



**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, 5 FEBRUARY 2010,  
COMMENCING AT 9.00 AM**

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**1 APOLOGIES**



**2 URGENT BUSINESS**

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

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

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

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



**3 CONFLICTS OF INTEREST**

The Council has acknowledged in its Code of Conduct that 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 - 22 January 2010

**RECOMMENDATION**

It is recommended that the Tenders Subcommittee resolve to:

**Receive** the minutes of the meeting of the Tenders Subcommittee held on Friday, 22 January 2010, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. TA08045C - IMPROVED ILLUMINATION IN LOCAL ROADS 2009/2010 STAGE 2 - APPROVAL TO AWARD**

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA08045C - Improved Illumination in Local Roads 2009/2010 Stage 2.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA08045C - Improved Illumination in Local Roads 2009/2010 Stage 2 - Approval to Award report.
2. **Approve** that the tender from Transfield Services (New Zealand) Limited for Contract No. TA08045C - Improved Illumination in Local Roads 2009/2010 Stage 2 in the sum of \$594,752.03 plus \$74,344.00 GST, totalling \$669,096.03 be accepted.
3. **Approve** that authority to enter into Contract No. TA08045C - Improved Illumination in Local Roads 2009/2010 Stage 2 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:
  - Birdwood Road;
  - Castleford Street;
  - Clyburn Road;
  - Keeling Road;
  - La Rosa Street;
  - Moselle Avenue;
  - North Candia Road;
  - Northhall Road; and
  - Seabrook Avenue.
5. The contract to be awarded is a four-month contract commencing February 2010 and ending May 2010.

## TENDERS RECEIVED

6. Tenders were publicly advertised on Tenderlink with eight sets of documents being uplifted. One tender was received by the closing date of 12 January 2010. This is summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Transfield Services (New Zealand) Limited	277 Broadway, Newmarket	\$594,752.03
Pre-tender contract estimate (based on most up-to-date tender rate)		\$706,478.00
Budget estimate (excl. fee and contingency)		\$710,000.00

**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. There were no errors or omissions in the tender.

## 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 \$18,000.
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 below:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number TA08045C
									Total Weights
	<b>Weights</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>70</b>	<b>100</b>
<b>Tenderer</b>	<b>Tender Sum</b>				<b>Grades</b>				<b>INDEX</b>
Transfield Services (New Zealand) Limited	\$576,752.03	83	83	83	78	78	73	50	59
<b>Med.n Tender Price</b>	\$576,752.03								

**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 on any recent Council experience with the tenderer.
15. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Transfield Services (New Zealand) Limited achieved an index of 59.
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 the Streetlight Capital Works 2007/2008 project for the Council.
18. Transfield Services (New Zealand) Limited has the necessary expertise and resources to satisfactorily carry out the works.
19. The tender is 15.8% below 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.		<b>excl. GST</b>
	Tender sum - Transfield Services (New Zealand) Limited	\$594,752.03
	Contingency	\$ 59,475.00
	Engineering and Supervision	\$ 50,000.00
	Disbursements (Electrical Consultant)	\$ 35,000.00
		-----
	Total Job Cost	\$739,227.03

#### 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	\$663,028	\$421,725	\$115,247	\$115,247
Improved Illumination in Local Roads	8AMTA-07-149	\$503,380	\$185,877	\$317,503	\$0	\$0
<b>Total</b>		<b>\$1,703,380</b>	<b>\$848,905</b>	<b>\$739,228</b>	<b>\$115,247</b>	<b>\$115,247</b>

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

24. There are no expected implementation issues 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.



## 6 CONTRACT NO. CC03103A - CITYWIDE SECURITY SERVICES - APPROVAL TO EXTEND

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. CC03103A - Citywide Security Services for 14 months, to 30 June 2011.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. CC03103A - Citywide Security Services - Approval to Extend report.
2. **Approve** that, the Contract No. CC03103A - Citywide Security Services as awarded to Icon Security Group Limited be extended in the sum of \$398,424.82 excluding GST for the period 1 May 2010 to 30 June 2011.
3. **Approve** the commitment of \$341,507.00 excluding GST as provided in year two 2010/2011 of the Long Term Council Community Plan for Contract No. CC03103A - Citywide Security Services.
4. **Approve** that authority to extend Contract No. CC03103A - Citywide Security Services for the period 1 May 2010 to 30 June 2011 on behalf of the Council be delegated to the Executive Manager: Executive Suite.

### BACKGROUND

1. The scope of work includes the provision of mobile patrols, alarm response, escort services, on call static guards, concierge services, and cash in transit services for Waitakere City Council.

2. The Council approved the award of Contract No. CC03103A - Citywide Security Services to Icon Security Group Limited at a Tenders Subcommittee meeting held on 15 December 2006 where it was resolved:

- “1. That the Contract No. CC03103A - Citywide Security Services report be received.
2. That Contract No. CC03103A - Citywide Security Services be awarded under the preferred supplier method.
3. That Contract No. CC03103A - Citywide Security Services for the period of 1 May 2007 to 30 April 2010 be awarded to Icon Security Group Limited in the sum of \$982,036.00.
4. That expenditure of \$319,613.00, \$327,284.00, \$335,139.00 be committed to the 2007/2008, 2008/2009 and 2009/2010 Annual Plans respectively to cover the award of the Contract No. CC03103A - Citywide Security Services.
5. That the Authority to enter into Contract No. CC03103A - Citywide Security Services on behalf of Council be delegated to the Director: Corporate & Civic Services.”

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### DECISION MAKING

3. Contract No. CC03103A - Citywide Security Services is a three year contract with an expiry date of 30 April 2010. The request to extend this contract arises from the need to provide continuity of service through the transition period and is based on the satisfactory performance by the Contractor.
4. A review of similar contracts currently in place at North Shore and Manukau City Councils demonstrate that the price submitted by Icon Security Group Limited remains competitive. North Shore City Council recently tendered their security requirements, 11 tenders were submitted, and the contract was awarded to Icon Security Group Limited.
5. Revision to all funding tables and templates for this contract are in line with revised contract periods.
6. The extension was valued using existing contract rates plus an escalation allowance of 1.9%. 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 14 months.
7. The total accumulation of this contract and contract extensions approved, and now sought, showing the cost of the contract sum to date are shown in Table 1 below:

1 May 2004 - 30 April 2007	Original Contract Sum	\$717,900.00
1 May 2007 - 30 April 2010	Extension 1	\$982,036.00
1 May 2010 - 30 June 2011	Proposed Extension	\$398,424.82
	Total	\$2,098,360.82

**Table 1 - Total accumulative amount**

8. Icon Security Group Limited has confirmed in writing that they are willing to carry out the contract for a further 14 months.

## CONTRACTOR'S PERFORMANCE

9. An evaluation of Icon Security Group Limited's 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 an 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

10. A credit check on Icon Security Group Limited dated 14 January 2010 revealed no adverse information.

## JOB COSTS

11.		<b>excl. GST</b>
	Contract sum (14 months) - Icon Security Group Limited	\$398,424.82
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	Total Job Cost	\$398,424.82

## SOURCE OF FUNDING

12. Source of funding is shown in Table 2 & 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
Security - General	85000 - various	\$554,000.00	\$497,082.18	\$56,917.82	nil	nil

**Table 2 - Source of Funding**

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
Security - General	85000 - various	\$518,349.00	\$176,842.00	\$341,507.00	nil	nil

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

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

**Report prepared by:** Rory Chacko, Team Leader: Operations.

