



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF MEETING

TENDERS SUBCOMMITTEE

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

DATE: Friday, 18 December 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.

14 December 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, 18 DECEMBER 2009,
COMMENCING AT 9.00 AM**

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**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD IN THE
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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 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 - 27 November 2009

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 27 November 2009, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. EW09001H - SEWER RENEWALS IN MINI CATCHMENT 17, AREA 2 - APPROVAL TO AWARD**

GLOSSARY

Mini Catchment	(MC)
Closed Circuit Television	(CCTV)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW09001H - Sewer Renewals in Mini Catchment 17, Area 2.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW09001H - Sewer Renewals in Mini Catchment 17, Area 2 - Approval to Award report.
2. **Approve** that the tender from Network Construction Limited for Contract No. EW09001H - Sewer Renewals in Mini Catchment 17, Area 2 in the sum of \$772,627.39 plus \$96,578.42 GST, totalling \$869,205.81 be accepted.
3. **Approve** that authority to enter into Contract No. EW09001H - Sewer Renewals in Mini Catchment 17 Area 2 on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. The Council has an objective to reduce flows in the wastewater network by 25% through the Infiltration and Inflow Control Programme. The New Lynn wastewater catchment is the first catchment to be assessed under this programme and rehabilitation work has already been carried out on public drains in Mini Catchment (MC)2, MC4, MC5, MC6, MC7, MC8, MC9, M15, MC18, MC19 and MC21.
2. The rehabilitation of MC17 is the next project on the priority list. The existing manholes and public sewer pipes in the area are in poor condition and require rehabilitation.
3. Funding was approved by the Council in the Annual Plan 2009/2010 for this work.

SCOPE OF WORK

4. The scope of work includes:
 - installation of approximately 370 metres of new wastewater pipeline using directional drilling and open cut trenching;
 - rehabilitation of 1,634 metres of wastewater pipeline using various structural lining, slip lining, pipe bursting and pipe reaming techniques;
 - construction and rehabilitation of 37 manholes;
 - replacement of 70 service connections;
 - rehabilitation of 31 service connections through lateral junction repairs; and
 - video inspection of 118 private drains, flushing and video inspection of completed lines.

TENDERS RECEIVED

5. Tenders were publicly advertised on Tenderlink with 24 sets of documents being uplifted. Four tenders were received by the closing date of 3 November 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Network Construction Limited	2 The Knoll Greenhithe, Auckland	\$772,627.39
H&H Contractors Limited	12A Culperry Road, Glen Eden, Waitakere	\$797,449.00
JB Contractors Limited	26 Glasgow Avenue, Papatoetoe, Manukau City	\$816,686.00
Horizontal Earth Drilling Limited	55 Watea Road, Torbay, North Shore	\$833,850.00
Pre-tender contract estimate (based on most up-to-date tender rate)		\$762,455.00
Budget estimate		\$795,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

6. All four tenders received contained minor omissions within their non-price attributes. Clarifications were requested and satisfactory replies were received from JB Contractors Limited, Network Construction Limited and H&H Contractors Limited. No clarifications were sought from Horizontal Earth Drilling Limited as this would not have altered the outcome of the tender evaluation.
7. The tender from Network Construction Limited contained a minor tag which was removed upon request.

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 below:

Tender Evaluation	Attributes	Exp.	Track Record	Tech Skill	Resour	Manage Skill	Method	Price	Contract Number EW09001H
									Total Weights
	Weights	4	10	2	4	5	5	70	100
Tenderer	Tender Sum	Grades							INDEX
Network Construction Limited	\$772,627.39	80	80	70	80	78	80	54	62
H&H Contractors Limited	\$797,449.00	75	87	80	85	88	70	51	60
JB Contractors Limited	\$816,686.00	90	90	85	85	85	85	49	60
Horizontal Earth Drilling Limited	\$833,850.00	55	55	60	50	50	40	47	48
Median Tender Price	\$807,067.50								

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 by the tenderers 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 Network Construction Limited achieved the highest index of 62. This tender is also the lowest priced tender.
12. Network Construction Limited have successfully completed several contracts for the Council during the past two years and they have the necessary expertise and resources to satisfactorily carry out the works.
13. The lowest priced tender is 1.3% above the pre-tender contract estimate.
14. After being evaluated to be the preferred tenderer, in line with Waitakere City Council's Conditions of Tendering and Tender Process (WCT6.1) a tender clarification meeting was held with Network Construction Limited to express Council's concern regarding their nominated sub-contractor for the Closed Circuit Television (CCTV) component of the contract works. The CCTV component of previously contracted works had to be removed from a 2008/2009 contract between this nominated sub-contractor and Council due to non-performance on this portion of the works. Network Construction Limited offered to replace them with an acceptable sub-contractor with no change to their tendered price. The CCTV component is small compared to the proposed works as a whole. The attribute scores were not adjusted following the meeting.
15. 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

16. A credit check on Network Construction Limited dated 13 October 2009 revealed no adverse information.

JOB COSTS

17.	excl. GST
Tender sum - (Network Construction Limited)	\$772,627.39
Contingency	\$ 77,262.70
Engineering and Supervision	\$ 77,262.70
Other (Consents)	\$ 10,000.00

Total Job Cost	\$937,152.79

SOURCE OF FUNDING

18. 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
Sewer Renewals inflow infiltration control programme	8AMEW-10-027/03	\$734,498.22	0	\$734,498.22	0	0
Upgrades in inflow infiltration control projects	8AMEW-07-065/01	\$71,000	0	\$71,000	0	0
Sewer Renewals inflow infiltration control programme	8AMEW-10-027/02	\$1,006,000.00	\$846,924.40	\$131,654.57	\$27,421.03	\$22,372.61
	Total			\$937,152.79		

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

20. 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: Tarun Ahuja, Senior Contracts Engineer.



6 CONTRACT NO. TA09010B - SCHOOL TRAVEL PLAN 2009/2010 - APPROVAL TO AWARD

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA09010B - School Travel Plan 2009/2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA09010B - School Travel Plan 2009/2010 - Approval to Award report.

2. **Approve** that the tender from Traffic Systems Limited for Contract No. TA09010B - School Travel Plan 2009/2010 in the sum of \$578,673.92 plus \$72,334.24 GST, totalling \$651,008.16 be accepted.
3. **Approve** that authority to enter into Contract No. TA09010B - School Travel Plan 2009/2010 on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

4. Contract No TA09010B - School Travel Plan 2009/2010 is part of the Council's school safety improvements program. The work addresses the community outcome for Sustainable and Integrated Transport to provide a safe network that supports quality urban design.
5. Funding was approved by the Council in the Annual Plan 2009/2010 for this work.

SCOPE OF WORK

6. The safety improvement works included in this contract are as follows:
 - Widening footpath, road signs, traffic signal and pedestrian crossing improvements at Royal Road near Royal Road Primary School;
 - High friction surfacing and pedestrian crossing improvements at 254 Triangle Road;
 - Widening footpath and road signs at 274-310 Don Buck Road;
 - High friction surfacing and pedestrian crossing improvements at 143 Don Buck Road;
 - Pedestrian refuge islands at 220 Don Buck Road;
 - Traffic islands at Triangle Road/Doone Place Intersection;
 - Traffic Islands at Waimumu Road/Lincoln Park Avenue Intersection;
 - Pedestrian refuge islands and traffic islands at Don Buck Road/Chamberlain Road Intersection;
 - New footpath at Zita Maria Drive/Anich Road Intersection;
 - New footpath and Kea Crossing at Red Hills Road/Don Buck Road Intersection;
 - High friction surfacing and pedestrian crossing improvements at Waimumu Road/ Triangle Road Intersection;
 - High friction surfacing and pedestrian crossing improvements at No 98 Waimumu Road;
 - Pedestrian crossing improvements at Royal Road/Moire Road Intersection; and
 - Pedestrian Crossing signalisation at 320 Don Buck Road.

TENDERS RECEIVED

7. Tenders were publicly advertised on Tenderlink with 37 sets of documents being uplifted. One tender was received by the closing date of 24 November 2009. It is summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Traffic Systems Limited	681E Rosebank Road, Avondale, Auckland	\$578,673.92
Pre-tender contract estimate (based on most up-to-date tender rate)		\$538,477.00
Budget estimate		\$578,700.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

- 8 There were no tags, errors or omissions in the tender submitted by Traffic Systems Limited.

TENDER EVALUATION

- 9 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".
10. 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.
11. In this contract the value of Provisional Sums is \$2,000.
12. 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.
13. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resou.	Manag. Skill	Method.	Price	Contract Number TA09010B
									Total Weights
	Weights	7	7	3	5	3	5	70	100
Tenderer	Tender Sum	Grades							INDEX
Traffic Systems Limited	\$576,673.92	78	65	73	73	75	75	50	57
Med.n Tender Price	\$576,673.92								

Table 2 - Summary of Tender Evaluation

14. Scores for the non-price attributes were determined on the basis of information provided in the tender, on the information gathered from the referees nominated by the Tenderer and considering recent contract experience with the Council.

15. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Traffic Systems Limited achieved the index of 57. This tender is also the only tender received.
16. Traffic Systems Limited has undertaken several similar School Travel Plan and Minor Safety Projects contracts with the Council to a high standard. The verbal referees for Traffic Systems Limited indicated that they are a good contractor to work with and they would recommend using them to others.
17. The tender is 7.5% above the pre-tender contract estimate but within the original budget estimate. The pre-tender contract estimate was calculated using recent rates received for other contracts.
18. 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

19. A credit check on Traffic Systems Limited dated 25 November 2009 revealed no adverse information.

JOB COSTS

20.	excl. GST
	Tender sum - Traffic Systems Limited \$578,673.92
	Contingency \$ 57,867.39
	Engineering and Supervision \$ 57,500.00
	Other (Disbursements) \$ 12,500.00

	Total Job Cost \$706,541.31

SOURCE OF FUNDING

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

Budget Description	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
School Travel Plans	8AMTA-07-087	\$740,000.00	\$118,800.00	\$621,200.00	\$0.00	\$0.00
Pedestrian Signals	8AMTA-07-095	\$360,000.00	\$24,000.00	\$85,341.31	\$250,658.69	\$0.00
	Total			\$706,541.31		

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

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

Report prepared by: Keerthi Mayakaduwa, Senior Roothing Engineer, Project Services.



7 CONTRACT NO. TA09018F - BRIDGE RENEWALS 2009/2010 - APPROVAL TO AWARD

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA09018F - Bridge Renewals 2009/2010

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA09018F - Bridge Renewals 2009/2010 - Approval To Award report.
2. **Approve** that the tender from Conspec Construction Limited for Contract No. TA09018F - Bridge Renewals 2009/2010 in the sum of \$597,741.00 plus \$74,717.63 GST, totalling \$672,458.63 be accepted.
3. **Approve** that authority to enter into Contract No. TA09018F - Bridge Renewals 2009/2010 on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. Council is responsible for ensuring the usability and safety of 73 road bridges and five footbridges.
2. The bi-annual bridge inspection programme 2008/2009 revealed bridge deterioration that requires remedial maintenance. There are 25 bridges that have issues that will be addressed through this contract. These issues include concrete cracking, concrete spalling, bank erosion and timber deterioration.
3. Funding was approved by the Council in the Annual Plan 2009/2010 for this work.

SCOPE OF WORK

4. The scope of work includes the following items:
 - 2,070 litres of concrete repair;
 - 1,325 metres of epoxy injection crack repair;

- 1,120 square metres of elastomeric sealing of concrete components;
- 15 metres of timber pole retaining wall;
- 160 square metres of timber deck replacement;
- Erosion control rock work; and
- Temporary access structures as required.

TENDERS RECEIVED

5. Tenders were publicly advertised on Tenderlink with 30 sets of documents being uplifted. Four tenders were received by the closing date of 1 December 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Conspec Construction Limited	273 Devonport Road, Tauranga	\$597,741.00
Fibretek Limited	8 Pintner Place, Howick, Auckland	\$626,632.00
The Fletcher Construction Company Limited trading as Brian Perry Civil	810 Great South Road, Penrose, Auckland	Tender Withdrawn
Infrastructure & Civilworks Limited	182 Great South Road, Remuera, Auckland	Disqualified
Pre-tender contract estimate (based on most up-to-date tender rates)		\$678,643.00
Budget estimate		\$690,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

6. The tender submitted by Conspec Construction Limited contained minor tags within their non-price attribute submission that were addressed. One tag had a cost implication and was removed by the tenderer following discussions.
7. The tender from Conspec Construction Limited contained a summation error resulting in the tender sum being \$640 higher than the true total. When advised of the error the tenderer elected to confirm their tender sum.
8. The tender from Brian Perry Civil Limited had an unacceptable tag relating to access options for the work. This was discussed with the tenderer and they chose to withdraw their tender rather than remove the tag.
9. There were no other errors or omissions in the other tenders.

TENDER EVALUATION

10. 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".
11. 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.
12. In this contract the value of Provisional Sums is \$129,000.

13. 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.
14. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number TA09018F Total Weights
	Weights	8	8	4	4	3	3	70	100
Tenderer	Tender Sum	Grades							INDEX
Conspec Construction Limited	\$468,741.00	85	83	80	78	78	80	53	62
Fibretek Limited	\$497,632.00	80	90	80	73	73	68	47	57
Infrastructure & Civil Works Limited	Disqualified								Disqualified
Brian Perry Civil	Withdrawn								Withdrawn
Med.n Tender Price	\$483,186.50								

Table 2 - Summary of Tender Evaluation

15. The tender submitted by Infrastructure & Civilworks Limited was disqualified because their submitted tender failed to demonstrate any previous relevant experience and technical skills associated with specialist concrete repair works. Further their methodology statement revealed that there was no appreciation of the scope of the works. Infrastructure & Civilworks Limited also had intentions of sub-letting a portion of the specialist concrete repair works to a nominated sub-contractor, however, they had omitted to incorporate any attribute information about this sub-contractor into their tender submission. Therefore, this tender could not be considered further.
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 experience with the tenderers.
17. There is a significant difference between the pre-tender contract estimate and the submitted tenders. The pre-tender contract estimate was carried out by external consultants and was based on recent tendered rates on contracts they have administered within the Auckland region. The pre-tender contract estimate rates were further reduced to allow for the expected reduced tender rates due to the more competitive tendering that is being experienced in the current economic downturn. The actual tendered rates have been reduced more than expected.
18. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Conspec Construction Limited achieved the highest index of 62. This tender is also the lowest priced tender.
19. Conspec Construction Limited was founded in 1974. They are a privately owned civil construction company and specialise in concrete repair and rehabilitation works. Current and past clients include the New Zealand Transport Agency, Waitakere City Council and Hamilton City Council.

20. Conspec Construction Limited successfully completed Contract No.TA06043C - Bridge Concrete Repair 2006/2007 in the 2006/2007 financial year and Contract No. TA07008B - Bridge Concrete Repair 2007/2008 in the 2007/2008 financial year for the Council.
21. Conspec Construction Limited and their nominated sub-contractors have the necessary expertise and resources to satisfactorily carry out the works.
22. Reference checks made on a selection of clients indicated a well-resourced, well-managed and capable contractor.
23. The lowest tender is 12% below the pre-tender contract estimate.
24. 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

25. A credit check on Conspec Construction Limited dated 3 December 2009 revealed no adverse information.

JOB COSTS

26.	excl. GST
Tender sum - Conspec Construction Limited	\$597,741.00
Contingency	\$ 90,000.00
Engineering and Supervision	\$104,192.00

Total Job Cost	\$791,933.00

27. Due to the difficulty of accurately assessing the volume of works at design stage for concrete repair work (e.g. extent of reinforcing steel corrosion behind spalled concrete) and the value that comes from addressing these unforeseen issues while established on site, an increased contingency of 15% of the contract sum has been provided.

SOURCE OF FUNDING

28. 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
Bridge Renewals	8AMTA-07-010/04	\$780,000.00	\$0.00	\$687,741.00	\$92,259.00	\$92,259.00
Bridge Renewals - Professional Services	8AMTA-07-011/03	\$104,192.00	\$0.00	\$104,192.00	\$0.00	\$0.00
	Total			\$791,933.00	\$92,259.00	\$92,259.00

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

30. 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: Neil Prendiville, Roading Projects Manager.



8 CONTRACT NO. PK09028A - KEN MAUNDER PARK FOOTBRIDGE - APPROVAL TO AWARD

GLOSSARY

Auckland Regional Council	(ARC)
Fort Project Management Limited	(Fort)
Ken Maunder Park Footbridge	(the footbridge)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK09028A - Ken Maunder Park Footbridge.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK09028A - Ken Maunder Park Footbridge - Approval to Award report.
2. **Approve** that Contract No. PK09028A - Ken Maunder Park Footbridge be awarded to other than the lowest priced tender, as 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.
3. **Approve** that the tender from Fort Project Management Limited for Contract No. PK09028A - Ken Maunder Park Footbridge for the sum of \$641,782.00 plus \$80,222.75 GST, totalling \$722,004.75 be accepted.
4. **Approve** that authority to enter into Contract No. PK09028A - Ken Maunder Park Footbridge on behalf of the Council is delegated to the Group Manager: Project Services.

BACKGROUND

1. A structural survey of the Ken Maunder Park Footbridge (the footbridge) across the Whau River from Queen Mary Avenue to Ken Maunder Park was undertaken in March 2007. The footbridge was originally designed and built in 1965. Substantial rot has now been found in the joists and bearers, and the footbridge was closed in April 2007 for safety reasons. The footbridge was constructed above and connected to a Watercare Services Limited pipe structure. Following structural and geotechnical surveys, it was found that the existing pipe structure did not meet current building code requirements. Extensive public consultation took place, which confirmed the need for the footbridge.
2. An expression of interest process was chosen as the desired method of procurement to ensure contractors have the capability to carry out the contract in such a sensitive environment and to reduce supervision and internal project management costs.
3. Following the expression of interest process the Tenders Subcommittee at its meeting 30 October 2009 approved a shortlist of six contractors where it was resolved:

“The Tenders Subcommittee resolved to:

2. **Approve** the following six pre-approved contractors be invited to submit a priced tender for Contract No. PK09028A - Ken Maunder Footbridge Replacement -Provision of Construction Services:
 - *HEB Construction Limited;*
 - *Hawkins Construction Limited;*
 - *Brian Perry Civil;*
 - *Dominion Constructors Limited;*
 - *Fort Project Management Limited; and*
 - *Nasey Contractors Limited.”*

1729/2009

4. These six contractors were invited to tender using the Weighted Attribute Method of evaluation because the project has high environmental sensitivity and demanding resource consent conditions and methodology was deemed to be a critical attribute.

SCOPE OF WORK

5. Auckland Regional Council's (ARC) coastal consent requires that a construction management plan be approved by the Manager, Coastal Consents prior to the commencement of construction works on site. ARC officers indicated a key aspect of the management plan was the construction of the temporary staging required for the crane and piling rig. Further, they indicated that construction access to the estuary with the use of a log paved road was unlikely to get their approval. This pre-requisite was stated in the specific clauses of the contract and highlighted in Notice to Tenderers 1.
6. The scope of the physical work includes:
 - Constructing concrete paths in Ken Maunder Park and the Queen Mary Reserve;
 - Constructing boardwalks and retaining walls on the approaches to the footbridge;
 - Piling foundations in the Whau River;

- A steel and timber superstructure;
- Constructing landscaping, including planting; and
- Environmental protection.

TENDERS RECEIVED

7. Tenders were invited from selected tenderers with six sets of documents being uplifted. Dominion Constructors Limited withdrew from the tendering process and did not submit a tender. Five tenders were received by the closing date of 17 November 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Nasey Contractors Limited	6 Tait Place, Albany Auckland	\$607,741.00
HEB Structures Limited	21, Aerodrome Road, Mount Manganui South, Tauranga 3149	\$610,000.00
Fort Project Management Limited	P.O Box 8852, Symonds Street, Auckland	\$641,782.00
Brian Perry Civil	18, Gabador Place, Auckland	\$753,846.65
Hawkins Infrastructure Limited	Level 2 , 70, Stanley Street, Auckland	\$876,221.40
Pre-tender contract estimate (based on most up-to-date tender rate)		\$909,000.00
Budget estimate		\$930,090.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

8. The tenders submitted contained no errors.
9. Fort Project Management Limited (Fort), Nasey Contractors Limited, Brian Perry Civil Limited and HEB Structures Limited did not include the requested on-site and off-site overheads.
10. Nasey Contractors Limited and Brian Perry Civil Limited did not include a preliminary programme.
11. All tenderers were asked to provide further detail on the temporary access methods they proposed. This was provided by all the contractors before the tender evaluation was concluded.
12. Fort was asked to clarify on-site and off-site overheads which were deemed acceptable.

TENDER EVALUATION

13. 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".
14. 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.
15. In this contract the value of Provisional Sums is \$6,800.

16. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number PK09028A
									Total Weights
	Weights	5	5	3	3	4	20	60	100
Tenderer	Tender Sum	Grades							INDEX
Fort Project Management Limited	\$634,982.00	70	80	80	60	70	80	50	61
HEB Structures Limited	\$603,200.00	65	70	85	70	70	55	55	58
Nasey Contractors Limited	\$600,941.00	80	80	80	50	65	50	55	58
Brian Perry Civil Limited	\$747,046.65	65	75	75	80	80	40	32	42
Hawkins Infrastructure Limited	\$869,421.40	65	70	80	85	85	85	13	40
Med.n Tender Price	\$634,982.00								

Table 2 - Summary of Tender Evaluation

17. Scores for the non-price attributes were determined on the basis of information provided in each tender, on the information gathered from the referees nominated by the tenderers and on any recent Council experience with the tenderers.
18. 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 on contracts within the Auckland region. It was concluded that the decrease in tendered rates is likely to be related to the engineer's estimate being based on a methodology consisting of a temporary staging platform for the crane and drilling rig.
19. All tenderers, except Hawkins Infrastructure Limited, described a construction methodology with varying degrees of detail based on the concept of chained logs forming a stable base for the necessary plant. Hawkins Infrastructure Limited methodology was closer to that envisaged by the design engineers with temporary staging formed in piles, bearers and decking. As insufficient detail was provided by any tenderer and the requirement of ARC approval of the construction methodology, all tenderers were asked to supply more detail on the temporary access methods they proposed.
20. Fort provided a cost effective raft design with innovative features that they had used successfully in previous projects in a coastal marine area. As already stated Hawkins Infrastructure Limited's methodology was closer to that envisaged by the design engineers but is by far the most expensive solution. The other contractors supplied basic access platforms comprising chained logs which ARC had previously confirmed as unacceptable and had been noted in the tender documents. The information was reviewed and it was clear that Fort and Hawkins Infrastructure Limited would have the lower consent risk.
21. The methodology proposed by Fort was sent to ARC for comment who indicated that this preliminary access methodology would be acceptable in principle.
22. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Fort achieved the highest index of 61. This tender is also the median tender price.
23. The tender with highest index is 29% below the pre-tender contract estimate.

24. 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

25. A credit check on Fort dated 25 November 2009 revealed no adverse information

JOB COSTS

26.		excl. GST
	Tender sum - Fort	\$641,782.00
	Contingency	\$ 64,178.20
	Methodology Risk	\$150,000.00

	Total Job Cost	\$855,960.20

27. A condition of the resource consent requires that the ARC approves the construction methodology. While preliminary discussions have been held with ARC officers to determine acceptable temporary staging facilities which were outlined in the tender documents, there remains a risk that proposals as tendered may not be approved by the ARC and an enhanced facility may be required. A risk mitigation allowance of \$150,000 has been included above against this risk.

SOURCE OF FUNDING

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

Budget Description (from annual budget line item) 2009/2010 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus (subject to methodology risk)
Ken Maunder Footbridge	8AMPK-08-004/6	\$1,023,099.00	\$0	\$855,960.20	\$167,138.80	\$138,308.00
	Total			\$855,960.20		

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

29. The ARC Coastal resource consent followed a notified process. There was one objector who was heard by the commissioners at a public hearing. The ARC approved the resource consent application with conditions. The objector's last date to appeal this decision is 5 December 2009. Any appeal will be reported to the Tenders Subcommittee at its meeting on Friday, 18 December 2009.

AUCKLAND COUNCIL TRANSITION ISSUES

30. 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.



9 CONTRACT NO. TA08045B - IMPROVED ILLUMINATION IN LOCAL ROADS 2009/2010 STAGE 1 - APPROVAL TO AWARD

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA08045B - Improved Illumination in Local Roads 2009/2010 Stage 1.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA08045B - Improved Illumination in Local Roads 2009/2010 Stage 1 - Approval to Award report.
2. **Approve** that the tender from Transfield Services (New Zealand) Limited for Contract No. TA08045B - Improved Illumination in Local Roads 2009/2010 Stage 1 in the sum of \$370,840.49 plus \$46,355.06 GST, totalling \$417,195.55 be accepted.
3. **Approve** that authority to enter into Contract No. TA08045B - Improved Illumination in Local Roads 2009/2010 Stage 1 on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. This contract forms part of Council's Capital Streetlight Upgrade programme of work throughout Waitakere.
2. Funding was approved by the Council in the Annual Plan 2009/2010 for this work.

SCOPE OF WORK

3. The scope of work includes the supply and installation of new streetlight columns, outreach arms, pole brackets and lanterns for the upgrade of selected roads within Waitakere.
4. The selected roads to be included in this contract for street lighting upgrades are:
 - Awaroa Road;
 - Barrys Road;
 - Kinross and Portage Roads Intersection;

- Newington Road;
 - Vanguard Road; and
 - Vodanovich Road.
5. The contract to be awarded is a four-month contract commencing January 2010 and ending May 2010.

TENDERS RECEIVED

6. Tenders were publicly advertised on Tenderlink with 10 sets of documents being uplifted. Two tenders were received by the closing date of 1 December 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Transfield Services (New Zealand) Limited	Newmarket	\$370,840.49
Electrix Limited	Mt. Wellington	\$412,576.83
Pre-tender contract estimate (based on most up-to-date tender rate)		\$369,350.00
Budget estimate (excl. fee and contingency)		\$369,500.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

7. The tender submitted by Transfield Services (New Zealand) Limited contained minor tags within their non-price attribute submission that were addressed and removed.
8. The tender from Electrix Limited contained a summation error resulting in the tender sum being \$185.38 higher than the true total. This was not addressed as it did not affect the outcome of the tender evaluation process.

TENDER EVALUATION

9. 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".
10. 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.
11. In this contract the value of Provisional Sums is \$12,000.
12. 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.

13. A summary of the evaluation results is shown in Table 2:

Tender	Attributes	Exper.	Track	Tech.	Resour.	Manag.	Method.	Price	Contract Number TA08045B
Evaluation			Record	Skill		Skill			Total Weights
	Weights	10	5	5	3	2	5	70	100
Tenderer	Tender Sum				Grades				INDEX
Transfield Services (New Zealand) Limited	\$358,840.49	83	83	83	78	78	73	55	63
Electrix Limited	\$400,576.83	85	85	83	83	78	78	45	56
Med.n Tender Price	\$379,708.66								

Table 2 - Summary of Tender Evaluation

14. Scores for the non-price attributes were determined on the basis of information provided in each tender, on the information gathered from the referees nominated by the tenderers and on any recent Council experience with the tenderers.
15. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Transfield Services (New Zealand) Limited achieved the highest index of 63. This tender is also the lowest priced tender.
16. Transfield Services (New Zealand) Limited is one of New Zealand's largest electrical contracting companies with staff located throughout the country. Current and past clients include Auckland City Council and North Shore City Council.
17. Transfield Services (New Zealand) Limited successfully completed Streetlight Capital Works 2007/2008 for Waitakere City Council.
18. Transfield Services (New Zealand) Limited has the necessary expertise and resources to satisfactorily carry out the works.
19. The lowest tender is 0.36% above the pre-tender contract estimate.
20. 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

21. A credit check on Transfield Services (New Zealand) Limited dated 03 December 2009 revealed no adverse information.

JOB COSTS

22.		excl. GST
	Tender sum - Transfield Services (New Zealand) Limited	\$370,840.49
	Contingency	\$ 37,000.00
	Engineering and Supervision	\$ 35,500.00
	Disbursements (Electrical Consultant)	\$ 20,000.00

	Total Job Cost	\$463,340.49

SOURCE OF FUNDING

23. 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
Streetlight Renewals	8AMTA-10-013	\$1,200,000	\$792,159	\$407,841	\$0	\$0
Improved Illumination in Local Roads	8AMTA-07-149	\$463,000	\$407,500	\$55,500	\$0	\$0
	Total	\$1,663,000	\$1,199,659	\$463,341	\$0	\$0

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

25. 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: Jayantha Rajasooriya, Roading Engineer.



10 CONTRACT NO. QY09002A - LICENCE TO OPERATE THE WAITAKERE CITY QUARRY - APPROVAL TO AWARD

GLOSSARY

Waitakere City Quarry	(Quarry)
Perry Resources (2008) Limited	(Perry Resources)
Waitakere Quarry Aftercare Fund	(Aftercare Fund)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. QY09002A - Licence to Operate the Waitakere City Quarry (Quarry) for the period from the end of the existing contract, being 15 December 2009 until the end of the operating life of the quarry, estimated to be the end of 2017.

A tender for the new licence was advertised on Tenderlink. On the closing date of 20 October 2009 one tender was received, from the current licence holder and operator Perry Resources (2008) Limited (Perry Resources). The tender that was submitted contained alternative proposals. These proposals have been reviewed by Council officers and have been found to be acceptable, with the exception of the proposal to delete Clause 13.1 of the General Conditions of Contract, which has instead been amended to the satisfaction of Council officers and the tenderer.

The tendered minimum annual payment to the Council by the licensee will be less, at \$156,000, than the current minimum payment of \$271,200. The new licence will require the licensee to carry out re-vegetation of the quarry site, which has resulted in the submission by the tenderer of a lower rate per tonne for crushed and uncrushed rock payable to the Council. The current licence requires the Council to re-vegetate the site. Analysis shows that the difference in the minimum annual payments between the existing and proposed licence is almost exactly equal to the annual contribution by the Council to the Waitakere Quarry Aftercare Fund (Aftercare Fund) to pay for the re-vegetation. The Council will therefore be in a financially neutral position under the new licence agreement.

Perry Resources has operated the Quarry in a professional manner since 2006. In addition to the Quarry the company operates four quarries in the Waikato region, and is well experienced in quarry operations. The alternative tender submitted by Perry Resources satisfies the requirements of the Council for the operation of the Quarry.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. QY09002A - Licence to Operate the Waitakere City Quarry - Approval to Award report.
2. **Approve** that, subject to a satisfactory credit check, the tender from Perry Resources (2008) Limited for Contract No. QY09002A - Licence to Operate the Waitakere City Quarry for a minimum annual payment to the Council of \$156,000.00 plus \$19,500.00 GST, totalling \$175,500.00 from 15 December 2009 to 31 December 2017 be accepted.
3. **Approve** that authority to enter into Contract No. QY09002A - Licence to Operate the Waitakere City Quarry on behalf of the Council be delegated to the Acting Director: City Services.
4. **Agree** that resolution 2 above be subject to confirmation by the Auckland Transition Agency.

BACKGROUND

1. The Quarry is situated to the north of Te Henga Road in Swanson. The Quarry is owned by the Waitakere City Council, while the extraction of rock resources from the quarry is currently contracted to Perry Resources, in the name of Waitakere Quarries Limited.
2. Contract No. 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. This right of extension was exercised (see paragraph 3 below).
3. The original licensee was Yelavich Bros Limited, trading as Warahene Construction Limited. The licensee accepted the offer of an extension to the licence up to 14 November 2009.
4. On 24 August 2006, the Council was advised that on 30 March 2006 the shares in Yelavich Bros Limited had been transferred to Waitakere Quarries Limited. On 1 August 2006, the staff and assets of Yelavich Bros Limited were sold to Waitakere Quarries Limited, with Yelavich Bros 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. 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. Under the current licence agreement the Council receives a minimum annual income from the licensee of \$271,200.00 based on rates per tonne for the production of crushed and uncrushed rock. In addition royalties are payable to the Council for production in excess of the monthly minimum production quantities. An amount of \$115,000.00 per annum is currently contributed from this income to the Aftercare Fund.
7. Waitakere Quarries 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.
8. At its meeting on Friday, 10 July 2009:

“The Tenders Subcommittee resolved to

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.”*

1198/2009

9. Subsequent to the submission of the report to the Tenders Subcommittee, it was established that the completion date for the extended licence referred to in paragraph 3 above was 14 December 2009, and not 14 November 2009 as stated in resolution 1198/2009. This date is confirmed in a letter to Warahene Construction Limited dated 10 December 2004. As the current licence expires before the date of the Tenders Subcommittee meeting, the Deputy Group Manager Assets has issued a variation to extend the current contract until the new contract is let.

SCOPE OF WORK

10. 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
11. The tender allowed tenderers to price the contract on either of two options, being the re-vegetation of the Quarry site by the Council, or re-vegetation by the licensee. This work will be carried out on a progressive basis during the licence period. The site will be rehabilitated back to form part of the Waitakere Ranges environment.
12. The Aftercare Fund was established during the course of the current licence in which the Council has been responsible for re-vegetation of the Quarry site. The balance in the aftercare fund will be used to assist in the re-vegetation and rehabilitation of the Quarry.

TENDERS RECEIVED

13. Tenders were publicly advertised on Tenderlink. One tender from Perry Resources was received by the closing date of 20 October 2009. The tender is summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (Income) (excl. GST)
Perry Resources	21 Hutchinson Road, Horotiu, Hamilton	(\$156,000.00) per annum (minimum)
Pre-tender contract estimate (based on current licence rates) Less contribution to Aftercare Fund		(\$271,200.00) \$115,000.00
Net Budgeted income		(\$156,200.00)

Table 1 - Summary of Tender Prices

14. The pre-tender contract estimate was based on the current rates per tonne of crushed and uncrushed rock in the existing contract. These rates are based on the Council carrying out the re-vegetation of the Quarry site on completion of quarrying operations, as per the current licence. The tender submitted by Perry Resources is on the basis of re-vegetation by the licensee, and is also based on a lower minimum monthly production of material than at present (refer to paragraph 15 below).

TAGS, ERRORS OR OMISSIONS

15. Perry Resources submitted an alternative tender, with proposed changes to the tender documents as follows:
- Deletion of General Conditions of Contract clause 6.3(b). This clause allows the charges by the Council to the licensee to be increased by indexing them to the Producer Price Index for Mining and Quarrying. This does not have direct relativity to the market prices or the financial gains of the quarrying operation. Clause 6.3(a) adequately provides for increases in the charges by the Council by linking the increase in charges to the increases in the licensee's published retail price list for quarry products. The deletion of Clause 6.3(b) is therefore acceptable.
 - Deletion of General Conditions of Contract clause 13.1. This clause allows the Council Contract Manager, in his sole opinion, to order the suspension of the quarry operation for whatever reason if this becomes necessary. Perry Resources have stated that this is contrary to normal business practice and severely limits the Licensee in entering supply agreements, justifying capital expenditure and various other contractual obligations. Perry Resources have suggested that suspension of the quarry operation should only be under the terms of 14, 15, 16 and 17. As there is no direct reference between clause 13.1 and these clauses, a re-wording of clause 13.1 linking suspension to specific conditions has been agreed between Council officers and Perry Resources.
 - Deletion of Specifications clause 13.2. This clause required the relocation of the weighbridge during the period of the license. This relocation is not necessary as the Quarry can in fact be successfully mined to completion of the resources without relocating the weighbridge. As there is no advantage to the Council in relocating the weighbridge, the clause can be deleted.

- The Quarry Management Plan. Whilst Perry Resources are currently operating the quarry under the existing Quarry Management Plan as contained in the District Plan, Rule 13 Appendix A, the company included a revised Proposed Mining Plan as part of the tender. This allows a simplified extraction operation while remaining within the operational areas of the current plan. Only the aspects of the Quarry Management Plan referenced in the Proposed Mining Plan will be amended while other quarrying conditions remain the same. The Proposed Mining Plan has been reviewed by the Manager Resource Consents who has advised that the plan falls within the permitted activity status of Rule 13, and that the variation to sequencing of works proposed by Perry Resources is reasonable and results in the same overall outcome. The Proposed Mining Plan is therefore acceptable.
 - Payment Schedules. Schedule 6B - Monthly Payments to Council. The minimum monthly levels of crushed rock and uncrushed rock have been amended in the Perry Resources tender to 8,000 tonnes and 2,000 tonnes respectively, down from 12,707 tonnes and 2,789 tonnes in the tender document. This is acceptable as the levels provided by Perry Resources are based on updated information of the remaining rock resources available for quarrying.
16. The alternative tender submitted by Perry Resources has been reviewed by officers across a number of areas of Council including Consent Services and Legal Services. All points requiring resolution have been satisfactorily agreed.

TENDER EVALUATION

17. In accordance with the conditions of tendering, the tender was evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual". As there were no other tenders that could be included to carry out a comparative grading, the scores allocated to Perry Resources are a reflection of the strengths of the attribute statements, the information provided in the tender and knowledge of Perry Resources' operation of the Quarry.
18. A summary of the evaluation results is shown in Table 2 below:

Tender Evaluation	Attributes	Exper.	Track Record	Resour.	Financial	Method.	Price (pa)	Contract Number QY09002A
								Total Weights
	Weights	5	10	5	10	5	65	100
Tenderer	Tender Sum	Grades						INDEX
Perry Resources (2008) Limited	\$156,000.00	75	75	75	75	70	50	59
Med.n Tender Price	\$156,000.00							

Table 2 - Summary of Tender Evaluation

19. Scores for the non-price attributes were determined on the basis of information provided in the tender, on the information gathered from the referees nominated by the tenderer, and on recent Council experience with the tenderer. The scores of 75 for the non-priced attributes of experience, track record, resources and financial management fall within the "very good" range of the scoring method and show that the requirements are fully covered in all material aspects. The score of 70 for the methodology is in the "above average" range and shows that the requirements are adequately covered.

20. The alternative tender options offered by Perry Resources as discussed in paragraph 14 above have been reviewed by Council officers and have been found to be acceptable, with the exception of the proposal to delete Clause 13.1 of the General Conditions of Contract. This clause has been re-worded to the satisfaction of Council officers and Perry Resources.
21. There is a significant difference between the pre-tender contract estimate for the minimum annual income receivable by the Council from the licensee, and the submitted minimum annual income. The reason for the difference is shown in paragraph 14 above. The rates per tonne for crushed and uncrushed rock proposed by Perry Resources are also lower than the previous rates. This is due to the tender being based on the re-vegetation of the quarry site by the licensee. Under the existing license the Council is responsible for re-vegetation of the site, and a part of the income received is contributed to the Aftercare Fund. The same level of contribution to the fund would not be required when the new licence commences.
22. Income receivable by the Council is based on a minimum monthly payment by the licensee for quantities of uncrushed rock extracted and crushed rock produced. The Council will also receive royalty payments for uncrushed and crushed rock in excess of the monthly minimum quantities produced. The rates that have been tendered are \$1.30 per tonne for both uncrushed and crushed rock and are used in calculating the minimum monthly payment and the royalties. The tender price in Table 1 above is based on minimum production without royalties.
23. In the previous report on 10 July 2009 the Tenders Subcommittee was advised that the opening balance in the Aftercare Fund for the 2009/2010 was anticipated to be \$1,185,873 with annual contributions of \$115,000, based on current rates per tonne and quantities of production. These contributions would add \$920,000 to the Aftercare Fund over the remaining eight year life of the Quarry. This information was based on the rates applicable in the current licence where the Council is responsible for re-vegetation.
24. The difference between the minimum annual incomes receivable under the existing licence and under the proposed licence is \$115,200 less, or \$921,600 over the eight year life of the Quarry. Thus, given that the licensee will be carrying out the re-vegetation of the site, the reduction of rates per tonne and the lesser proposed minimum tonnages would result in the Council being in a neutral financial position relative to the re-vegetation fund at the end of the eight year term.
25. Perry Resources have operated the Quarry trading as Waitakere Quarries Limited since 2006, when the shares of Yelavich Bros Limited as well as the staff and assets were bought by Waitakere Quarries Limited. In addition to the Quarry, Perry Resources operate four other quarries at Ngaruawahia, Tauhei, Horotiu and the south of Hamilton in the Waikato region. The company is well experienced in quarry operations and has managed the operation of the quarry in a professional and competent manner.
26. Perry Resources has the necessary expertise and resources to satisfactorily carry out the works.
27. 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. It is noted that Perry Resources have a comprehensive Health and Safety Plan and an Emergencies Procedure Plan.

CREDIT CHECK

28. A credit check on Perry Resources (2008) Limited has been requested.

JOB COSTS

29. The Council will receive an income for this contract. The minimum annual income receivable by the Council will be \$156,000.00 plus GST amounting to \$1,248,000 over an approximate eight year period. The budgeted minimum annual income was \$271,200.00, inclusive of the re-vegetation allowance of \$115,000.00 which is no longer required as the re-vegetation becomes the responsibility of the licensee under the new contract.
30. The costs incurred during the tender process are expected to be \$6,600. The costs will be debited to Cost Centre 6390.

SOURCE OF INCOME

31. The Source of Income is shown in Table 3 below:

Budget Description (from annual budget line item)	Codes	Budget			This Contract		
		Gross Income	Less Allocation to Aftercare Fund	Net Income	Gross Income	Less Allocation to Aftercare Fund	Net Income
2009/2010 Quarry Licence	6390-41220	\$271,200.00	\$115,000.00	\$156,200.00	\$156,000.00	\$0.00	\$156,000.00
2010/2011 Quarry Licence	6390-41220	\$271,200.00	\$115,000.00	\$156,200.00	\$156,000.00	\$0.00	\$156,000.00
2011/2012 Quarry Licence	6390-41220	\$271,200.00	\$115,000.00	\$156,200.00	\$156,000.00	\$0.00	\$156,000.00
2012/2013 Quarry Licence	6390-41220	\$271,200.00	\$115,000.00	\$156,200.00	\$156,000.00	\$0.00	\$156,000.00
2013/2014 Quarry Licence	6390-41220	\$271,200.00	\$115,000.00	\$156,200.00	\$156,000.00	\$0.00	\$156,000.00
2014/2015 Quarry Licence	6390-41220	\$271,200.00	\$115,000.00	\$156,200.00	\$156,000.00	\$0.00	\$156,000.00
2015/2016 Quarry Licence	6390-41220	\$271,200.00	\$115,000.00	\$156,200.00	\$156,000.00	\$0.00	\$156,000.00
2016/2017 Quarry Licence	6390-41220	\$271,200.00	\$115,000.00	\$156,200.00	\$156,000.00	\$0.00	\$156,000.00
Totals		\$2,169,600.00	\$920,000.00	\$1,249,600.00	\$1,248,000.00	\$0.00	\$1,248,000.00

Table 3 - Source of Income

IMPLEMENTATION ISSUES

32. The implementation of the re-vegetation of the Quarry site will be agreed between the Council and the licensee and a programme of works agreed. This will be subject to regular review by the Council Contract Manager, and shall be in accordance with the Contract Specifications Clause 20 Re-vegetation.

AUCKLAND COUNCIL TRANSITION ISSUES

33. 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 transitional period, namely:
 - Section 31(4)(i) restricts the 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:
34. 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 the Council's decision making capabilities in respect of entering into any contract which is outside the scope of transition and is anticipated as being greater than \$20,000 in final impact.
35. Where the 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: Duncan Miller, Senior Project Engineer, Special Projects.



11 **PROCUREMENT METHODOLOGY FOR CONTRACT NO. SP09002J STURGES ROAD BRIDGE REPLACEMENT- STAGE 2 PHYSICAL WORKS**

GLOSSARY

Registration of Interest	(ROI)
Block of Line	(BoL)
Aurecon New Zealand Limited	(Aurecon)
New Zealand Transport Agency	(NZTA)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from Tenders Subcommittee for a procurement methodology for the proposed demolition and reconstruction of Sturges Road Bridge and associated infrastructure works. In addition, due to the approaching Christmas holiday period, approval is sought for delegation to the Chief Executive Officer to seek approval of this plan from New Zealand Transport Agency (NZTA), and upon approval of this plan by the NZTA, to award a contract for the physical works.

Two decisions made by the Chief Executive Officer in the lead up to a formal Block of Line (BoL) are brought to the attention of the Tenders Subcommittee. These decisions were required in order to prepare for enabling works prior to the scheduled BoL and are within the financial delegation of the Chief Executive Officer.

RECOMMENDATIONS

It is recommended that the Tender Subcommittee resolve to:

1. **Receive** the Procurement Methodology for Contract No. SP09002J Sturges Road Bridge Replacement - Stage 2 Physical Works report.
2. **Note** a decision made by the Chief Executive Officer to award a tender from Hawkins Construction Limited for Contract No. SP09002G - Sturges Road Bridge Replacement Stage 1- Enabling Physical Works in the sum of \$383,540.10 plus \$47,942.51 GST, totalling \$431,482.61.
3. **Note** a decision made by the Chief Executive Officer to award the tender from Vector Limited for Contract No. SP09002K - Sturges Road Bridge Replacement Stage 1- Services Diversion By Vector in the sum of \$355,722.00 plus \$44,465.25 GST, totalling \$400,187.25.
4. **Note** a decision made by the Acting Director: City Services to award the tender from Aurecon New Zealand Limited for Contract No. SP09002F - Sturges Road Bridge Replacement - Engineering Services in the sum of \$449,989.73 plus \$56,248.72 GST, totalling \$506,238.45.
5. **Approve** the Outline Procurement Methodology for Contract No. SP09002J Sturges Road Bridge Replacement - Stage 2 Physical Works presented in this report.
6. **Approve** that authority to seek approval of a *Procurement Methodology for Contract No. SP09002J Sturges Road Bridge Replacement - Stage 2 Physical Works* from New Zealand Transport Agency be delegated to the Chief Executive Officer.
7. **Approve** that subject to approval by the New Zealand Transport Agency under recommendation 6 above, authority to award a tender for Contract No. SP09002J Sturges Road Bridge Replacement - Stage 2 Physical Works plus any other related costs, up to the value of the Engineer's estimate of \$5,951,687.16 plus \$743,960.90 GST, totalling \$6,695,648.06 on behalf of the Council be delegated to the Chief Executive Officer.
8. **Approve** that authority to enter into Contract No. SP09002J Sturges Road Bridge Replacement - Stage 2 Physical Works on behalf of the Council be delegated to the Group Manager: Project Services.
9. **Approve** that authority to award cumulative contract variations to Contract No. SP09002J Sturges Road Bridge Replacement - Stage 2 Physical Works, up to the value of the contingency sum of \$595,168.72 plus GST on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. The existing road over rail bridge at Sturges Road, located approximately 150 metres west of the intersection with Swanson Road, Henderson, was built during 1940 by the predecessor of ONTRACK to permit ease of rail gradient by excavating a cutting below road level. The present condition of the bridge is poor with severe alkali/silicate reaction producing extensive cracking resulting in long term safety and longevity implications for the bridge structure. The first recorded cracking of the bridge was noted in 1962 and the bridge structure has progressively deteriorated since that date. Alkali/silicate reaction was positively identified as the cause of the cracking in 1991.
2. During consultations over the renewal of the bridge, ONTRACK requested that the Council incorporate specific dimensional requirements into the design of the replacement bridge. This was required in order to provide added height clearance for future electrification of the railway and provide greater lateral distance between the bridge piers to accommodate the doubling of the rail tracks.
3. The Council and ONTRACK reached an agreement to replace the bridge on a shared cost basis with the Council acting as the principal and ONTRACK's reimbursement of its share of the cost to the Council. On 20 November 2006, the Council awarded a contract to undertake the design of a replacement bridge and associated road works to Connell Wagner Limited. This contract produced a bridge design with three traffic lanes, a 28 metre span, 5.5 metre clearance above the rail tracks, and a deck thickness of 500 mm. A notified resource consent process commenced.
4. The Council tendered the Sturges Road Bridge Replacement physical works in 2007 based on a design by Connell Wagner which aligned with ONTRACK's advised design parameters. This publicly advertised tender process was carried out in accordance with the New Zealand Transport Agency's "Competitive Pricing Procedures Manual" two envelope system. Full documentation including a schedule of quantities was produced for this tender.
5. The tender prices received for the bridge were deemed not acceptable to ONTRACK, and ONTRACK elected to redesign the bridge with its own consultant team in an attempt to reduce costs. ONTRACK engaged Beca Limited, who redesigned the bridge based on reduced span parameters, but with a thicker bridge deck and hence higher road levels. The higher road levels increased the effects of the road on adjacent property driveways and buildings. These effects, as assessed in the notified resource consent process, were significant and ONTRACK elected not to pursue this option and for various reasons, referred the project back to the Council on 20 October 2008.
6. In light of ONTRACK's decision not to proceed with the reconstruction of the Sturges Road bridge, the Council decided to withdraw the resource consent application for the realignment of the road approaches to the bridge until negotiations between the Council and ONTRACK over the design parameters and methodology for implementation had been concluded.
7. Following ONTRACK's investigation of the design with Beca Limited, their investigation concluded that the original bridge span and height parameters could be reviewed and subsequently ONTRACK provided reduced span and height parameters for the Council to base its new design on.

8. A report was submitted to the Tenders Subcommittee meeting of 10 July 2009 seeking approval to enter into a Registration of Interest and a design and build process. This was approved by the Tenders Subcommittee through the following resolution:

“The Tenders Subcommittee resolved 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 Sturges 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.”

1201/2009

9. However, detailed project planning based on NZTA requirements for a design and build contract determined that this approach would not be appropriate for the Sturges Road bridge project. Due to the urgency to design the bridge, a contract for the amount of \$506,238.45 (GST inclusive) was awarded to Aurecon under the authority delegated by minute 1201/2009.

10. The design contract was awarded to Aurecon for the following reasons:

- The original design contract was awarded on a competitive basis;
- Aurecon was already familiar with the project and would be able to complete the design work in the shortest time; and
- The price submitted by Aurecon was considered cost effective.

11. The design brief was re-scoped in accordance with ONTRACK’s revised design parameters and the original designer, Connell Wagner Limited (now known as Aurecon New Zealand Limited (Aurecon)) were reengaged to proceed with amendment to their original design.

12. Following a Registration of Interest (ROI) process for physical works contractors, the Tenders Subcommittee approved a shortlist of four contractors at its meeting on 15 October 2009:

“The Tenders Subcommittee resolved to:

1. **Receive** the Contract No. SP09002A Sturges Road Bridge Demolition and Reconstruction- registration of Interest report.
2. **Approve** that the following four pre-approved registrants be invited to tender for Contract No. SP09002A- Sturges Road Bridge Demolition and Reconstruction:
 - HEB Construction Limited;
 - Fulton Hogan Limited;
 - Hawkins Construction Limited; and
 - Canam Construction Limited.”

1699/2009

13. ONTRACK has stringent rules governing any works within the rail corridor and certain works, particularly works above the rail safety envelope, may only be undertaken with a formal BoL in place. A BoL is a formal arrangement whereby all train traffic is stopped and alternative road transport is provided at the cost of the applicant. A BoL is a rare and very costly event and generally permitted only for major events and emergencies. A BoL has to be booked months in advance and is not something that is permitted other than for extreme circumstances.
14. ONTRACK advised the Council that for various other projects along the western line, ONTRACK was arranging for a three week BoL commencing on 26 December 2009 and advised the Council that apart from certain long weekends and occasional Sundays, this would be the only extended BoL likely to be available for the next two years. Since the demolition of the existing Sturges Bridge could only be achieved during an extended BoL, Council officers immediately sought a design and procurement philosophy that could be achieved utilising ONTRACK's proposed BoL.

SCOPE OF WORK

15. While a single contract procurement process is preferred by the Council, it was determined that insufficient time would be available to permit a conventional design and procurement approach prior to ONTRACK's proposed BoL. Engineering design information for the whole project could not be supplied by Aurecon within the time available to tender the whole project under one physical works tender. 'Special times' require 'special measures' and an implementation methodology was devised by Council officers to separate the works into two packages designed to fit with ONTRACK's proposed BoL as follows:
 - **Stage 1 Enabling Works Contract:** This package includes diversion of services, installation of a temporary pedestrian bridge and a temporary single lane road bridge utilising prefabricated steel "Bailey" bridges that are held by NZTA for emergency purposes and available for lease at other times, demolition of the existing bridge deck and other specific works that have to be undertaken during a BoL. These works will be designed, consented and implemented during ONTRACK's BoL, albeit within an extremely tight timeframe that would require collaborative effort between the Council, Aurecon, ONTRACK and contractors. Following an invited tender process, a contract for Stage 1 Enabling Works was approved by the Chief Executive Officer on 25 November 2009 and awarded to Hawkins Construction Limited and an enabling works contract for Vector to undertake diversion of services was approved by the Chief Executive Officer on 25 November 2009.
 - **Stage 2 Main Construction Contract:** This package includes construction of the new road bridge, roads, driveway alterations and final services placement into the new bridge, as well as removal of the two temporary bridges. The detailed design for this package is scheduled for completion by the end of January 2010, followed by building consent, NZTA category 1 funding approval, the tendering process and award of contract. By conventional practice this would lead to commencement of Stage 2 on 1 April 2010 at the earliest.
16. NZTA was approached by Council officers to review the proposed two-staged implementation methodology in view of the limited opportunity for a further BoL. NZTA approved category 1 funding for Stage 1 on this basis.

17. At a meeting between Council officers and the *Sturges Road Bridge Replacement Community Liaison Group* on 7 December 2009, the proposed implementation programme regarding the two stage implementation methodology was outlined. Strong concern was noted by representatives of the community at the duration between completion of the Stage 1 Enabling Works on 14 January 2010 and commencement of the Stage 2 Main construction contract on 1 April 2010 during which temporary traffic management would utilise a single lane, traffic signal controlled temporary bridge.
18. Council officers investigated options to reduce the period between Stages 1 and 2 and the following outline procurement methodology has been devised which would bring forward the commencement date of Stage 2 by 4-6 weeks:
 - Outline Procurement Methodology for Contract No. SP09002J Sturges Road Bridge Replacement - Stage 2 Physical Works.
19. Since a full set of tender documentation was produced for the previous design by Connell Wagner and only certain elements associated with the bridge structure have been amended, it would be feasible to produce preliminary tender documentation for the amended design that is based on the original tender schedule of quantities with amended quantities estimated by the Council's professional quantity surveyor, Rawlinsons Limited, derived from Aurecon's developed design. This preliminary tender could be carried out concurrently with the detailed design phase in January 2010, reducing the period between Stages 1 and 2 by 4-6 weeks.
20. The nature of the works currently proposed is essentially unchanged from the previous tender other than for certain quantities associated with the bridge structure and ramps. In essence, the revised design parameters provided by ONTRACK will have the effect of reducing the magnitude and complexity of the bridge and hence should reduce overall cost. Since it is only the bridge and ramps design that has been amended, it would be feasible for the quantity surveyor to adjust the quantities in the original schedule of quantities associated with the amended bridge parameters to achieve a revised schedule of quantities suitable for tender purposes that would be representative of the final amended design, within a reasonable margin.
21. The *Procurement Methodology for Contract No. SP09002J Sturges Road Bridge Replacement - Stage 2 Physical Works* proposes to go to tender in early January 2010 based on the previous tender schedule with estimated quantities provided by Rawlinsons, which would be estimated from Aurecon's developed design. With the advantage of four shortlisted contractors who have recently tendered on the Stage 1 Enabling Works, all are familiar with the amended works and well placed to tender for the Stage 2 Main Construction contract, it would be achievable to conduct an even and fair preliminary tender process based on the original tender documentation and Aurecon's developed design for the amended scope of work.
22. On Aurecon's completion of the detailed design at the end of January 2010, the quantity surveyor would be required to prepare an "Adjusted Schedule of Quantities" that would capture any changes between the preliminary tender schedule and the final tender schedule. With the advantage of a full previous tender process, it is expected that the adjustment of quantities required in the "Adjusted Schedule of Quantities" would be minor and typically less than 5-10% of the total. The tendered rates from the preliminary tender process would be carried through to the "Adjusted Schedule of Quantities" and hence the resultant tender sum would be entirely based on competitively tendered rates. In the unlikely event that a new rate may be required in the detailed design schedule, this would be negotiated with the winner of the preliminary tender and 'benchmarked' by Rawlinsons against current market rates from similar projects in the industry.

23. The *Procurement Methodology for Contract No. SP09002J Sturges Road Bridge Replacement - Stage 2 Physical Works* will be formalised in a document that will be reviewed and approved by the following parties prior to its implementation, namely: the Council, the four shortlisted contractors, the quantity surveyor and NZTA. This will ensure open participation and transparency of the process and safeguard against post-tender challenges.

TENDER EVALUATION

24. In accordance with the Conditions of Tendering, tenders for the preliminary tender process will be evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
25. The "Two envelope process" as described in Section 2.7 of the above manual will be 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.

JOB COSTS

26.		excl. GST
	Stage 1 Enabling Works Contract - Hawkins Construction	\$ 383,540.10
	Contingency for Stage 1 (20%)	<u>\$ 76,708.02</u>
	Total for Stage 1	\$ 460,248.12
	Stage 2 Main Construction Contract (Engineer's estimate)	\$5,951,687.16
	Contingency for Stage 2 (10%)	<u>\$ 595,168.72</u>
	Total for Stage 2	\$6,546,855.88
	Vector services diversion contract	\$ 355,722.00
	Contingency for Vector (20%)	<u>\$ 71,144.40</u>
	Total for Vector services diversion	\$ 426,866.40
	Engineering, Consent Fees and Supervision	<u>\$ 236,029.60</u>
	Total Job Cost	\$7,670,000.00

SOURCE OF FUNDING

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

Budget Description (from annual budget line item) 2009/2010 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Sturges Road Bridge Replacement - Stage 2 Physical Works	8AMTA-08-009/04	\$4,170,000.00	\$0	\$4,170,000.00	\$0	\$0
	8AMTA-08-016/03	\$1,200,000.00	\$0	\$1,200,000.00	\$0	\$0
Artwork	8AMTA-08-009/03	\$300,000.00	\$0	\$300,000.00	\$0	\$0
ONTRACK Contribution	Reimbursement	\$2,000,000.00	\$0	\$2,000,000.00	\$0	\$0
	Total			\$7,670,000.00		

Table 1 - Source of Funding

IMPLEMENTATION ISSUES

28. The successful outcome from the proposed *Procurement Methodology for Contract No. SP09002J Sturges Road Bridge Replacement - Stage 2 Physical Works* would reduce the period between Stages 1 and 2 by 4-6 weeks. However, the implementation of this proposal is dependant on approval of the proposal by NZTA, the four shortlisted contractors and the quantity surveyor.

AUCKLAND COUNCIL TRANSITION ISSUES

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

Report prepared by: John Schermbrucker, Special Projects Manager.

