



**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, 9 APRIL 2010,  
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 - 19 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, 19 March 2010, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. PK05002A - CITYWIDE ARBORICULTURAL MAINTENANCE - APPROVAL TO EXTEND**

**GLOSSARY**

Treescape Limited (TSL)  
Integrated Procurement Group (the Group)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK05002A - Citywide Arboricultural Maintenance to 31 May 2012.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK05002A - Citywide Arboricultural Maintenance - Approval to Extend report.
2. **Approve** subject to resolution 4 below, that the Contract No. PK05002A - Citywide Arboricultural Maintenance as awarded to Treescape Limited be extended in the sum of \$1,149,745.00 excluding GST for the period 1 July 2011 to 31 May 2012.
3. **Approve** subject to resolution 4 below, the commitment of \$1,149,745.00 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK05002A - Citywide Arboricultural Maintenance.
4. **Note** that resolutions 2 and 3 above be subject to confirmation by the Auckland Transition Agency.
5. **Note** that confirmation to proceed with Contract No. PK05002A - Citywide Arboricultural Maintenance - Approval to Extend report has been received from the Integrated Procurement Group.

**BACKGROUND**

1. This contract is a continuation of Council's routine Citywide tree maintenance programme. The works are required in order to ensure the continued health, safety and general integrity of the City's tree asset. The scope of work includes:
  - Formative pruning;
  - Tree removal;
  - Stump grinding and removal;
  - Line clearing around overhead services;
  - Control of vegetation along carriageways, tracks, walkways and footpaths;
  - Updating of the City's Street Tree Asset Inventory;
  - Provision of a twenty four (24) hour emergency response service;
  - Tree planting;
  - Aftercare of newly planted trees;
  - Management of roadside, track and walkway vegetation; and
  - Tree maintenance throughout Waikumete Cemetery.

2. The contractor is required to maintain the tree asset within Town Centres and High Profile Areas in a defect free condition. This requires weekly inspections of the High Profile Areas and to treat any works required within these areas as a high priority and action immediately.
3. In accordance with the Electricity (Hazards from Trees) Regulations 2003, the contractor has, on behalf of Council, become responsible for the clearance of trees from overhead power and telecommunications cables. Following the first cut or trim, undertaken at no cost by the utility, tree owners become legally responsible for their tree asset in relation to power cables.
4. The contractor also provides services such as staff relief, specialist tree assessments and reports, resource consent applications and project co-ordination.
5. The Council approved the extension of Contract No. PK05002A - Citywide Arboricultural Maintenance to Treescape Limited (TSL) at a Tenders Subcommittee meeting held on 12 June 2009 where it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. PK05002A - Citywide Arboricultural Maintenance - Approval To Extend Contract Period And Sum report.
2. **Approve** that the Contract No. PK05002A - Citywide Arboricultural Maintenance as awarded to Treescape Limited be extended in the sum of \$2,463,038.00 excluding GST for the period 1 July 2009 to 30 June 2011.
3. **Approve** the commitment of \$1,208,407.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. PK05002A - Citywide Arboricultural Maintenance.
4. **Approve** the commitment of \$1,254,631.00 excluding GST and escalations to the 2010/2011 financial year for Contract No. PK05002A - Citywide Arboricultural Maintenance.
5. **Approve** that authority to extend Contract No. PK05002A - Citywide Arboricultural Maintenance for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Deputy Director: City Services.
6. **Note** that Contract No. PK05002A - Citywide Arboricultural Maintenance was put to tender in accordance with the Waitakere City Council Procurement Manual when it was awarded, and that the increase in price between the original contract and this contract is due to inclusion of additional aboricultural work, to take advantage of the low rate offered by this contract.”

971/2009

## DECISION MAKING

6. Contract No. PK05002A - Citywide Arboricultural Maintenance was awarded to TSL for a period of 24 months with rights of renewal of 24 months, plus 24 months subject to the satisfactory performance of the contractor and Tenders Subcommittee approval. The contract is subject to comprehensive performance-based outcomes and quality assurance measures.
7. TSL has confirmed in writing that they are willing to carry out the contract works under the current conditions of Contract No. PK05002A - Citywide Arboricultural Maintenance for the proposed extension period until 31 May 2012.

8. In order to limit potential disruption and maintain levels of service to Waitakere customers during the establishment period of the new Auckland Council, it is proposed that Contract No. PK05002A - Citywide Arboricultural Maintenance which delivers services across the city be considered for extension on the basis that:
  - The contractor has developed systems and processes which fulfil the maintenance requirements of the city's tree assets;
  - The contractor has an institutional knowledge of the City's tree assets; and
  - This will provide certainty of service delivery over the initial establishment period of the new Auckland Council.
9. The extension period is proposed outside the original contract period and in advance of the establishment of the Auckland Council to limit disruption in levels of service while regional procurement policy is developed.
10. Confirmation to proceed with Contract No. PK05002A - Citywide Arboricultural Maintenance - Approval to Extend report has been received from the Integrated Procurement Group (the Group). The Group has been set up at the request of the Auckland Transition Agency and approved by the Chief Executives Forum to identify regional procurement opportunities and align contract expiry dates across the region. The Group requested that the contract extension was for an 11 month period to align with the expiry of a similar contract in place at another Council.
11. Contract No. PK05002A - Citywide Arboricultural Maintenance was subject to a competitive, publicly tendered process.
12. The extension was valued using existing contract rates. 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 11 months.
13. The total accumulation of this contract showing the cost of the annual contract sums to date is shown in Table 1 below:

Year 2005/2006	Original Contract Sum	\$792,250.00
Year 2006/2007		\$937,940.00
Year 2007/2008	Extension 1 (renewal)	\$1,072,957.60
Year 2008/2009		\$1,072,957.60
Year 2009/2010	Extension 2 (renewal)	\$1,208,407.00
Year 2010/2011		\$1,254,631.00
Year 2011/2012	11 Months	\$1,149,745.00
	Total	\$7,488,888.20

**Table 1 - Total accumulative amount**

## CONTRACTOR'S PERFORMANCE

14. An evaluation of TSL performance to date contains the following features:
  - They have continued to develop a good working relationship with relevant Council officers;
  - They are a well resourced company;
  - They respond quickly to customer complaints;
  - They have a strong focus on health and safety and have demonstrated ongoing compliance to health and safety requirements;
  - Their workmanship is generally to a good standard;

- They have demonstrated improvements in performance;
- They have demonstrated improved performance in customer services; and
- They have consistently achieved or exceeded contractual Key Performance Indicators.

### CREDIT CHECK

15. A credit check on TSL dated 15 February 2010 revealed no adverse information.

### JOB COSTS

16.		<b>excl. GST</b>
	Contract sum (11 months 2011/2012)	\$1,149,745.00
		-----
	Total Job Cost	\$1,149,745.00

### SOURCE OF FUNDING

17. The budget sums are inflation adjusted. The contract sums do not include a sum for inflation. Source of funding is shown in Table 2 below:

Budget Description (from annual budget line item) 2011/2012 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Arboricultural Maintenance	5310-74000	\$800,000	\$0	\$733,000	\$67,000	\$0
Tree Maintenance Under Powerlines	5150-74000	\$250,000	\$0	\$229,167	\$20,833	\$0
Tree Planting	8AMPK-10-001	\$54,000	\$0	\$49,500	\$4,500	\$0
Weed & Pest Maintenance	5190-74000	\$896,000	\$0	\$59,583	\$836,417	\$0
Vegetation Control (Subsidised)	5490-74000	\$381,000	\$0	\$60,162	\$320,838	\$0
Remedial Tree Work	8CSCM-12-841	\$20,000	\$0	\$18,333	\$1,667	\$0
	<b>Total</b>	<b>\$2,401,000</b>	<b>\$0</b>	<b>\$1,149,745</b>	<b>\$1,251,255</b>	<b>\$0</b>

**Table 2 - Source of Funding**

### IMPLEMENTATION ISSUES

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

### AUCKLAND COUNCIL TRANSITION ISSUES

19. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 subsection (4)(i),(i) and (ii) imposes restrictions on Waitakere City Council's decision making capabilities in respect of entering into any contract (other than an employment agreement) that imposes any obligation on the organisation after 30 June 2011 or is equivalent to \$20,000 or more.

- (4) This subsection applies to a decision—
- (i) to enter into any contract (other than an employment agreement)—
    - (i) that imposes, or will continue to impose, any obligation on the organisation after 30 June 2011; and
    - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.

20. 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 extension beyond June 2011 be subject to confirmation by the Auckland Transitional Agency.

**Report prepared by:** Mike Simpson, Parks Operations and Contracts Manager.



## **6 CONTRACT NO. PK05004A - PARK LANDSCAPE PROGRAMMED MAINTENANCE - APPROVAL TO EXTEND**

### **GLOSSARY**

Bilfinger Berger (New Zealand) Limited  
Integrated Procurement Group

(BBS)  
(the Group)

### **EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK05004A - Park Landscape Programmed Maintenance to 30 June 2012.

### **RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK05004A - Park Landscape Programmed Maintenance - Approval to Extend report.
2. **Approve** subject to resolution 4 below, that the Contract No. PK05004A - Park Landscape Programmed Maintenance as awarded to Bilfinger Berger (New Zealand) Limited be extended in the sum of \$3,125,606.00 excluding GST for the period 1 July 2011 to 30 June 2012.
3. **Approve** subject to resolution 4 below, the commitment of \$3,125,606.00 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK05004A - Park Landscape Programmed Maintenance.
4. **Note** that resolutions 2 and 3 above be subject to confirmation by the Auckland Transition Agency.
5. **Note** that confirmation to proceed with Contract No. PK05004A - Park Landscape Programmed Maintenance - Approval to Extend report has been received from the Integrated Procurement Group.

### **BACKGROUND**

1. The scope of work includes:
  - Berm and park turf mowing;
  - Street and park garden maintenance and associated issues;
  - Litter and rubbish collection;

- Sweeping / cleaning of courts / paths;
  - Car park and driveway maintenance;
  - Cleaning toilets, changing rooms and other specified buildings;
  - Locking of specified facilities;
  - Beachfront programmed maintenance; and
  - Roadside flail mowing.
2. All other response and non programmed work is undertaken by a separate response contractor.
  3. This contract is a continuation of Council's routine landscape maintenance of all neighbourhood / local parks, civic and streetscape areas throughout the four wards of Waitakere. The works are required in order to ensure the continued health, safety and general integrity of the City's landscape asset.
  4. The Council approved the extension of Contract No. PK05004A - Park Landscape Programmed Maintenance to Bilfinger Berger (New Zealand) Limited (BBS) at a Tenders Subcommittee meeting held on 24 July 2009 where it was resolved as follows:

*"The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. PK05004A - Park Landscape Programmed Maintenance - Approval To Extend report.
2. **Approve** that the Contract No. PK05004A - Park Landscape Programmed Maintenance as awarded to Bilfinger Berger (New Zealand) Limited be extended in the sum of \$6,251,212.00 excluding GST for the period 1 July 2010 to 30 June 2011.
3. **Approve** the commitment of \$3,125,606.00 excluding GST and any escalations to the 2010/2011 financial year for Contract No. PK05004A - Park Landscape Programmed Maintenance.
4. **Approve** that authority to extend Contract No. PK05004A - Park Landscape Programmed Maintenance for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Deputy Director: City Services."

1257/2009

## DECISION MAKING

5. Contract No. PK05004A - Park Landscape Programmed Maintenance is a 36 month contract with provision for up to three 12 month extensions based on the satisfactory performance of the contractor. The contract is subject to comprehensive performance based outcomes and quality assurance measures.
6. BBS has confirmed in writing that they are willing to carry out the contract works under the current conditions of Contract No. PK05004A - Park Landscape Programmed Maintenance for the proposed extension period until 30 June 2012.
7. In order to limit potential disruption to Waitakere customers during the establishment period of the new Auckland Council it is proposed that Contract No. PK05004A - Park Landscape Programmed Maintenance which delivers services across the City be considered for extension on the basis that:
  - The contractor has developed systems and processes which fulfil the maintenance requirements of the city's parks assets;
  - The contractor has an institutional knowledge of the City's parks assets; and

- This will provide certainty of service delivery over the initial establishment period of the new Auckland Council.
8. The extension period is proposed outside the original contract period and in advance of the establishment of the Auckland Council to limit disruption in levels of service while regional procurement policy is developed.
  9. Confirmation to proceed with Contract No. PK05004A - Park Landscape Programmed Maintenance - Approval to Extend report has been received from the Integrated Procurement Group (the Group). The Group has been set up at the request of the Auckland Transition Agency and approved by the Chief Executives Forum to identify regional procurement opportunities and align contract expiry dates across the region.
  10. In 2005 Contract No. PK05004A - Park Landscape Programmed Maintenance was subject to a competitive, publicly tendered process.
  11. The extension was valued using existing contract rates. These rates were compared against rates received recently in other contracts, and as they compared favourably it was considered most beneficial to Council to extend the contract for a further 12 months.
  12. The total accumulation of this contract showing the cost of the annual contract sums to date is shown in Table 1 below:

Year 2005/2006	Original Contract Sum	\$3,717,856.00
Year 2006/2007		\$3,717,856.00
Year 2007/2008		\$3,097,496.00
Year 2008/2009	Extension 1 (renewal)	\$3,681,850.00
Year 2009/2010	Extension 2 (renewal)	\$3,125,606.00
Year 2010/2011	Extension 3 (renewal)	\$3,125,606.00
Year 2011/2012	Extension 4	\$3,125,606.00
	Total	\$23,591,876.00

**Table 1 - Total accumulative amount**

### CONTRACTOR'S PERFORMANCE

13. An evaluation of BBS performance to date contains the following features:
  - They have continued to develop a good working relationship with relevant Council officers;
  - They are a well resourced company;
  - They respond quickly to customer complaints;
  - They have a strong focus on health and safety and have demonstrated ongoing compliance to health and safety requirements;
  - Their workmanship is generally to a good standard; and
  - They have consistently achieved or exceeded contractual Key Performance Indicators.

### CREDIT CHECK

14. A credit check on BBS dated 9 February 2010 revealed no adverse information.

## JOB COSTS

15.		<b>excl. GST</b>
	Contract sum (12 months 2011/2012)	\$3,125,606.00
	Total Job Cost	----- \$3,125,606.00

## SOURCE OF FUNDING

16. The budget sums are inflation adjusted. The contract sums do not include a sum for inflation. Source of funding is shown in Table 2 below:

Budget Description (from annual budget line item) Draft Annual Plan 2011/2012	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Sports Facilities Maintenance	5340	\$346,000	\$0	\$3,000	\$343,000	\$0
Fixtures & Furniture Maintenance	5330	\$589,000	\$0	\$110,000	\$479,000	\$0
Litter Control	5360	\$550,000	\$0	\$349,000	\$201,000	\$0
Passive Grass Maintenance	5320	\$1,662,000	\$0	\$1,189,106	\$472,894	\$0
Planting Maintenance	5290	\$1,293,000	\$0	\$730,000	\$563,000	\$0
Structure Maintenance	5210	\$145,000	\$0	\$46,500	\$98,500	\$0
Building Maintenance	5160	\$822,000	\$0	\$318,000	\$504,000	\$0
Car park & Driveways Maintenance	5240	\$185,000	\$0	\$28,000	\$157,000	\$0
Services Maintenance	5220	\$408,000	\$0	\$54,000	\$354,000	\$0
Paths Tracks and Walkway Maintenance	5260	\$214,000	\$0	\$47,000	\$167,000	\$0
Flail Mowing (Subsidised)	5500	\$184,000	\$0	\$136,000	\$48,000	\$0
Plantings Parks Renewals	8AMPK-12-007	\$115,000	\$0	\$115,000	\$0	\$0
<b>Totals</b>		<b>\$6,513,000</b>	<b>\$0</b>	<b>\$3,125,606</b>	<b>\$3,387,394</b>	<b>\$0</b>

**Table 2 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

18. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 subsection (4)(i),(i) and (ii) imposes restrictions on Waitakere City Council's decision making capabilities in respect of entering into any contract (other than an employment agreement) that imposes any obligation on the organisation after 30 June 2011 or is equivalent to \$20,000 or more.

- (4) This subsection applies to a decision—
- (i) to enter into any contract (other than an employment agreement)—
    - (i) that imposes, or will continue to impose, any obligation on the organisation after 30 June 2011; and
    - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.

19. 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 extension beyond June 2011 be subject to confirmation by the Auckland Transitional Agency.

**Report prepared by:** Bruce Andrell, Parks Contract Officer.



## 7 CONTRACT NO. PK08002A - PARKS AND OPEN SPACE FACILITIES AND RESPONSE MAINTENANCE- APPROVAL TO EXTEND

### GLOSSARY

Parks and Maintenance Services Ltd (PMS)  
Integrated Procurement Group (the Group)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance to 30 June 2012.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance - Approval to Extend report.
2. **Approve** subject to resolution 4 below, that the Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance as awarded to Parks and Maintenance Services Limited be extended in the sum of \$3,677,114.00 excluding GST for the period 1 July 2011 to 30 June 2012.
3. **Approve** subject to resolution 4 below, the commitment of \$3,677,114.00 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance
4. **Note** that 2 and 3 above be subject to confirmation by the Auckland Transition Agency.
5. **Note** that confirmation to proceed with Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance - Approval to Extend report has been received from the Integrated Procurement Group.

### BACKGROUND

1. The scope of work includes:
  - Establishment of teams to respond to customer requests in parks, civic areas, streetscapes and town centres;
  - Undertaking repairs of parks assets, making safe or arranging for specialist teams or sub contractors to carry out the works;

- Managing the supply of materials for the Community Service programme and overseeing works;
  - Undertaking asset condition auditing;
  - Supervising the Park Rangers programme;
  - Undertaking replacement and installation of new parks minor assets in accordance with the Parks Asset's renewal programmes;
  - Undertaking the installation of new furniture, fencing, barriers, footpaths, signs as well as the upgrading of existing assets such as toilets in accordance with development programmes;
  - Managing maintenance of the Civic Centre water features;
  - Managing maintenance of the wastewater and water supply systems in City Parks;
  - Managing building repaints of specified assets;
  - Carrying out a programme of works involving cleaning, water blasting and repainting of town centre amenity assets;
  - Carrying out a programme of works involving cleaning, water blasting and repainting of footbridges;
  - Carrying out a programme of works involving cleaning, water blasting and repainting of other high profile assets throughout the City; and
  - Walkway and track maintenance.
2. This contract comprises of:
- Programmed maintenance and inspections for the high profile areas, City centres, main arterial routes, town centre toilet blocks, tracks and footbridges within Waitakere;
  - Responsive maintenance and minor repair works (unprogrammed minor works) throughout all the parks and reserves, civic and streetscape facilities throughout Waitakere;
  - Programmed minor works throughout all the parks and reserves, civic and streetscape facilities throughout the City;
  - The contract requires the programmed maintenance of assets which are considered to have a high profile within the City; and
  - This contract also includes responsive maintenance works and undertaking of minor parks projects involving replacement, renewal and installation of new minor assets. The actual quantities and descriptions on the schedule will vary depending on works required over the contract period.
3. Projects could range across a whole series of activities including responsive maintenance, vegetation maintenance or planting, amenity garden maintenance, hard landscaping, pruning, trimming, top soiling, grassing, carpentry, electrical works, painting, plumbing and drainage, installation of fencing, track and footpath repair work, upgrades to small fixtures and fittings, installation of storm water systems and drainage, and supply and installation of park and street fixtures and furniture. The actual work sites will vary across the City.

4. The Council approved the extension of Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance to Parks and Maintenance Services Limited (PMS) at a Tenders Subcommittee meeting held on 24 July 2009 where it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the No. PK08002A - Parks And Open Space Facilities And Response Maintenance - Approval To Extend report.
2. **Approve** that Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance as awarded to Parks and Maintenance Services be extended in the sum of \$7,354,228.00 excluding GST for the period 1 July 2009 to 30 June 2011.
3. **Approve** the commitment of \$3,677,114.00 excluding GST and any escalations to the 2010/2011 financial year for Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance.
4. **Approve** that authority to extend Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Deputy Group Manager: Assets.”

1257/2009

#### **DECISION MAKING**

5. Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance is a 12 month contract with provision for up to two 12 months extensions based on the satisfactory performance of the Contractor. The contract is subject to comprehensive performance based outcomes and quality assurance measures.
6. PMS has confirmed in writing that they are willing to carry out the contract works under the current conditions of Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance for the proposed extension period until 30 June 2012.
7. In order to limit potential disruption to Waitakere customers during the establishment period of the new Auckland Council it is proposed that Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance which delivers services across the City be considered for extension on the basis that:
  - The contractor has developed systems and processes which fulfil the maintenance requirements of the City's parks assets;
  - The contractor has an institutional knowledge of the City's parks assets; and
  - This will provide certainty of service delivery over the initial establishment period of the new Auckland Council.
8. The extension period is proposed outside the original contract period and in advance of the establishment of the Auckland Council to limit disruption in levels of service while regional procurement policy is developed.

9. Confirmation to proceed with Contract No. PK08002A - Parks and Open Space Facilities and Response Maintenance - Approval to Extend report has been received from the Integrated Procurement Group (the Group). The Group has been set up at the request of the Auckland Transition Agency and approved by the Chief Executives Forum to identify regional procurement opportunities and align contract expiry dates across the region.
10. The extension was valued using existing contract rates. These rates were compared against rates received recently in other contracts, and as they compared favourably it was considered most beneficial to Council to extend the contract for a further 12 months.
11. The total accumulation of this contract showing the cost of the annual contract sums to date is shown in Table 1 below:

Year 2008/2009	Original Contract Sum	\$3,717,856.00
Year 2009/2010	Extension 1 (renewal)	\$3,677,114.00
Year 2010/2011	Extension 2 (renewal)	\$3,677,114.00
Year 2011/2012	Extension 3	\$3,677,114.00
	Total	\$14,749,198.00

**Table 1 - Total accumulative amount**

#### **CONTRACTOR'S PERFORMANCE**

12. An evaluation of PMS performance to date contains the following features:
  - They have developed a good working relationship with relevant Council officers;
  - They are a well resourced company, that continue to employ local residents of Waitakere as a matter of course;
  - They respond quickly to customer complaints;
  - They have a strong focus on health and safety and have demonstrated ongoing compliance to health and safety requirements;
  - Their workmanship is generally to a very good standard;
  - They have demonstrated competence in customer services;
  - Their senior management take an active interest in both the administration and operational functionality of the contract; and
  - They have consistently achieved or exceeded contractual Key Performance Indicators.
13. PMS have performed to expectation and the current contract is operating satisfactorily. The key performance measures on this contract are being met for the contract response times, quality, workmanship, health and safety, and customer satisfaction and regular internal and external auditing reflects this. This contractor regularly goes beyond their contractual requirements by providing added value in resolving issues, providing innovative solutions, and undertaking minor works at very short notice.

#### **CREDIT CHECK**

14. A credit check on PMS dated 16 February 2010 revealed no adverse information.

## JOB COSTS

15.		<b>excl. GST</b>
	Contract sum (12 months 2011/2012)	\$3,677,114.00
		-----
	Total Job Cost	\$3,677,114.00

## SOURCE OF FUNDING

16. The budget sums are inflation adjusted. The contract sums do not include a sum for inflation. Source of funding is shown in Table 2 below:

Budget Description (from annual budget line item) Annual Plan 2011/2012	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Building Maintenance	5160	\$822,000	\$0	\$225,788	\$596,212	\$0
Weed & Pest Maintenance	5190	\$896,000	\$0	\$142,962	\$753,038	\$0
Safety and Emergency Works	5200	\$381,000	\$0	\$214,000	\$167,000	\$0
Structures Maintenance	5210	\$145,000	\$0	\$98,500	\$46,500	\$0
Services Maintenance	5220	\$408,000	\$0	\$255,370	\$152,630	\$0
Car Park / Driveway Maintenance	5240	\$185,000	\$0	\$49,661	\$135,339	\$0
Paths Tracks Walkways	5260	\$214,000	\$0	\$196,595	\$17,405	\$0
Planting Maintenance	5290	\$1,293,000	\$0	\$199,365	\$1,093,635	\$0
Passive Grass Maintenance	5320	\$1,662,000	\$0	\$405,340	\$1,256,660	\$0
Fixtures and Furniture Maintenance	5330	\$589,000	\$0	\$370,138	\$218,862	\$0
Sports Facility Maintenance	5340	\$346,000	\$0	\$20,000	\$326,000	\$0
Litter Control	5360	\$550,000	\$0	\$180,000	\$370,000	\$0
Parks Events Support	5390	\$32,000	\$0	\$32,000	\$0	\$0
Landscape Maintenance	5480	\$456,000	\$0	\$365,000	\$91,000	\$0
Buildings Upgrade	8AMPK-12-002	\$948,500	\$0	\$217,600	\$730,900	\$0
Fixtures and Furniture Upgrade	8AMPK-12-004	\$398,200	\$0	\$147,295	\$250,905	\$0
Paths and Tracks Upgrades	8AMPK-12-005	\$494,300	\$0	\$319,300	\$175,000	\$0
Planting Upgrades	8AMPK-12-008	\$290,000	\$0	\$77,000	\$213,000	\$0
Services Upgrades	8AMPK-12-009	\$94,700	\$0	\$14,100	\$80,600	\$0
Sports Facilities Upgrades	8AMPK-12-011	\$1,076,400	\$0	\$147,100	\$929,300	\$0
	<b>Totals</b>	<b>\$11,281,100</b>	<b>\$0</b>	<b>\$3,677,114</b>	<b>\$7,603,986</b>	<b>\$0</b>

**Table 2 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

18. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 subsection (4)(i),(i) and (ii) imposes restrictions on Waitakere City Council's decision making capabilities in respect of entering into any contract (other than an employment agreement) that imposes any obligation on the organisation after 30 June 2011 or is equivalent to \$20,000 or more.
- (4) This subsection applies to a decision—
- (i) to enter into any contract (other than an employment agreement)—
  - (i) that imposes, or will continue to impose, any obligation on the organisation after 30 June 2011; and
  - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.
19. 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 extension beyond June 2011 be subject to confirmation by the Auckland Transitional Agency.

**Report prepared by:** Matt Wade, Team Leader, Parks and Open Spaces.



## 8 **CONTRACT NO. SW05001 - LOOSE LITTER COLLECTION SERVICES - APPROVAL TO EXTEND**

### GLOSSARY

Auckland Transition Agency (ATA)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. SW05001 - Loose Litter Collection Services for 12 months, to 30 June 2011.

At the request of the Auckland Transition Agency (ATA) agreement has also been obtained from the contractor to continue, if requested, to carry out works associated with Contract No. SW05001 - Loose Litter Collection Services under existing contract terms and conditions until 30 June 2013 and with two further one year extensions to 30 June 2015. The ATA request has been made in order to provide continuity of service over the transition period and to enable time for the Auckland Council to conclude its Waste Management and Minimisation Plan prior to tendering new solid waste services contracts. Approval to issue a contract variation providing for these additional contract extensions under existing contract terms and conditions is also sought with the confirmation of the extensions to be at the sole discretion of the Principal under the contract.

## **RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SW05001 - Loose Litter Collection Services - Approval to Extend report.
2. **Approve** that the Contract No. SW05001 - Loose Litter Collection Services - as awarded to Civic Contractors Ltd be extended in the sum of \$434,000.00 excluding GST for the period 1 July 2010 to 30 June 2011.
3. **Approve** the commitment of \$434,000.00 excluding GST as provided in the draft Annual Plan 2010/2011 for Contract No. SW05001 - Loose Litter Collection Services.
4. **Approve** that authority to extend Contract No. SW05001 - Loose Litter Collection Services for the period 1 July 2010 to 30 June 2011 on behalf of the Council be delegated to the Group Manager: Service Management.
5. **Approve** that a contract variation be issued to Contract No. SW05001 - Loose Litter Collection Services providing for an additional contract extension under existing contract terms and conditions until 30 June 2013 and two further one year extensions to 30 June 2015 on the condition that the extensions are subject to confirmation solely at the discretion of the Principal under the contract.

## **BACKGROUND**

1. The initial term of the Contract No. SW05001 - Loose Litter Collection Services expires on 30 June 2010 with right of renewal for a further period of 12 months.
2. The Council approved the award of Contract No. No. SW05001 - Loose Litter Collection Services to Civic Contractors Limited at a Tenders Subcommittee meeting held on 15 April 2005 with the following:

- “1. *That the information be received.*
2. *That the tender from Civic Contractors Limited for Contract SW05001 Loose Litter Collection Services in the sum of \$374,373.12 plus GST per annum be accepted.*
3. *That the commitment to the 2005/2006 financial year for Contract SW05001 Loose Litter Collection Services totalling \$374,373.12 plus GST be approved.*
4. *That the commitment to the 2006/2007 financial year for Contract SW05001 Loose Litter Collection Services totalling \$374,373.12 plus GST be approved.*
5. *That the commitment to the 2007/2008 financial year for Contract SW05001 Loose Litter Collection Services totalling \$374,373.12 plus GST be approved.*
6. *That the commitment to the 2008/2009 financial year for Contract SW05001 Loose Litter Collection Services totalling \$374,373.12 plus GST be approved.*
7. *That the commitment to the 2009/2010 financial year for Contract SW05001 Loose Litter Collection Services totalling \$374,373.12 plus GST be approved.*
8. *That authority to enter into Contract SW05001 Loose Litter Collection Services on behalf of Council be delegated to the Group Manager: Regulatory.”*

## DECISION MAKING

3. Contract No. SW05001 - Loose Litter Collection Services is a five year contract with an expiry date of 30 June 2010. The contract also has provision for a 12 months' initial extension plus successive individual extensions of not less than one month based on the satisfactory performance by the Contractor and subject to the Council's approval.
4. The existing contract was subject to the appropriate tender process of the Council.
5. Extension of Contract No. SW05001 - Loose Litter Collection Services will provide 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.
6. Revision to all funding tables and templates for this contract are in line with revised contract periods.
7. The extension was valued using existing contract rates plus an escalation allowance. These rates were compared against rates received in the original tender, and as they still compared favourably, it was considered most beneficial to Council to extend the contract initially for a further 12 month period.
8. A contingency sum has been allowed in the total job cost for on demand ordered work.
9. The accumulated total for this contract together with the contract extension now being sought, showing the cost of the contract sum to date is shown in Table 1 below:

2005/2006	Original Annual Contract Sum	\$374,373.12
2006/2007	Annual Contract Sum	\$374,373.12
2007/2008	Annual Contract Sum	\$396,835.51
2008/2009	Annual Contract Sum	\$396,835.51
2009/2010	Annual Contract Sum	\$396,835.51
2010/2011	Extension 1	\$420,645.64
	Total	\$2,359,898.41

**Table 1 - Total accumulative amount**

10. Civic Contractors Limited has confirmed in writing that they are willing to carry out the contract for a further 12 months.
11. The ATA, in a letter dated 11 March 2010 has requested that councils of the Auckland region undertake a stepwise process for contract renewal of contracts used to deliver solid waste services. The process has been established in order to ensure solid waste services contracts remain in place over the transition period and to enable time for the Auckland Council to conclude its Waste Management and Minimisation Plan prior to tendering new solid waste services contracts. The process involves negotiating a draft agreement with incumbent contractors to extend their contracts to provide for an expiry date of 30 June 2013 with provision for two further one year extensions, solely at Auckland Council's discretion.
12. The draft agreement will require ATA approval but is not to be executed by the Council at this time.

13. Negotiations have been undertaken with Civic Contractors Limited and they have submitted in writing to Council that, if requested, they agree to continue to carry out works associated with Contract No. SW05001 - Loose Litter Collection Services under existing contract terms and conditions until 30 June 2013 and with two further one year extensions to 30 June 2015. The existing contract terms and conditions allow for cost escalations to be negotiated at the time of extension.
14. In accordance with the ATA process, this draft agreement will be submitted to the ATA for approval. The actual timing of the acceptance of the offer as a confirmed extension has not been specified. Approval is therefore sought to issue a contract variation that provides for the additional contract extensions on the condition that the extensions are subject to confirmation solely at the discretion of the Principal under the contract. It is proposed that the authority for confirmation of those extensions be delegated to the Principal under the contract as this provides flexibility depending on which Council is in place at the time that confirmation of extension, if any, is made.

### CONTRACTOR'S PERFORMANCE

15. An evaluation of Civic Contractors Limited performance to date contains the following features:
  - During the course of the contractor relationship with the Council, there have been no performance related issues;
  - They have developed a good working relationship with relevant Council staff;
  - They are a well resourced company;
  - 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

16. A credit check on Civic Contractors Limited dated 15 February 2010 revealed no adverse information.

### JOB COSTS

	<b>excl. GST</b>
17.	
Contract sum (12 months) - (with CPI adjustment of 6% as per contract)	\$420,645.64
Contingency (estimated - for ordered work additional to contract work)	\$ 13,354.36
	-----
Total Job Cost	\$434,000.00

## SOURCE OF FUNDING

18. Source of funding is shown in Table 2 below:

Budget Description (from annual budget line item) Draft Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Litter Collection	3560 - 74170	\$337,000	\$48,000	\$289,000	\$0.00	\$0.00
Cleaning	3560 - 78080	\$206,000	\$61,000	\$145,000	\$0.00	\$0.00
	<b>Total</b>	\$543,000	\$109,000	\$434,000	\$0.00	\$0.00

**Table 2 - 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.

21. However, as noted above, the ATA process for contract renewal for solid waste services contracts, requires that the draft agreement be approved by the ATA and this will occur in due course.

**Report prepared by:** Ben Somaratne, Solid Waste Engineer.



## **9 REQUEST FOR PROPOSAL FOR CONTRACT NO. CW-09-09009-D: PROVISION OF RFID EQUIPMENT AND SERVICES**

### GLOSSARY

3M New Zealand Ltd	(3M)
Datacom Systems Ltd/ Bibliotheca RFID	(Datacom/Bibliotheca)
Library Systems Australia Pty Ltd	(FE Technologies)
FE Technologies Ltd	(eLGAR)
Libraries for the Greater Auckland Region - consortia	(LMS)
Library Management System software	(NZTA)
New Zealand Transport Agency	(PCG)
Project Control Group	(PIT)
Project Implementation Team	(RFID)
Radio Frequency Identification	

Request for Proposal	(RFP)
RFID Tag: small adhesive tag with a built in antenna that is fixed inside a book or DC/DVD case	(Tag)
ST Logitrack Pte Ltd	(ST Logitrack)
TechLogic Corporation	(TechLogic)

## EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to shortlist two contractors to tender for Contract CW-09-09009-D - Provision of Radio Frequency Identification (RFID) Equipment and Services.

## RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Request for Proposal for Contract No. CW-09-09009-D - Provision of Radio Frequency Identification Equipment and Services - report.
2. **Approve** that the Director, Community Wellbeing be delegated authority to invite tenders from 3M New Zealand Limited and Datacom Systems Ltd/Bibliotheca RFID Library Systems Australia Pty Ltd, for Contract CW-09-09009-D - Provision of Radio Frequency Identification Equipment and Services.
3. **Approve** that the results of the tender evaluation process for Contract CW-09-09009-D - Provision of Radio Frequency Identification Equipment and Services - be reported back to the Tenders Subcommittee for approval.

## BACKGROUND

1. RFID is becoming an increasingly used technology in libraries as well as in other industries. It offers faster processing of physical items and is easier for both customers and staff to use. It requires the replacement of current barcode and magnetic security equipment with RFID equipment and the re-tagging of all items with RFID tags.
2. In March 2009, a business case for Implementation of RFID was presented by an independent library consultant.
3. As a result of the recommendations in this report, the Culture and Community Committee meeting held on 8 April 2009 resolved as follows:

*“The Culture and Community Committee resolve to:*

1. **Receive** the Business Case for Radio Frequency Identification Implementation report.
2. **Agree** to install Radio Frequency Identification enabled solutions within all Waitakere libraries, and to install Book Issue Kiosks at Waitakere Central and New Lynn railway stations.”

539/2009

4. Due to the nature of the equipment being sought and the range of abilities known to be offered by different vendors, it was decided to issue a Request for Proposal (RFP) to give vendors the best opportunity to describe how they would meet the Council's needs as expressed in the RFP specification. The RFP was issued on 18 December 2009. Following closure of the RFP, the responses were analysed in accordance with standard Council procedures and two respondents selected for demonstrations and interview. These were carried out on the first and second of March 2010 and were evaluated by a Project Implementation Team (PIT) joined by invited representatives from the other Libraries for the Greater Auckland Region (eLGAR).

#### SCOPE OF WORK

5. It is intended to implement RFID in all Waitakere Library branches, as per the resolution of the Culture and Community Committee in paragraph three, above.
6. The project has been divided into phases, with Phase One commencing during the current, 2009/2010 financial year, and including:
  - Conversion of all library collection items to RFID; and
  - Implementation of RFID technology at one library branch.
7. Phase Two will deal with implementation of RFID in the remaining library branches, and will be subject to successful completion of Phase One.
8. The scope of work specified in the RFP related only to Phase One, and included the following scope of work:
  - Supply of 500,000 RFID tags for the conversion of all Waitakere Library collection items;
  - Supply and installation of RFID equipment for Titirangi Library; and
  - Staff training for new equipment.
9. The business case for RFID originally planned for implementation of RFID equipment at Titirangi Library and "tagging" of Waitakere Libraries' entire collection within the 2009/2010 financial year (Phase One).
10. Subsequent to analysis of the RFP, a business decision was made by the Project Control Group (PCG) to recommend that the implementation of project phase one be moved to Waitakere Central Library. This decision was made for the following reasons:
  - Due to the time elapsed, overall pricing on equipment was lower than the estimate in the business case. As a result, it is now considered practical to implement RFID in a larger library, while taking into account the budget currently allocated to the project in the 2009/2010 financial year; and
  - It was decided that implementing RFID in a larger library first would deliver greater value to the project, and to ratepayers.
11. Based on the change of implementation location to Waitakere Central Library, the proposed project scope of works for an invited tender is as follows:
  - Supply of 500,000 RFID tags to affix to all Waitakere Library collection items;
  - Supply and installation of RFID equipment for Waitakere Central Library including options for a three bin or five bin sorter.
  - Staff training for new equipment; and
  - Supply of on-going equipment support/maintenance - to be negotiated.

## REQUEST FOR PROPOSALS RECEIVED

12. Invitations to submit RFP responses were publicly advertised on LGTenders and the New Zealand Herald, with ten sets of documents being uplifted. Five responses were received by the closing date of 26 January 2010. These are summarised in Table 1 below:

RESPONDENT	REGISTERED OFFICE
3M New Zealand Ltd (3M)	94 Apollo Drive, Rosedale, North Shore City
Datacom Systems Ltd/ Bibliotheca RFID Library Systems Australia Pty Ltd (Datacom/Bibliotheca)	Datacom: 106 Vincent Street, Auckland Bibliotheca: 308/685 Burke Road, Camberwell, Victoria 3124, Australia
FE Technologies Ltd (FE Technologies)	Express Promotions, trading as FE Technologies, 4 Reeves Court, Breakwater, Geelong, Victoria, Australia
ST Logitrack Pte Ltd (ST Logitrack)	Block 1003 Bukit Merah Central, #03-10 Redhill Industrial Estate, Singapore, 159836
TechLogic Corporation (TechLogic)	1818 Buerkle Road, White Bear Lake, MN 55110, USA

**Table 1 - Summary of Respondent Names**

## TAGS, ERRORS OR OMISSIONS

13. There were no tags or errors from any of the RFP responses received. However, a number of minor points in several of the responses lacked clarity, and the submitters were subsequently asked to provide clarification on these points.

## REQUEST FOR PROPOSAL EVALUATION

14. In accordance with the conditions of the RFP, submissions were evaluated in line with a Weighted Attribute Method based on the New Zealand Transport Agency (NZTA) "Competitive Pricing Procedures Manual". However, a decision was made by the PCG not to use the standard NZTA non-price attributes, as these were not considered to be directly relevant to the requirements of the project. The conditions of the RFP required submitters to provide pricing information, and detailed submissions on the basis of four key non-price attributes, namely:

- Track Record;
- Standards and Interoperability (compatibility with existing eLGAR systems);
- Aesthetic and Physical Considerations; and
- Functionality.

15. In view of the complexity of the equipment sought and the range of implementation possibilities, price was accorded a weighting of 50% to allow for suitable weighting to be accorded to other attributes.

16. A summary of the analysis results for the RFID equipment is shown in Table 2:

RFP Evaluation	Attributes	Track Record	Standards & Interoperability	Aesthetics & Physical	Functionality	Price	Contract Number CW-09-09009-D
	Weights	10	8	7	25	50	Total Weights
<b>RFP Respondent</b>	<b>Proposal Sum</b>	<b>Grades</b>					<b>INDEX</b>
Datacom/Bibliotheca	\$223,150.00	95	98	67	98	51	72
3M	\$225,755.00	88	97	67	88	50	68
Tech Logic	\$215,085.00	76	98	53	71	55	64
FE Technologies	\$236,948.00	69	93	62	83	45	62
ST Logitrack	\$276,320.00	68	92	51	86	28	53
<b>Median Price</b>	\$225,755.00						

**Table 2 - Summary of RFP Analysis for Equipment**

17. Scores for each attribute were determined on the basis of information provided in each RFP response relevant to this project. The scoring for each of the non-price attributes was derived by weighted scoring of a range of sub attributes in accordance with the specification contained in the RFP.
18. The proposal sum for each respondent was calculated for a standard set of RFID equipment to be installed at Titirangi Library, using the provided equipment, installation and training costs as provided in the RFP responses.
- Three self issue kiosks;
  - One children's self issue kiosk;
  - Four staff workstations (RFID readers);
  - One security gate;
  - One digital library assistant (portable RFID reader); and
  - One internal automated returns chute and three bin sortation device.
19. Pricing was provided on a per unit basis for each piece of equipment. The scoring index for price was calculated using the standard council physical works attribute grading table.
20. The RFP also called for respondents to provide background information on pricing structures and methodology for the ongoing support/maintenance of any RFID equipment purchased. No specific requirements were expressed in the RFP, and while all respondents offered information regarding support/maintenance, it was decided to exclude this from the cost evaluation, since not all the respondents were offering comparable rates and terms. It is intended that support/maintenance requirements be stipulated in more detail at the invited tender stage, so that responses may be evaluated on a more equal basis.
21. Non-price attributes were evaluated separately for each equipment item, and a total score was derived for each vendor by assigning a sub-weighting to each equipment item. These sub-weightings are summarised in Table 3 below:

Equipment Item	Sub-weighting (%)
Self Issue	35
Staff Work Station	15
Security Gates	10
Digital Library Assistant	10
Returns and Sortation	30

**Table 3 - Equipment Sub-weightings**

22. The results of the RFP equipment evaluation as summarised in Table 2 shows that the response submitted by Datacom/Bibliotheca achieved the highest overall index of 72, while 3M New Zealand achieved the second highest index of 68. Both of these companies were able to demonstrate significant experience with regard to integrating their equipment with the Millennium Library Management System (LMS) used by all of the eLGAR libraries. The equipment that these two companies offer was also felt to be of a high standard with regards to both Functionality and Aesthetics.
23. TechLogic scored third highest, with an index of 73. TechLogic scored highest overall for Price, however they scored lowest overall on Functionality, partly because they were not able to supply a stand-alone Self Check machine with integrated cash payment and DVD unlocking. They were able to demonstrate some experience with integrating their equipment with the Millennium LMS at a limited number of library sites.
24. FE Technologies scored the fourth highest index of 62. While they achieved acceptable scoring for Aesthetics and Functionality, they received a relatively low score for Track Record, as they had no existing installations of their equipment in libraries using the Millennium LMS.
25. ST Logitrack scored lowest overall, with an index of 53. They received the lowest scoring for Track Record, Aesthetic and Physical considerations, and for Price. Like FE Technologies, they had no existing installations of their equipment in libraries using the Millennium LMS.
26. All responses received relatively high scoring for Standards and Interoperability, reflecting the fact that the PIT was satisfied that each respondent's RFID tags and equipment could interoperate efficiently with the existing tags and equipment in use by Rodney and Manukau Libraries.
27. The PCG made a decision prior to issuing the RFP to evaluate the RFID tags separately from the RFID equipment. Since RFID tags are able to operate using common standards, it was considered that purchasing tags from a different supplier to the rest of the RFID equipment might end up offering better value for money. However, based on the results of the RFP evaluation, a business decision has now been made to treat the RFID tags and RFID equipment as part of the same tender. This decision was made on the following basis:
  - Including both RFID equipment and tags in a single tender is likely to result in a better overall price, and will strengthen the Council's negotiating position when proceeding to contract;
  - Awarding a single contract for both RFID equipment and tags will guarantee compatibility, and simplify any maintenance issues;
  - Given the short timeframe for achieving Phase One during the 2009/2010 financial year, it will be faster to conduct a single tender process for both RFID equipment and tags; and
  - Based on the results of the RFP evaluation, the PIT/evaluation team has expressed confidence that the two highest scoring proposals with regards to RFID equipment both offer a total RFID tag and equipment solution appropriate to the project's requirements.
28. Scores for the attributes were determined on the basis of information provided in each RFP response relevant to this project. Attributes for the RFID tag evaluation were assigned the same weighted scoring as applied to the evaluation of the RFID equipment, in accordance with the specification contained in the RFP.

29. A summary of the evaluation results for the RFID tags is shown in Table 4:

RFP Evaluation	Attributes	Track Record	Standards & Interoperability	Aesthetics & Physical	Functionality	Price	Contract Number CW-09-09009-D
	Weights	10	10	15	15	50	Total Weights
<b>RFP Respondent</b>	<b>Tender Sum</b>	<b>Grades</b>					<b>INDEX</b>
TechLogic	\$170,000.00	77	95	96	85	58	73
Datacom/Bibliotheca	\$185,000.00	90	98	81	100	50	71
FE Technologies	\$182,500.00	68	100	75	100	51	69
ST Logitrack	\$195,000.00	70	97	69	68	45	60
3M	\$245,000.00	82	92	92	92	18	54
<b>Median Tender Price</b>	\$185,000.00						

**Table 4 - Summary of RFP Evaluation for Tags**

30. The results of the RFP equipment evaluation as summarised in Table 4 shows that the response submitted by TechLogic achieved the highest total index of 73. The next highest scoring response was from Datacom/Bibliotheca with an index of 71. The TechLogic score has been achieved on the basis of Price, rather than Functionality. However, TechLogic has since indicated it is not able to hold the offered New Zealand dollar price; it will hold only the offered US dollar price.
31. The RFP called for respondents to provide information on pricing and methodology for the 'tagging' and conversion of the existing library collection to RFID. While all respondents offered a solution, the solutions given vary in terms of functionality payment options. The various options submitted by each respondent are summarised in Table 5:

Respondent	Conversion options offered
3M	Conversion equipment loaned free (included in tag price)
Bibliotheca	Purchase conversion equipment, or hire for \$890 per machine per week
FE Technologies	One or more machines loaned free as part of process for capped amounts of time (included in tag price)
ST LogiTrack	No conversion equipment offered. (Suggested that existing staff workstations be used instead)
Techlogic	Purchase conversion equipment or contract Techlogic to manage conversion (based on a unit cost per book additional to the cost of each tag)

**Table 5 - Conversion Options**

32. 3M New Zealand and FE Technologies appear to offer the best value solution for conversion, with a short term loan of conversion equipment being provided free with purchase of the RFID tags. However it should be noted that 3M has quoted a considerably higher price for their tags than any of the other respondents, which resulted in their achieving a lower index.
33. Given that the solutions offered by each respondent in relation to conversion are not consistent, the PCG has made a decision not to include the cost of conversion in the price evaluation for RFID tags. The price sum in Table 4 therefore reflects only the purchase cost of the tags. However, the conversion options presented were considered when evaluating each respondent's RFID tags in regard to the non-price attributes.

34. Since the RFP closed, Waitakere City Council has received unsolicited notification from both 3M and TechLogic to indicate that they have now lowered the unit cost for their RFID tags. Since this information was disclosed after the evaluation process was completed, it has not prejudiced the evaluation. It does however suggest that we may achieve a better price for RFID tags from 3M when tendering.

## PROPOSAL

35. The respondents with the two highest index scores for RFID equipment (Datacom/Bibliotheca and 3M) will be invited to tender on the basis of a fixed price lump sum for all equipment, RFID tags, and support/maintenance required to implement RFID at Waitakere Central Library. This approach has the advantage of providing Council with a single point of responsibility for delivering both the RFID tags and equipment needed to complete Phase One.
36. Tenders will be evaluated using the standard LTNZ weighted attributes in accordance with the guidelines in the Council Procurement Manual, with a weighting of 50 percent given to price, and the non price attributes comprising some or all of the following, but no others:
- Relevant experience;
  - Track record;
  - Technical skills;
  - Resources;
  - Management skills; and
  - Methodology.
37. A tender document will be issued during April 2010, with a tender period of two weeks. It is expected that as the scope of the tender document will be substantially similar to that of the existing RFP document, this will present tenderers with enough time to prepare their responses.
38. Subsequent to successful completion of Phase One RFID implementation at Waitakere Central Library, consideration will be given to using the successful tenderer as the sole preferred supplier for subsequent phases of the project, but this decision will be the subject of a further report to the Tenders Subcommittee.
39. Table 6 below shows the current estimated implementation timeline of the next key project stages:

Activity / Project Stage	Estimated Completion
Proceed to invited tender	April/May 2010
Contract award	May 2010
Conversion process	June 2010
Install equipment at Waitakere Central Library	July/August 2010
Completion of Phase One RFID implementation	August 2010

**Table 6 - Estimated Implementation Timeline**

## SOURCE OF FUNDING

40. Funding of \$670,287 has been provided in the Annual Plan 2009/2010 for the purchase and installation of RFID equipment and tags.

41. Based on the expected value of RFID tags, equipment, installation and conversion costs, the estimated value of the proposed contract for Phase One is \$430,000. This cost includes a provision of up to \$200,000 for a five bin book sorter.
42. A commitment of \$58,900 has been set aside for project management costs, leaving \$611,387 as available budget.
43. The overall expenditure will be within the budgeted funding allocation.
44. It is expected that the available budget may need to be carried forward to the 2010/2011 financial year, with project completion estimated for August 2010. This has been signalled during forecasting.

#### **IMPLEMENTATION ISSUES**

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

#### **AUCKLAND COUNCIL TRANSITION ISSUES**

46. 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:** Jo Brewster, Acting Group Manager Library and Information Services - on behalf of Su Scott, Group Manager Library and Information Services.

