittee meeting held on 5 May 2006 where it was resolved:

- “1. That the Contract No. IM05146A - Network Equipment Replacement Project 2006 report be received.
2. That the tender from Datacraft NZ Limited for Contract No. IM05146A - Network Equipment Replacement Project 2006 in the sum of \$227,035 plus GST be accepted.
3. That authority be given for Datacraft NZ Limited to be Council’s preferred supplier for maintenance, support and future network equipment and associated peripherals until the time of the next network equipment refresh project in 2009.
4. That authority to enter into Contract No. IM05146A - Network Equipment Replacement Project 2006 on behalf of Council be delegated to the Director: Corporate & Civic Services.”

714/2006

DECISION MAKING

4. Contract No. IM05146A - Network Replacement Project 2006 is a three year contract with a two year extension.
5. Prior to the contract being issued to Datacraft NZ Limited on 5 May 2006 a full and complete tender process was undertaken.
6. The network equipment and firewalls are part of Council’s core computing infrastructure. Provision has been made in the Annual Plan 2009/2010 and the 2010/2011 financial year.
7. A review process on the current state of the network equipment was undertaken in 2009 and it was found that the current equipment did not need replacing and was still supported for another three years with the vendor. With the new Council becoming operational on 1 November 2010 it would be prudent for the new entity to run a regional based tender for these services.
8. The extension cost has been based on existing contract rates plus an escalation allowance. 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 24 months.
9. The total accumulation of this contract and the proposed contract extensions, showing the cost of the contract sum to date are shown in Table 1 below:

2006/2007	Original Contract Sum - Year 1	\$102,600.00
2007/2008	Original Contract Sum - Year 2	\$214,604.00
2008/2009	Original Contract Sum - Year 3	\$144,577.00
2009/2010	Extension - Year 1	\$118,800.00
2010/2011	Extension - Year 2	\$118,800.00
	Total	\$699,381.00

Table 1 - Total accumulative amount

10. Datacraft NZ Limited have confirmed in writing that they are willing to carry out the contract for a further 24 months.

CONTRACTOR'S PERFORMANCE

11. An evaluation of Datacraft NZ 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;
 - Confirmation that the rationale for extension provides ability for the Council to retain institutional knowledge over the period of transition, and to ensure certainty of service delivery over the period of transition;
 - They have developed a good working relationship with relevant Council staff;
 - 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

12. A credit check on Datacraft NZ Limited has been requested.

JOB COSTS

13.		excl. GST
	Contract sum (24 months) - (Datacraft NZ Limited)	\$237,600.00

	Total Job Cost	\$237,600.00

SOURCE OF FUNDING

14. Source of funding for 2009/2010 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
Computer Bureau Charges	1860 - 72000	\$538,000	\$419,200	\$118,800	\$0	\$0
	Total			\$118,800		

Table 2 - Source of Funding

15. Source of funding for 2010/2011 is shown in Table 3 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
Computer Bureau Charges	1860 - 72000	\$538,000	\$419,200	\$118,800	\$0	\$0
	Total			\$118,800		

Table 3 - 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 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: Steve McIntosh, IT Manager, Information Management.



9 CONTRACT NO. IM05149A - SUPPLY, IMPLEMENTATION AND MAINTENANCE OF HEWLETT PACKARD BLADE SERVERS - APPROVAL TO EXTEND

GLOSSARY

Hewlett Packard (HP)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. IM05149A - Supply, Implementation and Maintenance of Hewlett Packard Servers for 21 months, to 30 June 2011.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. IM05149A - Supply, Implementation and Maintenance of Hewlett Packard Servers - Approval to Extend report.
2. **Approve** that, subject to a satisfactory credit check, Contract No. IM05149A - Supply, Implementation and Maintenance of Hewlett Packard Servers as awarded to Datacom Systems Limited be extended in the sum of \$205,821 excluding GST for the period 1 October 2009 to 30 June 2011.
3. **Approve** the commitment of \$117,612 excluding GST as provided in the 2010/2011 financial year for Contract No. IM05149A - Supply, Implementation and Maintenance of Hewlett Packard Servers.
4. **Approve** that authority to extend Contract No. IM05149A - Supply, Implementation and Maintenance of Hewlett Packard Servers for the period 1 October 2009 to 30 June 2011 on behalf of the Council be delegated to the Group Manager: Information Management.

BACKGROUND

1. Council evaluated the two known manufactures, Hewlett Packard (HP) and International Business Machines of blade server technology and selected HP Blade Servers as its preferred server technology. The future direction of this technology will not change over the next two years and in the meantime Council needs to ensure the ongoing support and maintenance of this equipment as well as any expansion of the equipment that is required over the coming two years.
2. Confirmation has been given that although staff may be relocated as part of the new Auckland Council, systems and applications located in the existing Council computing infrastructures will need to be maintained for a period of time after 1 November 2010.
3. The Council approved the award of Contract No. IM05149A - Supply, Implementation and Maintenance of Hewlett Packard Servers to Datacom Systems Limited at a Tenders Subcommittee meeting held on 27 February 2009 where it was resolved:

“The Tenders Subcommittee resolved to:

1. **Receive** the Contract: No. IM05149A - Supply, Implementation And Maintenance Of Hewlett Packard NZ Limited Blade Servers - Approval to Extend report.
2. **Approve** that, subject to a satisfactory credit check, Contract No. IM05149A - Supply, Implementation and Maintenance of Hewlett Packard NZ Limited Blade Servers as awarded to Datacom Systems Limited be extended in the sum of \$644,000 excluding GST for the period 1 October 2008 to 30 September 2009.
3. **Approve** that authority to extend Contract No. IM05149A - Supply, Implementation and Maintenance of Hewlett Packard NZ Limited Blade Servers for the period 1 October 2008 to 30 September 2009 on behalf of the Council be delegated to the Director: Corporate and Business Services.
4. **Agree** that Contract: No. IM05149A - Supply, Implementation and Maintenance of Hewlett Packard NZ Limited Blade Servers - Approval to Extend Agenda report and associated resolutions remain confidential until such time as the reasons for confidentiality no longer exist.”

223/2009

DECISION MAKING

4. Contract No. IM05149A - Supply, Implementation and Maintenance of Hewlett Packard Servers is a three year contract with a two year extension.
5. A full and complete tender process was undertaken prior to the contract being issued to Datacom Systems Limited on 30 September 2005.
6. The blade servers and associated peripheral hardware is part of Councils core computing infrastructure. Provision has been made in the Annual Plan 2009/2010 and the 2010/2011 financial year.
7. With the new Council becoming operational on 1 November 2010, it would be prudent for the new entity to run a regional based tender for these services.
8. The extension was valued using existing contract rates plus an escalation allowance. 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 21 months.

9. The total accumulation of this contract and the proposed contract extensions, showing the cost of the contract sum to date are shown in Table 1 below:

2006/2007	Original Contract Sum - Year 1	\$36,000.00
2007/2008	Original Contract Sum - Year 2	\$34,000.00
2008/2009	Original Contract Sum - Year 3	\$62,000.00
2009/2010	Extension - Year 1	\$88,209.00
2010/2011	Extension - Year 2	\$117,612.00
	Total	\$337,821.00

Table 1 - Total accumulative amount

10. Datacom Systems Limited have confirmed in writing that they are willing to carry out the contract for a further 24 months.

CONTRACTOR'S PERFORMANCE

11. An evaluation of Datacom Systems 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;
 - Confirmation that the rationale for extension provides ability for the Council to retain institutional knowledge over the period of transition, and to ensure certainty of service delivery over the period of transition;
 - They have developed a good working relationship with relevant Council staff;
 - 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

12. A credit check on Datacom Systems Limited has been requested.

JOB COSTS

13.		excl. GST
	Contract sum (21 months) - (Datacom Systems Limited)	\$205,821.00

	Total Job Cost	\$205,821.00

SOURCE OF FUNDING

14. Source of funding for 2009/2010 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
Contract Payments	1886 - 74000	\$135,000	\$46,791	\$88,209	\$0	\$0
	Total			\$88,209		

Table 2 - Source of Funding

15. Source of funding for 2010/2011 is shown in Table 3 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
Contract Payments	1886 - 74000	\$135,000	\$17,388	\$117,612	\$0	\$0
	Total			\$117,612		

Table 3 - 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 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: Steve McIntosh, IT Manager, Information Management.

