

**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, 19 MARCH 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 - 5 March 2010

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 5 March 2010, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. SP090020 - STURGES ROAD BRIDGE REPLACEMENT STAGE 2 - VECTOR LIMITED - APPROVAL TO AWARD**

GLOSSARY

Alkali Silicate Reaction	(ASR)
Block of Line	(BoL)
Aurecon New Zealand Limited	(Aurecon)
Vector Limited	(Vector)
road over rail Bridge at Sturges Road	(the Bridge)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SP090020 - Sturges Road Bridge Replacement Stage 2 - Vector Limited.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SP090020 - Sturges Road Bridge Replacement Stage 2 - Vector Limited - Approval to Award report.
2. **Approve** that, subject to a satisfactory credit check, the tender from Vector Limited for Contract No. SP090020 - Sturges Road Bridge Replacement Stage 2 - Vector Limited in the sum of \$297,717.00 plus \$37,214.63 GST, totalling \$334,931.63 be accepted.
3. **Approve** that authority to enter into Contract No. SP090020 - Sturges Road Bridge Replacement Stage 2 - Vector Limited on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. The existing road over rail Bridge at Sturges Road (the Bridge), located approximately 150 metres west of the intersection with Swanson Road, Henderson, was built in 1940 to permit ease of the rail gradient by excavating a cutting below road level. The present condition of the Bridge is poor, with severe Alkali Silicate Reaction (ASR) 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. ASR 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 is 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 double tracking.
3. A notified resource consent process commenced and tenders for construction were invited by the Council. The tender prices received were deemed unacceptable by 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 referred the project back to the Council on 20 October 2008.

4. In light of ONTRACK's decision not to proceed with the reconstruction of the Bridge, the Council decided to withdraw the resource consent application for the realignment of the road approaches to the Bridge.
5. The project has been re-scoped with the Bridge design constraints reduced in accordance with the revised ONTRACK requirements. The original designers Aurecon New Zealand Limited (Aurecon), (formerly Connell Wagner Limited), have been engaged to proceed with the developed design, followed by detailed design.
6. ONTRACK programmed a three week Block of Line (BoL) from 26 December 2009 to 18 January 2010. The BoL provided a window of opportunity to carry out works normally prohibited above a live rail track, particularly the demolition of the existing Bridge. A BoL is an extremely rare and costly event, particularly one of this duration, and hence it was of utmost importance to make use of this event.
7. A single contractor procurement process is preferred by the Council, however, sufficient engineering design information could not be supplied by Aurecon within the timeframe before the BoL to enable the whole project to be procured in one tender. Therefore, to maximise the use of ONTRACK's BoL, the Council decided to move forward with a two stage tender process.
8. Stage 1 of the physical works, which was successfully implemented during ONTRACK's BoL, included demolition of the existing Bridge, installation of a temporary Bailey bridge and installation of truss type support structures to divert utility services. Vector Limited (Vector) was responsible for the relocation of power and gas assets along the length of Sturges Road between property numbers 4 and property number 20.
9. Stage 2 of the physical works, which can only be undertaken once the detailed design is complete, will include the construction of the new Bridge, associated road works, diversion and relocation of utility services by Vector.
10. In support of the Resource Consent application, the Council engaged GHD Limited to undertake an independent safety assessment and geometric peer review of the proposed realignment of Sturges Road between the intersections with Swanson Road and Septimus Place, and the private driveways that will be affected by the new alignment. A key concern of the report was the possible obstruction to the line of sight of the drivers entering and exiting the private driveways along Sturges Road due to the existing power poles. The issue was addressed in the design by allowing for undergrounding of the existing power poles within the affected length of Sturges Road.

SCOPE OF WORK

11. The scope of works is to include all the necessary tasks associated with the services diversion, undergrounding and relocation of Vector assets along the length of Sturges Road between Septimus Place and Swanson Road intersection.
12. Vector is responsible for all of their power, communication and gas assets that need to be diverted, underground and relocated during the Stage 2 of the physical works.
13. The service diversion works are highly specialised and Vector does not allow any external party to undertake this unique work for them.

14. The diversion of Vector assets will be undertaken by Vector and is estimated to begin in the month April 2010, in conjunction with the contract for Stage 2 physical works. The contract for Stage 2 physical works has not been awarded at this stage with Tenders closing on 9 March 2010.
15. The Council and Vector do not have a cost share agreement, with each party required to cover their own costs. Accordingly, the price tendered by Vector provides the full cost to the Council of the service diversions.
16. The price estimate provided by Vector excludes works undertaken by Vector for its own uses.
17. The service diversion works will be managed and undertaken by Vector using their own staff in conjunction with Stage 2 Physical Works Contractor.

TENDERS RECEIVED

18. A tender was invited from Vector only, as no other party is permitted to undertake this work. The results of the tender are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Vector	101 Carlton Gore Road, Newmarket, Auckland	\$297,717.00
Pre-tender contract estimate (based on most up-to-date tender rate)		\$320,000.00
Budget estimate		\$320,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

19. There were no errors or omissions in the other tender.

PROCUREMENT

20. Vector is a Network Utility Supplier and does not allow any external party to undertake this unique work for them. To procure any services from Vector the Council provides a specification or scope of works to Vector, against which an estimated cost is submitted by Vector. This is followed by the Council issuing a purchase order against the estimated cost, in accordance with section 4.1 of the Council's Procurement Manual.
21. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance are not negotiable" - the contractor has 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

22. A credit check on Vector has been requested.

JOB COSTS

23.		excl. GST
	Tender sum - Vector	\$297,717.00
	Contingency	\$ 29,771.70

	Total Job Cost	\$327,488.70

SOURCE OF FUNDING

24. 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
Sturges Road Bridge Upgrade	8AMTA-08-009/04	\$4,116,000.00	\$1,044,594.00	\$327,488.70	\$2,743,917.30	\$0.00
	Total			\$327,488.70		

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

26. 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: Saby Viridi, Senior Engineer.



6 CONTRACT NO. SP07003C - ARCHITECTURAL SERVICES FOR TE ATATU PENINSULA COMMUNITY CENTRE AND LIBRARY REDEVELOPMENT - REGISTRATION OF INTEREST

GLOSSARY

Long Term Council Community Plan 2009-2019	(LTCCP)
Registration(s) of Interest	(ROI)
Te Atatu Peninsula	(TAP)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to shortlist five pre-approved consultants to tender for Contract No. SP07003C - Architectural Services for Te Atatu Peninsula Community Centre and Library Redevelopment.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SP07003C - Architectural Services for Te Atatu Peninsula Community Centre and Library Redevelopment - Registration of Interest report.
2. **Approve** that authority to invite tenders from the following five consultants for Contract No. SP07003C - Architectural Services for Te Atatu Peninsula Community Centre and Library Redevelopment be delegated to the Group Manager, Project Services:
 - Architectus Limited;
 - Creative Spaces Limited;
 - Archoffice Limited;
 - Jasmax Limited; and
 - Moller Architects Limited.

BACKGROUND

1. Following a competitive tender process, contracts to produce concept designs and budget estimates were awarded to Creative Spaces Limited and Rawlinsons Quantity Surveyors Limited respectively on 20 December 2007.
2. In order to fully explore the development potential of the site where the existing Te Atatu Peninsula (TAP) Community Centre, Library and car park are located, a brief was issued to Creative Spaces Limited and Rawlinsons Quantity Surveyors Limited that required three specific scenarios be explored. In summary these scenarios were:
 - (a) Redevelopment of the existing facilities to meet the identified future needs of the TAP Community Centre and Library for a target, all-inclusive budget of \$5 million;
 - (b) Demolition of the existing TAP Community Centre and Library and the construction of a new facility for a target, all-inclusive budget of \$10 million; and
 - (c) Demolition of the existing TAP Community Centre and Library and the construction of a new facility with a residential and or commercial component that could attract investment from a private developer with a maximum net cost to the Council of \$10 million.
3. Following a quadruple bottom line analysis of the resulting concept designs, it was recommended to the Infrastructure and Works Committee that the concept option which addressed scenario C was the best overall solution. As a result of this recommendation, the Infrastructure and Works Committee meeting held on 3 December 2008 resolved as follows:

“The Infrastructure and Works Committee resolved to:

2. ***Approve** the commencement of a tender process to engage consultants to further develop Te Atatu Peninsula Community Centre and Library concept design option C to a level that allows the engagement of a private development partner and to resolve land re-zoning and divestment issues.”*

4. In response to the resolution by the Infrastructure and Works Committee, consultation took place with key landowners in TAP Town Centre. These discussions revealed that redevelopment of the two lots of land adjacent to TAP Community Centre and Library is being considered by the respective land owners.
5. Given the potential for improvement to TAP Town Centre offered by these possible private developments, the Council worked with the adjacent landowners to investigate how to deliver an integrated and improved outcome for the town centre core. As part of this work the Council reviewed its concept design, to ensure that the Council's redevelopment of the Community Centre and Library would not be compromised by the future adjoining developments.
6. As a result of the above mentioned discussions, alterations to the Council's approved concept design will be necessary, prior to undertaking the detailed design, consents and tender documentation phases of the project. This work will require the engagement of an external architectural resource and the first stage in this process, the open invitation for Registrations of Interest (ROI), forms the subject of this report.

SCOPE OF WORK

7. The scope of work that will be required under the proposed professional services contract includes:
 - Development of the Council's approved concept design;
 - Production of detailed design plans, specifications and schedules required to tender the construction of TAP Community Centre and Library;
 - Obtaining resource consent and building consent to undertake the construction works, including production of all supporting information; and
 - Liaison with Council officers to ensure the completed design meets all requirements with the allocated budget.

REGISTRATIONS OF INTEREST RECEIVED

8. Invitations to submit a ROI were publicly advertised on the LGTenders website and the New Zealand Herald with 62 sets of documents being uplifted. Fourteen ROI were received by the closing date of 2 February 2010. The submissions are summarised in Table 1 below:

REGISTRANT	REGISTERED OFFICE
Graeme Johansen Architect Limited	PO Box 21094, Henderson, Waitakere
Ashton Mitchell Architects Limited	PO Box 90674, Wellesley St, Auckland
Opus Architecture Limited	Level 3, 100 Beaumont St, Westhaven
RTA Studio Limited	PO Box 68359, Newton, Auckland
Leuschke Group Limited	PO Box 109517, Newmarket, Auckland
Moller Architects Limited	PO Box 105293, Auckland
Jasmax Limited	PO Box 6648, Auckland
Creative Spaces Limited	PO Box 99312, Newmarket, Auckland
Architectus Limited	PO Box 1401, Shortland Street, Auckland
Archoffice Limited	PO Box 147241, Ponsonby, Auckland
Boon Goldsmith Bhaskar Brebner Team Architects Limited	131 Courtenay Street, New Plymouth
Aecom New Zealand Limited	PO Box 4241, Shortland St, Auckland
ASC Architects Limited	PO Box 5736, Auckland
Williams Architects Limited	Level 2, 25 Dacre St, Newton, Auckland

Table 1 - Summary of Registrant Names

TAGS, ERRORS OR OMISSIONS

9. The ROI submitted by Aecom New Zealand Limited only proposed to provide an acoustic engineering service and therefore did not comply with requirements of the ROI invitation.
10. A number of the ROIs omitted to provide some of the information requested in the ROI invitation. Details of these omissions are given in following section of this report.

REGISTRATION OF INTEREST EVALUATION

11. The ROI invitation required prospective registrants to provide detailed submissions relevant to the specific scope of work for this project on the basis of five key attributes, namely Relevant Experience, Track Record, Technical Skills, Resources and Management Skills. There was no requirement to submit priced bids as this forms part of the second stage of the tender process.
12. In accordance with the conditions of registration, submissions were evaluated in line with the Weighted Attribute Method contained in the New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
13. A summary of the evaluation results is shown in Table 2:

REGISTRATION OF INTEREST EVALUATION						
Registration of Interest Evaluation	Relevant Experience	Track Record	Technical Skills	Resources	Management Skills	RoI No. SP07003C Total Weights
Weights	30	30	10	10	20	100
Registrants	Grades					INDEX
Architectus Limited	90	85	88	88	90	86
Creative Spaces Limited	82	82	77	73	83	81
Archoffice Limited	82	82	82	63	83	80
Jasmax Limited	78	83	55	72	83	78
Moller Architects Limited	68	65	82	75	73	70
Boon Goldsmith Bhaskar Brebner Team Architects Limited	70	70	50	50	85	69
ASC Architects Limited	65	70	50	75	70	67
RTA Studio Limited	60	60	50	65	70	62
Ashton Mitchell Architects Limited	55	50	70	65	65	58
Leuschke Group Limited	55	50	70	65	65	58
Opus Architecture Limited	65	50	50	65	45	55
Williams Architects Limited	60	50	45	50	45	52
Graeme Johansen Architect Limited	42	50	50	50	46	47

Table 2 - Summary of Registration of Interest Evaluation

14. Scores for the attributes were determined on the basis of information provided in each ROI relevant to this project, information gathered from the referees nominated by the registrants and on any recent Council experience with the registrants.
15. The results of the ROI evaluation summarised in Table 2, show that the ROI submitted by Architectus Limited achieved the highest overall score of 86. These consultants have performed well on a number of past projects for the Council similar to the planned works and their ROI submission fully provided all requested information.
16. The second highest scoring registrant was Creative Spaces Limited, who were awarded the contract for the concept design phase of this project and have the ability to successfully deliver the required scope of works.
17. Archoffice Limited received the third highest overall score of 80. Their submission referenced projects that were similar to the proposed scope of works and demonstrated a good track record, technical skills and management skills. The company resources however, indicated only three staff and it appeared the majority of resources were to be provided by sub-consultants. Whilst not ideal, it is not expected that this arrangement would adversely affect the delivery of the project.
18. The fourth highest index score was awarded to Jasmax Limited who scored well on experience, track record, resources and management skills. Jasmax Limited was marked down on technical skills because they failed to provide any information on all specialists that would be required to deliver the required scope of works. It is normal for architectural practices to engage sub-consultants to undertake these roles but no information regarding proposed sub-consultants was provided.
19. Moller Architects Limited were awarded the fifth highest index score of 70. Moller Architects Limited scored well on technical skills, resources and management skills attributes. They referenced the New Lynn Library project under past experience which did have a good overall project outcome but encountered some issues during the design process. No specific track record information was provided on the projects referenced under relevant experience.
20. Boon Goldsmith Bhaskar Brebner Team Architects Limited scored well on experience, track record and management skills attributes but were marked down on technical skills and resources because no information was provided regarding the required specialist sub-consultants and the remote location of the lead architect team. As a result they were awarded the sixth highest index score of 69.
21. The remaining eight submissions were allocated lower overall scores for one or more of the following reasons:
 - Insufficient or no information provided regarding specialist sub-consultants;
 - Lack of relevant experience;
 - Insufficient information regarding company management skills;
 - No information regarding track record of referenced previous projects;
 - No information submitted regarding company resources; and
 - Poor track record.

22. As part of the Council's contracting process "Quality, Health and Safety and Environmental compliance are not negotiable" - all consultants have had this focus clearly reinforced through the ROI documents and this will be strongly reiterated at the subsequent tender invitation and imposed during the contract period.

PROPOSAL

23. The registrants with the five highest index scores have been short listed for invitation to tender on the basis of a fixed price lump sum for all services required to design and obtain consents for TAP Community Centre and Library redevelopment.
24. This approach has the advantage of providing the Council with a single point of responsibility for delivering the required scope of work.
25. Tenders will be evaluated on the basis of weighted attributes and the proposed contract will be let on a lump sum basis.
26. It is proposed to issue tender documents during mid April 2010 with a tender period of three weeks to allow adequate time for tenderers to produce their submissions.

JOB COSTS

27. Based on the expected value of construction work, design complexity and past experience of similar contracts, the estimated value of this proposed professional services contract is \$1 million.

RESOURCES

28. Table 3 below shows the amounts that have been approved in the current Annual Plan and entered into the Long Term Council Community Plan 2009-2019 (LTCCP) for this project. It is expected that approximately \$4,034,233 of the funding approved for this project under the Annual Plan 2009/2010 will be carried forward to the 2010/2011 financial year.

Details	2009/2010 Budget	2010/2011 LTCCP	2011/2012 LTCCP	2012/2013 LTCCP
Leisure				
Te Atatu Peninsula Community Centre Redevelopment	2,128,000	0,000	00,000	0,000
Libraries				
Te Atatu Peninsula Library	2,442,000	0,000	528,000	5,411,000

Table 3 - LTCCP

29. Table 4 below shows the current estimated implementation time line of the next key project stages:

Activity / Project Stage	Estimated Completion
Engagement of design resources	May 2010
Approval of developed design	June 2010
Completion of detailed design	July/August 2010
Obtain building consent	September 2010
Obtain resource consent	October 2010

Table 4 - Estimated Implementation Timeline

IMPLEMENTATION ISSUES

30. This report is seeking approval to invite tenders from a shortlist of five registrants to provide architectural services for the new TAP Community Centre and Library project. Due to the establishment of the new Auckland Council on 1 November 2010 and associated officer reorganisation, it is proposed that this project be progressed to a consented detailed design stage prior to 31 October 2010. The completion of the detailed design and consent stages will allow a complete package of work to be handed to the new Auckland Council for implementation.

AUCKLAND COUNCIL TRANSITION ISSUES

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

Report prepared by: Steve Burris, Senior Engineer Special Projects.



7 CONTRACT NO. SP07014C - NEW COMMUNITY FACILITY FOR THE MCLAREN PARK HENDERSON SOUTH AREA DESIGN AND BUILD SERVICES - APPROVAL TO AWARD

GLOSSARY

Canam Construction Limited	(Canam)
Econobuilt Design Build Limited	(Econobuilt)
Macrennie Construction Limited	(Macrennie)
McLaren Park Henderson South	(MPHS)
Registrations of Interest	(ROI)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SP07014C - New Community Facility for the McLaren Park Henderson South Area Design and Build Services.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SP07014C - New Community Facility for the McLaren Park Henderson South Area Design and Build Services - Approval to Award report.
2. **Approve** that Contract No. SP07014C - New Community Facility for the McLaren Park Henderson South Area Design and Build Services 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 adjusted tender from Canam Construction Limited for Contract No. SP07014C - New Community Facility for the McLaren Park Henderson South Area Design and Build Services in the sum of \$1,650,494.00 plus \$206,311.75 GST, totalling \$1,856,805.75 from 31 March 2010 to 30 September 2011 be accepted.
4. **Approve** that authority to enter into Contract No. SP07014C - New Community Facility for the McLaren Park Henderson South Area Design and Build Services on behalf of the Council be delegated to the Group Manager: Project Services.
5. **Approve** that authority to award cumulative contract variations to Contract No. SP07014C - New Community Facility for the McLaren Park Henderson South Area Design and Build Services, up to the value of the contingency sum of \$165,049.00 plus GST on behalf of the Council be delegated to the Manager: Special Projects.
6. **Agree** that resolutions 3 and 5 above are subject to confirmation by the Auckland Transition Agency.

BACKGROUND

1. The McLaren Park Henderson South (MPHS) area is a blend of residential, commercial and industrial properties with a diverse population of approximately 7,000 residents. This area has been identified as one of the most disadvantaged communities in Waitakere regarding socio-economic status and access to recreation and social services.
2. After a robust site options analysis, Corban Green, a Council owned site situated at 27 Corban Avenue, was identified as the best possible location for the building of a new community facility in the MPHS area. The selection of the site at 27 Corban Avenue was subsequently endorsed by the Infrastructure and Works Committee and the Henderson Community Board at their May 2008 meetings.
3. Following the completion of a concept design exercise in January 2009, three options were presented to the Long Term Council Community Plan and Annual Plan Committee. The budget estimates of the three options presented ranged from \$1.65 million to \$3.30 million against an existing budget of \$943,000.
4. On 23 February 2009, the Long Term Council Community Plan and Annual Plan Committee resolved as follows:

“The Long Term Council Community Plan and Annual Plan Committee resolved to

Approve that the existing budget for the new community facility for McLaren Park Henderson South area remain in the budget, and the costing of the facility be re-examined to ensure maximum delivery on the Community’s need for a hall and office space.”

151/2009

5. Further to the resolution on 23 February 2009, the Long Term Council Community Plan and Annual Plan Committee further resolved on 16 June 2009 as follows:

“The Long Term Council Community Plan and Annual Plan Committee resolved to:

Agree that following consideration of the community workshops and submissions made to the Long Term Council Community Plan 2009-2019 that an additional \$1 million be added to the budget for this project, giving a total of \$1,943,000 for the McLaren Park Henderson South Community Facility.”

1065/2009

6. Due to the restricted budget available, it was decided to invite tenders using a two stage process together with a design and build method of procurement. The first stage of the tender process was the public invitation of formal Registrations of Interest (ROI) on 21 April 2009.
7. An evaluation of the submissions received under the ROI process was presented to the Tenders Subcommittee at its meeting on 2 October 2009. As a result of this report the Tenders Subcommittee resolved as follows:

“The Tenders Subcommittee resolved to

2. **Approve** that authority to invite tenders from the following three contractors for Contract No. SP07014C - New Community Facility for the McLaren Park Henderson South Area Design and Build Services be delegated to the Group Manager, Project Services:
 - Canam Construction Limited;
 - Econobuilt Design Build Limited; and
 - Williams Architects Limited.”

1628/2009

SCOPE OF WORK

8. The scope of work required under the proposed design and build contract includes:
 - Development of detailed design and specification in accordance with the Council’s requirements;
 - Obtaining resource consent and building consent to undertake the works, including production of all supporting information (the Council will pay the cost of the consent applications directly);
 - Liaison with Council officers to ensure the completed design meets all requirements within the allocated budget;
 - Construction of one building consisting of a hall, meeting rooms, kitchen, toilets and storage;
 - Construction of a second building consisting of a community group room, arts and crafts room, play group room, meeting room, toilets, foyer and storage; and
 - Construction of a car park, access roads and landscaping.
9. This contract includes the design development, resource consent, building consent and construction phases of the New Community Facility for the MPHS Area project. Based on previous experience of similar projects, the duration of these key project phases is expected to result in an overall completion date during September 2011, although this duration could be reduced depending on contractor performance.

TENDERS RECEIVED

10. Tenders were invited from the selected contractors with three sets of documents being uplifted. Three tenders were received by the closing date of 28 January 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Econobuilt Design Build Limited	152 Great South Road, Takanini, Auckland	\$1,463,500.00
Macrennie Construction Limited (including Williams Architects Limited)	666 Great South Road, Central Park, Auckland	\$1,470,000.00
Canam Construction Limited	87 Central Park Drive, Henderson, Waitakere	\$1,473,192.00
Budget estimate		\$1,473,918.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

11. Unlike usual Council construction contract tenders, this design and build contract tender required tenderers to submit their own interpretations of the Council's requirements based on minimum performance and quality specifications, a schedule of room sizes and a list of facility requirements. A copy of the Council approved concept plan from the initial phases of the project was also included in the tender documents for reference.
12. Due to the limited sum of money available for construction, tenderers were informed that the maximum budget available was \$1,473,918 (including \$70,000 provisional sums) and were instructed to keep their submissions within that sum. Tenderers were also informed that the stated minimum room sizes must be maintained in their designs.
13. All three tenders were unable to provide submissions that provided all required facilities and some omissions were required to keep their tender submissions within the stated maximum budget. Tenderers were required to price their omissions and this information was used to adjust their tendered prices to allow an equal basis of comparison for evaluation purposes. Table 2 below provides a summary of each tenderer's priced omissions:

Canam Construction Limited		Macrennie Construction Limited		Econobuilt Design Build Limited	
Omitted Item	Price	Omitted Item	Price	Omitted Item	Price
Provisional Sums	\$70,000	Graffiti Guard	\$15,500	Provisional Sums	\$70,000
Heat Pumps	\$29,775	Heat Pumps	\$31,600	Vinyl flooring	\$3,234
Fencing	\$14,250	Soft Landscaping	\$21,000	Heat Pump (estimated value)	\$30,000
Folding walls	\$16,901	Performance Bond	\$9,000	Future Solar Hot Water connection	\$1,000
Ply panel ceiling in hall	\$44,876			Future Rain Water connection	\$1,000
Bus bay	\$1,500			Energy Efficient Lighting	\$1,932
				Security System	\$8,000
				Resource Consent Specialists (partially estimated value)	\$27,000
				Master Key System	\$1,000

Canam Construction Limited		Macrennie Construction Limited		Econobuilt Design Build Limited	
Omitted Item	Price	Omitted Item	Price	Omitted Item	Price
				Acceptance of the Council Conditions of Contract	\$61,000
Total for Omissions	\$177,302	Total for Omissions	\$77,100	Total for Omissions	\$204,166
Adjusted Tender Sum	\$1,650,494	Adjusted Tender Sum	\$1,547,100	Adjusted Tender Sum	\$1,667,666

Table 2 - Summary of Tender Omissions

14. When the submitted tender sums were adjusted by adding the value of required items that had been omitted from the individual submissions, it was found that all three tenderers exceeded the stated maximum construction budget of \$1,473,918.00. In order to achieve an equal basis of comparison between the tenders, the evaluation process used the adjusted tender sum figures shown in Table 2 above.

15. In addition to the above mentioned omissions, each tenderer placed a number of tags on their submissions. Tags that were not deemed acceptable were requested to be removed or priced, as detailed in the following paragraphs:

Canam Construction Limited

16. Canam Construction Limited (Canam) excluded a number of items associated with unforeseen ground conditions, contaminated soil, services connections, relocation of services, fitted items (curtains, blinds, soap dispensers, etc) and any extra costs associated with processing a notified resource consent application from their submission.

17. Since this is a design and build contract, the design has not yet been undertaken and it is not possible to estimate the potential cost of disposing of contaminated soil. Therefore, this item will be dealt with from the contingency budget if this issue eventuates during the course of the project. Unforeseen ground conditions are an allowed variation under the Council's standard conditions of contract and will also be dealt with from the contingency budget, if issues arise.

18. Costs associated with underground services and connections also cannot be estimated due to the unavailability of detailed design information and therefore a provisional sum of \$20,000 has been allowed for this work.

19. At this stage in the project, it is not possible to determine if the resource consent application will be notified, or the scale of extra costs associated with a notified consent process. If a notified consent process eventuates, the costs of responding to submissions and preparation of hearing evidence will be funded from the contingency budget.

20. Fitted items such as curtains, blinds, soap dispensers, hand driers and joinery items are excluded from the scope of this contract and will be provided by the building tenants.

Macrennie Construction Limited

21. Macrennie Construction Limited (Macrennie) excluded a number of items associated with unforeseen ground conditions, contaminated soil, underground services and fitted items from their submission. These items can be dealt with as described above.
22. In addition, Macrennie also rejected the Council's requirement for a Performance Bond. Macrennie were asked to price for the inclusion of a Performance Bond and submitted a figure of \$9,000 in addition to their tender sum.

Econobuilt Design Build Limited

23. Econobuilt Design Build Limited (Econobuilt) excluded allowances for unforeseen ground conditions, contaminated soil, underground services, services connections and fittings. These can be dealt with as described above.
24. Econobuilt also proposed amendments to a number of the Council's General and Special conditions of contract. The majority of the proposed amendments were deemed unacceptable. Econobuilt were asked to price for the adoption of the Council's standard conditions of contract and a figure of \$61,000 was added to Econobuilt's tender sum. It was noted that the sum of \$61,000 did not include the removal of all proposed amendments to the conditions of contract and four unacceptable amendments remained in Econobuilt's offer.
25. Econobuilt also failed to provide a price for the omission of a geotechnical engineer and heat pump system, despite being requested to do so. Therefore, estimates on the basis of similar work were adopted to price these omissions for the purposes of evaluation.

TENDER EVALUATION

26. 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".
27. 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.
28. In this contract the total value of Provisional Sums is \$70,000.
29. A summary of the evaluation results is shown in Table 3:

Tender Evaluation	Attributes	Exp.	Track Record	Tech Skill	Res.	Manage. Skill	Method.	Price	Total Weights
	Weights	2	2	2	2	2	40	50	100
Tenderer	Tender Sum (adjusted)	Grades							INDEX
Canam	\$1,580,494	70	80	75	75	80	59	50	56
Macrennie	\$1,477,100	60	70	70	55	55	48	57	54
Econobuilt	\$1,597,666	60	60	45	50	40	40	49	46
Median Tender Price	\$1,580,494								

Table 3 - Summary of Tender Evaluation

30. A tender evaluation team consisting of representatives from Property Assets, Leisure Services, Special Projects and the MPHS Community Initiative was formed to undertake the evaluation of the three tender submissions.

31. With the exception of methodology, all non-priced attributes were evaluated on the basis of the attribute definitions contained within the Council's Procurement Manual. Each methodology was evaluated by considering the total scope of services offered by each contractor in conjunction with their proposed concept design. Concept designs were evaluated by comparing them to a number of prerequisites, including compliance with the required minimum specifications, provision of the required room sizes and the ability to meet the functional requirements of the MPHS Community Initiative.
32. Canam's submission provided all requested non-price attribute information and demonstrated that they and their sub-consultants have adequate resources, technical skills and management skills to undertake the proposed scope of work. Canam also demonstrated that they and their sub-consultants have previous experience of successfully completing similar projects. Canam have a track record of providing the Council with good service on a range of construction projects.
33. Canam's proposed design and construction methodologies provided a clear and concise summary of the systems and processes that would be used to design the new MPHS area community facility, obtain consents and undertake the construction phase. Communication, public relations, the use of integrated art, quality assurance, programming, health and safety, sustainable construction practices, reinstatement and hand over were all adequately covered.
34. Canam's concept design closely matched the Council's concept design and provides facilities with the same internal layout and room sizes. The building materials specification meets the stated minimum specifications. The proposed inclusion of an anti-graffiti coating to the exterior of the building demonstrated that future maintenance issues had been considered. The levels of proposed glazing are adequate and natural ventilation has been provided where possible. Other environmentally sustainable design features, such as an energy efficient lighting system and the ability to install solar hot water and rainwater recycling systems in the future, were also included.
35. With the exception of a heat pump system, all required building systems were included in Canam's concept design. Internal finishes met the required minimum specifications but the proposed suspended ceiling in the hall was not deemed acceptable and a price was obtained for providing a ply panel option. It was also noted that Canam's design did not include folding walls, which were a functional requirement and therefore a price for their inclusion was requested. Limited information was provided regarding the proposed hard and soft landscaping works, but the inclusion of a car park, covered court yard and an allowance for soft landscaping in Canam's submitted price was confirmed. Fencing to the road boundary at the southern end of the site was excluded from Canam's offer. Due to functional requirements, a price for its inclusion was requested.
36. The total floor area of Canam's proposed design is 720 square metres. Based on their priced trade summary schedule and the priced omissions, the cost of construction of this submission equates to \$2,078 per square metre, which is comparative with industry average rates for similar public buildings.
37. Macrennie's submission provided limited information regarding the track record, experience, technical skills, resources and management skills. Reference checks indicated that Macrennie and their sub-consultants have a reputation for providing good service, but the majority of their experience was in the construction of offices and commercial buildings.

38. Macrennie provided a comprehensive design methodology statement, but limited information regarding the processing of consents and the specialists required to produce the applications. Macrennie's construction methodology statement provided basic information regarding their proposed construction process and it was necessary to request further information during the tender clarification phase to fully assess this part of their submission.
39. Macrennie's concept design took a radically different approach to the Council's concept design, but still provided the required room sizes. The arrangement of rooms orientated the main hall next to the car park, which had some operational advantages, but placed the largest and noisiest part of the building next to a residential area. The hall was also narrower than the hall in the Council's concept design, which would impact on some the proposed uses of the hall. The position of the offices for the MPHS Community Initiative staff provided good supervision of the hall and car park but divorced it from the community meeting rooms and community services room, which could cause functional issues.
40. Macrennie's concept design proposed the smallest overall building footprint of the three submissions, which resulted from combining all facilities into one building and minimising circulation space. The main access doors open into the hall, but internal access to the rest of the building requires patrons to walk through the hall, which would present operational issues.
41. Whilst Macrennie's concept design proposed the highest level of glazing, a high standard of external finishes and good environmentally sustainable design features, the operational issues regarding the arrangement of the rooms, the shape of the hall, the internal access through the hall and potential consent issues with the position of the hall reduced the score awarded for the methodology attribute.
42. Although Macrennie's concept design proposed a significant amount of soft landscaping, it was noted that their price omitted the provision of soft landscaping. Macrennie were asked to provide a price for the inclusion of soft landscape works. It was also noted that graffiti guard and heat pumps were excluded from Macrennie's offer. Due to operational requirements, a price was requested for their inclusion.
43. The total floor area of Macrennie's proposed design is 656 square metres. Based on their priced trade summary schedule and the priced omissions, the cost of construction of this submission equates to \$2,213 per square metre, which is comparative with industry average rates for similar public buildings.
44. Econobuilt's submission provided limited information regarding track record, experience, technical skills, resources and management skills. Reference checks indicated that Econobuilt have a reputation for providing good service, but the majority of their experience was in the construction of education and commercial buildings. During the course of the evaluation, it became evident that Econobuilt had no experience of the Council's conditions of contract, which appeared to be more onerous than conditions they were used to contracting under. Econobuilt also failed to provide a copy of their priced trade summary schedule and completed health and safety questionnaire.
45. Econobuilt provided a comprehensive design methodology statement, but excluded the specialists required to process a resource consents application. A price was requested for the inclusion of the planning specialists. Econobuilt's construction methodology statement provided basic information regarding their proposed construction process and it was necessary to request further information during the tender clarification phase to fully assess this part of their submission.

46. Econobuilt's concept design closely matched the Council's concept design, provided a similar room layout and met all room size requirements. Glazing levels throughout the building were minimal and some concerns were expressed about natural ventilation and lighting issues. Econobuilt's submission excluded a significant number of specified requirements, (details provided in table 2) and prices were requested for all required items that had been omitted.
47. Econobuilt's submission also contained a significant number of amendments to the Council's general and specific conditions of contract, which included making Econobuilt the contract issuing party, deletion of some Engineer to Contract powers, deletion of a performance bond, deletion of retentions, reduction of the payment processing timelines, removal of liquidated damages, reduction of the defects liability period to 12 weeks, not fixing the contract completion date until after award and payment for cost fluctuations. These amendments were deemed unacceptable and Econobuilt were asked to price for inclusion of the standard Council contract conditions in their submission. Despite providing a price of \$61,000, Econobuilt's offer still included four unacceptable amendments and this was reflected in the score awarded for their methodology attribute.
48. The total floor area of Econobuilt's proposed design is 704 square meters. Due to the fact that Econobuilt failed to provide a priced trade summary schedule, it was not possible to determine a square metre rate for construction.
49. The results of the tender evaluation, as summarised in Table 3 shows that the tender submitted by Canam Construction Limited achieved the highest index of 56. This tender is the second lowest priced adjusted tender, but offers the lowest construction cost per square metre.
50. Canam's adjusted tender is 12% above the pre-tender contract estimate, but through value engineering and the use of the contingency sum, the construction of a facility that meets all functional, operational and specification requirements can be achieved within the overall approved budget.
51. 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

52. A credit check on Canam Construction Limited dated 26 February 2010 revealed no adverse information.

JOB COSTS

53. Since this is a design and build contract, there were a significant number of unknown design and cost items at the time of inviting tenders. To address this risk, a 20% contingency budget was allocated within the overall budget prior to inviting tenders. Through the process of tender evaluation and clarification, firm prices have been received from Canam for the majority of the previously unknown design and cost items, which have reduced this risk. As a result, it has been possible to reduce the contingency amount to 10%, allowing the allocation of more of the project budget to the construction contract whilst still addressing the previously mentioned risks of unforeseen ground conditions, contaminated soil and a notified consent process.

54.		excl. GST
	Adjusted Tender Sum - (Canam Construction Limited)	\$1,650,494.00
	Contingency	\$ 165,049.00
	Engineering and Supervision	\$ 79,957.00
	Other (Consent and Legal Fees etc)	\$ 47,500.00

	Total Job Cost	\$1,943,000.00

SOURCE OF FUNDING

55. Source of funding is shown in Table 4 below:

Budget Description (from annual budget line item) 2009/2010 Annual Plan	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
McLaren Park Henderson South Community Facility	8PLLE-08-004	\$1,943,000	\$0	\$1,943,000	\$0	\$0
	Total			\$1,943,000		

Table 4 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

57. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities in respect of entering 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 equivalent to, \$20,000 or more.
58. This report is impacted on by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as above. Therefore, this report includes recommendations to ensure compliance with the Local Government (Tamaki Makaurau Reorganisation) Act 2009. The recommendation included is that the Tenders Subcommittee agree that the award of the contract and delegation to approve variations to the extent of the contingency, be subject to confirmation by the Auckland Transition Agency.

Report prepared by: Steve Burris, Senior Engineer Special Projects.



8 CONTRACT NO. TA09008B - BRIGHAM CREEK ROAD - KAURI ROAD INTERSECTION SAFETY IMPROVEMENT - APPROVAL TO AWARD

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA09008B - Brigham Creek Road - Kauri Road Intersection Safety Improvement.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA09008B - Brigham Creek Road - Kauri Road Intersection Safety Improvement report.
2. **Approve** that, the tender from Infrastructure & Civilworks Limited for Contract No. TA09008B - Brigham Creek Road - Kauri Road Intersection Safety Improvement in the sum of \$345,852.98 plus \$43,231.62 GST, totalling \$389,084.60 be accepted.
3. **Approve** that authority to enter into Contract No. TA09008B - Brigham Creek Road - Kauri Road Intersection Safety Improvement on behalf of the Council be delegated to the Group Manager: Projects Services.

BACKGROUND

1. Brigham Creek Road - Kauri Road intersection has had ongoing safety issues. Several solutions were investigated and following consultation a preferred option of improvement was chosen.
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 pavement widening, associated retaining wall construction, stormwater drainage improvements and new traffic signage and road marking to suit the new intersection layout.

TENDERS RECEIVED

4. Tenders were publicly advertised on Tenderlink with 34 sets of documents being uplifted. Three tenders were received by the closing date of 9 March 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Infrastructure & Civilworks Limited	North Harbour, Auckland	\$345,852.98
Traffic Systems Limited	Rosebank Road, Avondale,	\$432,374.91
HEB Construction Limited	Firth Street, Drury, Auckland	\$519,912.33
Pre-tender contract estimate (based on most up-to-date tender rate)		\$398,521.00
Budget estimate		\$400,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

5. The tender submitted by Infrastructure & Civilworks Limited contained minor tags within their non-price attribute submission. These were addressed and removed, prior to opening price envelopes.
6. There were no other errors or omissions in the tenders.

TENDER EVALUATION

7. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in the New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
8. 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.
9. In this contract the value of Provisional Sums is \$2,000.00.
10. 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.
11. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exp.	Track Record	Tech Skill	Res.	Manage. Skill	Method.	Price	Total Weights
	Weights	8	8	4	3	4	3	70	100
Tenderer	Tender Sum	Grades							INDEX
Infrastructure & Civilworks Limited	\$343,852.98	62	68	58	65	60	60	70	68
Traffic Systems Limited	\$430,374.91	73	73	67	74	74	79	50	57
HEB Construction Limited	\$517,912.33	79	72	72	75	74	70	30	43
Median Tender Price	\$430,374.91								

Table 2 - Summary of Tender Evaluation

12. 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's experience with the tenderers.
13. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Infrastructure & Civilworks Limited achieved the highest index of 68. This tender is also the lowest priced tender.
14. Infrastructure & Civilworks Limited is a new company formed in 2008, using staff from Infrastructure NZ Limited. In the 2009/2010 financial year they have already successfully completed three retaining walls, Huia Seawall Upgrade and Sturges Road Drainage Extension.

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 Infrastructure & Civilworks Limited, dated 26 January 2010 revealed no adverse information.

JOB COSTS

17.		excl. GST
	Tender sum - Infrastructure & Civilworks Limited	\$345,852.98
	Contingency	\$ 34,585.30
	Engineering and Supervision	\$ 50,300.00
	Service relocations	\$ 73,525.00
	Client's contingency for extra risks on services, etc .	\$ 40,000.00

	Total Job Cost	\$544,263.28

18. Due to higher than normal levels of risk associated with potential clashes with critical services during construction, an extra contingency has been provided within the budget.

SOURCE OF FUNDING

19. 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
Crash Treatments - Physical Works	8AMTA-07-110/03	\$1,654,097	\$1,034,980	\$544,263.28	\$74,853.72	\$54,147.02
	Total	\$1,654,097	\$1,034,980	\$544,263.28	\$74,853.72	\$54,147.02

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

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

Report prepared by: Jagath Rupasinghe, Engineer Roading.

