



**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, 21 MAY 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 - 7 May 2010

**RECOMMENDATION**

It is recommended that the Tenders Subcommittee resolve to:

**Receive** the minutes of the meeting of the Tenders Subcommittee held on Friday, 7 May 2010, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. NL08002ZZH - NEW LYNN TRANSIT ORIENTED DEVELOPMENT CONSTRUCTION OF STAGES 2 AND 3 - REGISTRATION OF INTEREST**

**GLOSSARY**

Dempsey Wood Civil Contractors Limited	(Dempsey Wood)
Dominion Constructors Limited	(Dominion)
Downer EDI Works Limited	(Downer)
Fletcher Construction Company Limited trading as Brian Perry Civil	(Brian Perry)
Fulton Hogan Limited	(Fulton Hogan)
Hawkins Infrastructure a Division of Hawkins Construction Limited	(Hawkins)
HEB Construction Limited	(HEB)
Registration of Interest	(ROI)
Transit Oriented Development	(TOD)
Auckland Transition Agency	(ATA)
New Zealand Transport Agency	(NZTA)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee of a short list of six pre-approved contractors to submit tenders for Contract No. NL08002ZZH - New Lynn Transit Oriented Development Construction of Stages 2 and 3.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. NL08002ZZH - New Lynn Transit Oriented Development Construction of Stages 2 and 3 - Registration of Interest report.
2. **Approve** that a short list comprising the following six contractors be invited to submit tenders for Contract No. NL08002ZZH - New Lynn Transit Oriented Development Construction of Stages 2 and 3:
  - Dempsey Wood Civil Contractors Limited;
  - Downer EDI Works Limited;
  - Fletcher Construction Company Limited trading as Brian Perry Civil;
  - Fulton Hogan Limited;
  - Hawkins Infrastructure a Division of Hawkins Construction Limited; and
  - HEB Construction Limited.

**BACKGROUND**

1. The Council, together with ONTRACK and the Auckland Regional Transport Authority are near to completing the undergrounding of the rail line through New Lynn, the construction of a Bus - Rail transport interchange and the construction of roads and streetscape works comprising the New Lynn Transit Oriented Development (TOD) Stage 1 works. The rail works will be functional by September 2010 and the road works will be operational in November 2010.
2. The Council is seeking to complete the New Lynn TOD works with the concurrent construction of Stages 2 and 3 following directly after Stage 1. These works permit major traffic volumes to bypass the New Lynn Town Centre by means of the planned Clark Street Extension road which includes a new low level bridge over the rail lines. It is also required to construct new streetscapes, a shared space road environment in Totara Avenue West, New Lynn, landscaping and parks in Stages 2 and 3 areas.

3. Council intends to commence Stages 2 and 3 works in October 2010, once funding is secured and land necessary to construct the Clark Street Extension has been acquired. This Registration of Interest (ROI) is needed in order that a shortlist of experienced and competent contractors is identified at an early stage so that these contractors can then be invited to tender for the planned works.

### SCOPE OF WORK

4. The proposed works comprise services diversions, road works, a road over rail bridge, embankments, retaining walls, parks, a shared space street environment, street furniture, lighting and Low Impact Design storm water treatment works.
5. The purpose of this ROI is as follows:
  - to select a skilled, competent and experienced group of civil engineering contractors who can provide bids for the construction of Stages 2 and 3 works;
  - to enable preliminary selection processes to be completed earlier, so that a construction contract can be in place by September 2010; and
  - to maximise other benefits by early planning and generating interest from a pool of skilled contractors.
6. The works envisaged under the ROI are of large value and only contractors having adequate resources, skills and expertise to undertake these works may be considered.
7. Using the ROI process enables procurement activities to be completed earlier and ensuring that the best resources are available. This in turn has a number of parallel benefits, including:
  - Minimisation of project risks such as programme, budget, communication and physical constraints by early planning;
  - Encourages more effort in the earlier planning phases, which increases the ability to optimise selection of the most suitable contractors; and
  - Reduces tendering timescales as it is not possible to obtain priced bids until the New Zealand Transport Agency (NZTA) confirms funding in May or June 2010.

### REGISTRATIONS OF INTEREST RECEIVED

8. Invitations to submit a ROI were publicly advertised on Tenderlink with 44 sets of documents being uplifted. Six ROIs were received by the closing date of 20 April 2010. These are summarised in Table 1 below:

REGISTRANT	REG OFFICE
Dempsey Wood Civil Contractors Limited	100B Hugo Johnston Drive, Penrose, Auckland
Downer EDI Works Limited	103 Carbine Road, Mount Wellington, Auckland
Fletcher Construction Company Limited trading as Brian Perry Civil	18 Gabador Place, Mount Wellington, Auckland.
Fulton Hogan Limited	Reliable Way, Mount Wellington, Auckland
Hawkins Infrastructure a Division of Hawkins Construction Limited	70 Stanley Street, Parnell, Auckland
HEB Construction Limited	Firth Street, Drury, Auckland

**Table 1 - Summary of Registrant Names**

## TAGS, ERRORS OR OMISSIONS

9. There were no tags, errors or omissions in any of the ROIs received.

## REGISTRATION OF INTEREST EVALUATION

10. The formal conditions of the ROI require that prospective bidders submit detailed submissions on five key attributes, namely Relevant Experience, Track Record, Technical Skills, Resources and Management Skills.
11. In accordance with the conditions of registration, submissions were evaluated in line with the Weighted Attribute Method contained in NZTA's "Competitive Pricing Procedures Manual".
12. A summary of the evaluation results is shown in Table 2 below:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Contract Number NL08002ZZH
	Weights	20	20	20	20	20	Total Weights
<b>Tenderer</b>		<b>Grades</b>					<b>INDEX</b>
Dempsey Wood Civil Contractors Limited		85	83	82	80	83	83
The Fletcher Construction Company trading as Brian Perry Civil		83	83	78	75	77	79
Fulton Hogan Limited		83	82	75	77	78	79
Downer EDI Works Limited		90	80	75	70	77	78
HEB Construction Limited		75	72	72	78	70	73
Hawkins Infrastructure a Division of Hawkins Construction Limited		68	78	70	70	70	71

**Table 2 - Summary of Registration of Interest Evaluation**

13. Scores for the attributes were determined on the basis of information provided in each ROI, on the information gathered from the referees nominated by the registrants and on any recent Council experience with the registrants.
14. The results of the ROI evaluation, as summarised in Table 2, show that the ROI submitted by Dempsey Wood Civil Contractors Limited (Dempsey Wood) achieved the highest index of 83. The next five registrants, being Fletcher Construction Company trading as Brian Perry Civil (Brian Perry), Fulton Hogan Limited (Fulton Hogan), Downer EDI Works Limited (Downer), HEB Construction Limited (HEB), and Hawkins Infrastructure a Division of Hawkins Construction Limited (Hawkins) all have the ability to undertake the works successfully, scoring attributes between 79 and 71.
15. Reference checks and evaluation of attributes for the six registrants indicated that:
- Dempsey Wood have recently completed a number of successful roading projects for many councils' and private sector clients in the Auckland region. Referee feedback on these contracts was very positive. For Stages 2 and 3 works, it is proposed employing a specialist subcontractor bridge builder, Dominion, to build the road over rail bridge. Dominion has successfully built many road over rail bridges for ONTRACK in the western line and in Auckland. In all cases these were undertaken over live rail tracks. In addition, Dempsey Wood's works in the New Lynn TOD Stage 1 construction are of a high standard and they have shown an ability to manage a complex project very well while interfacing with busy traffic, local businesses, ONTRACK rail trenching and a deep Watercare Services sewer line. Dempsey Wood proposes to use the same project team on Stages 2 and 3 works as are currently employed on Stage 1. This is seen as a significant strong point, as this team has developed a positive relationship with the Council project team.

- Brian Perry have offered a team comprising some of the existing Fletcher Construction Company management used on the New Lynn rail trench works. As this team has already shown proven expertise in constructing four bridges in New Lynn over the rail line, as well as station construction in a live rail environment, they can demonstrate strong skills in working collaboratively with the Council and with ONTRACK.
  - Fulton Hogan have a number of complex road over rail bridges to their credit as well as sophisticated streetscape experience in Auckland Central Business District with the Central Connector project. Fulton Hogan are well known to Council and have a good track record.
  - Downer have submitted the only offer which has included not only road and bridge experience, but also expertise with shared space construction at Christchurch City Mall. Their offer includes evidence of a number of road over live rail bridges.
  - HEB has a history of a number of successfully executed contracts for the Council with favourable references received. The Project Team that HEB proposes for the works includes team members involved with the Railside Avenue bus interchange and also with the Japanese Garden at Waitakere Central. HEB also has a proven record of building a number of road over rail bridges successfully.
  - Hawkins successfully completed the Newmarket Station construction on time under difficult live track conditions. This included the construction of a road over rail bridge in Newmarket. Hawkins has also been selected by Council to construct the Sturges Road bridge over a live rail line.
16. For a project of this scale, it is recommended that a shortlist of four to six registrants be invited to submit tenders for the construction of Stages 2 and 3 works. As all six registrants achieved “*above average*” or higher scores and as all six registrants have proven ability to build the planned works, a shortlist comprising all six registrants is proposed. A tender list of six contractors will also ensure that competitive prices are received.
17. 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 tender phase.

#### **CREDIT CHECK**

18. Credit checks on the following companies, dated from 22 March to 4 May 2010, revealed no adverse information on:
- Dempsey Wood Civil Contractors Limited;
  - Downer EDI Works Limited;
  - Fletcher Construction Company Limited trading as Brian Perry Civil;
  - Fulton Hogan Limited;
  - Hawkins Infrastructure a Division of Hawkins Construction Limited; and
  - HEB Construction Limited.

#### **JOB COSTS**

19. Job costs for this contract will be reported following the formal tender process.

## SOURCE OF FUNDING

20. Project funding details relevant to this contract will be reported following the formal tender process. Funding has been provided for this contract within the New Lynn Integrated Programme budget cluster for Phase 1 approved by the Auckland Transition Agency (ATA) on 31 August 2009 (ATA 0099).

## IMPLEMENTATION ISSUES

21. There are no implementation issues as the ROI process does not require a mandatory award should the project be curtailed or cut back.

## AUCKLAND COUNCIL TRANSITION ISSUES

22. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on the Council's decision making capabilities in respect of section 31(4)(a). This subsection applies to a decision in respect of which the ATA has notified the existing local government organisation under section 20(1) in which it may review any existing local government organisation decisions during the transition period.
23. Approval for this decision is covered under funding cluster ATA 0099, which was approved by the ATA on 31 August 2009. No further confirmation is required from the ATA.

**Report prepared by:** Joe Schady, Senior Engineer.



## **6 CONTRACT NO. SP06004A - NEW LYNN TRANSIT ORIENTED DEVELOPMENT - ARCHITECTURAL SERVICES RENEGOTIATED CONTRACT**

### GLOSSARY

Architectus Auckland Limited	(Architectus)
Auckland Regional Transport Authority	(ARTA)
Auckland Transition Agency	(ATA)
New Zealand Transport Agency	(NZTA)
Transit Oriented Development	(TOD)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award a renegotiated contract for professional services to Architectus Auckland Limited (Architectus).

Definition and development of the scope of work for Stage 2 (Clark Street Extension), Stage 3 (Totara West/Todd Triangle) and Stage 4 (Option 2 Trench Cover) required additional investigation and design beyond that initially envisaged at concept stage, including construction supervision requirements. The scale of this project is such that the value of this additional work exceeds officer delegation levels and requires approval from the Tenders Subcommittee. Compliance with the Council's Procurement Policy and financial delegations to officers has necessitated the renegotiation of the Council's professional services contract with Architectus to be inclusive of the developed scope of work for Stages 2, 3 and 4, including construction supervision requirements.

This renegotiated contract together with an appropriate level of contingency for the duration of the project will be funded within the New Lynn Integrated Programme budget cluster for Phase 1, confirmed by the Auckland Transition Agency (ATA) on 31 August 2009 (ATA 0099). No additional funding will be required for this renegotiated contract.

### **RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SP06004A - New Lynn Transit Oriented Development - Architectural Services Renegotiated Contract report.
2. **Approve** that the renegotiated tender from Architectus Auckland Limited for Contract No. SP06004A - New Lynn Transit Oriented Development - Architectural Services Renegotiated Contract in the sum of \$6,536,144.74 plus \$817,018.09 GST, totalling \$7,353,162.83 be accepted.
3. **Approve** that authority to enter into a renegotiated Contract No. SP06004A - New Lynn Transit Oriented Development - Architectural Services Renegotiated Contract on behalf of the Council be delegated to the Acting Director: City Services.
4. **Approve** that authority to award cumulative contract variations to Contract No. SP06004A - New Lynn Transit Oriented Development - Architectural Services Renegotiated Contract up to the value of the contingency sum of \$326,807.00 plus GST on behalf of the Council be delegated to the Programme Director, New Lynn Integrated Programme.

### **BACKGROUND**

1. On 27 March 2009, the Council awarded a professional services contract to Architectus for \$5,782,339.00 plus GST. This contract covered the concept, final design and construction monitoring of the New Lynn Transit Oriented Development (TOD) transport interchange, roads and associated works as it was defined at that time and was a progressive development of the original contract awarded in February 2007. The complex intertwined nature of the New Lynn Integrated Programme requires significant collaboration between the works programmes of the Council, ONTRACK, Auckland Regional Transport Authority (ARTA), Watercare, local businesses, property owners and private developers.
2. Definition and development of the scope of work for Stage 2 (Clark Street Extension), Stage 3 (Totara West/Todd Triangle) and Stage 4 (Option 2 Trench Cover) has been progressed in consultation with key stakeholders and the work scope for this contract has been refined as required through this consultation process. The scale of the New Lynn Integrated Programme is such that the value of this additional work exceeds officer delegation levels and requires approval from the Tenders Subcommittee. Compliance with the Council's Procurement Policy and financial delegations to officers has necessitated the renegotiation of the Council's professional services contract with Architectus to be inclusive of the developed scope of work for Stages 2, 3 and 4, including construction supervision requirements and appropriate level of contingency for the remainder of the programme.

## SCOPE OF WORK

3. Through the Council's establishment of a New Lynn TOD Integrated Programme governance team, ongoing planning of the wider New Lynn Town Centre between the Council and various land owners, developers, Lynmall, Infratil, ONTRACK, ARTA and Watercare significantly influenced the direction and scope of the developing New Lynn transport interchange and roading infrastructure project. Ongoing consultations with these organisations shaped the developing project scope for the transport interchange and associated roads to maximise benefits and enhance future development potential opportunities in New Lynn.
4. At programme commencement, the Council's transport interchange project was more advanced than those of ONTRACK, ARTA and Watercare and hence the Council's initial project scope was largely based on assumptions upon which neither ONTRACK, ARTA or Watercare were in a position to provide input. The Council's subsequent engagement with ONTRACK, ARTA and Watercare as their programmes gained momentum, progressively evolved during the Council's design development and through ongoing collaboration between their respective teams. The project scope was further refined and enhanced to provide the best benefit/cost ratio upon which the Council's funding application to New Zealand Transport Agency (NZTA) was based, and the boundaries of accountability between these organisations were adjusted as required during implementation of elements of the programme. Refinement of these boundaries defined the extent of the physical works that would be constructed by ONTRACK on the Council's behalf, under their contract with Fletcher Construction Consortium.
5. Management of the New Lynn Integrated Programme is extremely complex in comparison to a conventional project in which there would normally be an autonomous client body. The New Lynn Integrated Programme has four large organisations simultaneously acting as client bodies (the Council, ONTRACK, ARTA and Watercare), each with their own complex individual projects with potential conflicts. The degree of coordination required between the four teams is substantial and requires considerable time inputs from all.
6. The renegotiated tender comprises the following scope adjustments to Phase 1:
  - Presentation model: For public consultation and advocacy processes;
  - Low Impact Design: Rain garden adjacent to Gardiner Reserve, tree pits on Clark Street and a large rain garden at Clark Street East;
  - Alternative access road to 1B and 1C Rankin Avenue off Ambrico Lane;
  - Alterations to 4 Clark Street to facilitate partial demolition and compliance with the Council's street frontage rules;
  - Redesign to Memorial/Clark Streets intersection due to land access negotiations at 5 Clark Street;
  - Value engineering redesign cost;
  - Additional structural elements to the interchange building;
  - Claim from consultant for construction monitoring fees omitted in previous contract negotiation. Claim reviewed by the engineer and confirmed;
  - Value engineering cost component for the interchange (cost and benefit shared with ARTA per the partnering agreement between the Council and ARTA);
  - Intersection at Hetana Street/Totara Avenue: fourth leg added;
  - Vehicle Management System for bus layover bays;

- Sub-consultant claim for additional work on NZTA application, additional drawings for Stage 1 tender and Low Impact Design details. Claim reviewed by the engineer and confirmed;
- Lighting design for additional areas in Gardiner Reserve to meet consent conditions;
- Alternative access road to the New Lynn Community Centre;
- Management and coordination between the design and construction teams of four client bodies (the Council, ONTRACK, ARTA and Watercare);
- Forklift lane facilities at Hetana Street;
- Stage 3 revised concept to include “shared space” option;
- Additional works in Great North Road for traffic management required by Transport Assets; and
- The timeline for this contract remains unchanged.

### **TENDER NEGOTIATION**

7. Architectus was requested to price the renegotiated contract to include the additional scope of work above. Their tender was for a total sum of \$6,536,144.74 plus GST.
8. The tender submitted by Architectus contained the following tags:
  - Due to a constraint that Stage 4 (Option 2 Trench Cover) cannot be implemented until post-electrification of the rail service, the fee for construction monitoring of Stage 4 is a provisional sum based on current costs. The tag requires that should construction of Stage 4 be delayed by ONTRACK’s electrification programme, an adjustment for escalation will be required. A provisional sum has been set aside to cover this escalation cost; and
  - A tag included in a subcontractor’s (Parsons Brinckerhof) offer to Architectus in regard to construction monitoring of Stage 4 is being addressed. A provisional sum of \$20,000 has been set aside to cover this item and this has been included in the tender sum.
9. The negotiated tender price was reviewed by the Council’s independent professional quantity surveyors WT Partnership, who reported that the tendered price is reasonable for the nature of the work required. In assessing whether the price was reasonable, the quantity surveyors based their opinion on guidance from the standard fee percentages prescribed by the Institution of Professional Engineers of New Zealand and benchmarked against their knowledge of current market values for similar projects.

### **CONTRACTOR’S PERFORMANCE**

10. An evaluation of Architectus’ performance to date indicates that:
  - They have a sound working relationship with Council staff;
  - They are well resourced and have adequate skilled staff and professional subcontractors able to undertake the work;
  - They respond well to Client queries and changes;
  - They have a good technical grasp of interchange and roading design;
  - Their design work is consistently of a high standard;
  - They interface well with key ONTRACK, ARTA and Watercare staff;

- They have performed well, particularly in meeting very tight deadlines required for the NZTA funding application submitted in February 2010; and
- They have a high degree of creativity and have a proven track record with the Council.

### CREDIT CHECK

11. A credit check on Architectus dated 6 May 2010 revealed no adverse information.

### JOB COSTS

12.	<b>excl. GST</b>
Tender sum - Architectus	\$6,536,144.74
Contingency 5%	\$ 326,807.00
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Total Job Cost	\$6,862,951.74

13. A contingency sum of 5% is deemed adequate for the remainder of the contract period in consideration of the magnitude of the contract and the status of works to date.

### SOURCE OF FUNDING

14. The source of funding is shown in Table 1 below:

Budget Description	Codes	Budget	Committed to original contract	Allocation to renegotiated contract	Unallocated balance	Potential surplus
New Lynn TOD Project / Professional Services/ Architectus/roading	8AMTA-07-192/2/2/12/9	\$5,272,366.99	\$4,771,754.25	\$500,612.74	-	-
New Lynn TOD Project / Professional Services/ Architectus/interchange	8AMTA-07-192/2/2/12/10	\$1,590,584.75	\$1,590,584.75	-	-	-
	<b>Total</b>	\$6,862,951.74	\$6,362,399.00	\$500,612.74	-	-

**Table 1 - Source of Funding**

### IMPLEMENTATION ISSUES

15. The only implementation issue that is foreseen is that if ONTRACK's rail electrification project is delayed then implementation of Stage 4 (Option 2 Trench Cover) would similarly be delayed. Since significant additional mechanical ventilation would be required to control diesel fumes from passenger service locomotives in the underground station, the Council elected to base its design on an electrified passenger service and to programme implementation of Stage 4 post-electrification. ONTRACK's forecast programme is for electrification to occur in 2012.

## AUCKLAND COUNCIL TRANSITION ISSUES

16. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on the Council's decision making capabilities in respect of section 31(4)(a). This subsection applies to a decision in respect of which the ATA has notified the existing local government organisation under section 20(1) in which it may review any existing local government organisation decisions during the transition period.
17. Approval for this decision is covered under funding cluster ATA 0099, which was approved by the ATA on 31 August 2009. No further confirmation is required from the ATA.

**Report prepared by:** John Schermbrucker, Special Projects Manager (Programme Director: New Lynn Integrated Programme).



## 7 CONTRACT NO. SP06004B - NEW LYNN TRANSIT ORIENTED DEVELOPMENT - QUANTITY SURVEYING SERVICES RENEGOTIATED CONTRACT

### GLOSSARY

WTP NZ Infrastructure Limited	(WTP)
Auckland Regional Transport Authority	(ARTA)
Auckland Transition Agency	(ATA)
New Zealand Transport Agency	(NZTA)
Transit Oriented Development	(TOD)
Target Outturn Cost	(TOC)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award a renegotiated contract for professional services to WTP NZ Infrastructure Limited (WTP).

Definition and development of the scope of work for Stage 2 (Clark Street Extension) and Stage 3 (Totara Avenue West/Todd Triangle) required additional investigation, design and cost estimation beyond that initially envisaged at concept stage, including post construction contract servicing requirements. The scale of this project is such that the value of this additional work exceeds officer delegation levels and requires approval from the Tenders Subcommittee. Compliance with the Council's Procurement Policy and financial delegations to officers has necessitated the renegotiation of the Council's professional services contract with WTP to be inclusive of the developed scope of work for Stages 2 and 3, including post construction contract servicing requirements.

This renegotiated contract, together with an appropriate level of contingency for the duration of the project will be funded within the New Lynn Integrated Programme budget cluster for Phase 1, confirmed by the Auckland Transition Agency (ATA) on 31 August 2009 (ATA 0099). No additional funding will be required for this renegotiated contract.

## **RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SP06004B - New Lynn Transit Oriented Development - Quantity Surveying Services Renegotiated Contract report.
2. **Approve** that the renegotiated tender from WTP NZ Infrastructure Limited for Contract No. SP06004B - New Lynn Transit Oriented Development - Quantity Surveying Services Renegotiated Contract in the sum of \$1,122,538.38 plus \$140,317.30 GST, totalling \$1,262,855.68 be accepted.
3. **Approve** that authority to enter into a renegotiated Contract No. SP06004B - New Lynn Transit Oriented Development - Quantity Surveying Services Renegotiated Contract on behalf of the Council be delegated to the Acting Director: City Services.
4. **Approve** that authority to award cumulative contract variations to Contract No. SP06004B - New Lynn Transit Oriented Development - Quantity Surveying Services Renegotiated Contract up to the value of the contingency sum of \$56,126.92 plus GST on behalf of the Council be delegated to the Programme Director: New Lynn Integrated Programme.

## **BACKGROUND**

1. On 12 June 2009, the Council awarded a professional services contract to WTP in the value of \$665,987.00 plus GST. This contract covered the concept, final design and post construction contract servicing of the New Lynn Transit Oriented Development (TOD) transport interchange, roads and associated works as it was defined at that time and was a progressive development of the original contract awarded on 13 April 2007. The complex and intertwined nature of the New Lynn Integrated Programme requires significant collaboration between the works programmes of the Council, ONTRACK, Auckland Regional Transport Authority (ARTA), Watercare, local businesses, property owners and private developers.
2. Definition and development of the scope of work for Stage 2 (Clark Street Extension) and Stage 3 (Totara West/Todd Triangle) has been progressed in consultation with key stakeholders and the work scope for this contract has been refined as required through this consultation process. The scale of the New Lynn Integrated Programme is such that the value of this additional work exceeds officer delegation levels and requires approval from the Tenders Subcommittee. Compliance with the Council's Procurement Policy and financial delegations to officers has necessitated the renegotiation of the Council's professional services contract with WTP to be inclusive of the developed scope of work for Stages 2 and 3, including post construction contract servicing requirements and appropriate level of contingency for the remainder of the programme.

## **SCOPE OF WORK**

3. Through the Council's establishment of a New Lynn TOD Integrated Programme governance team, ongoing planning of the wider New Lynn Town Centre between the Council and various land owners, developers, LynnMall, Infratil, ONTRACK, ARTA and Watercare significantly influenced the direction and scope of the developing New Lynn transport interchange and roading infrastructure project. Ongoing consultations with these organisations shaped the developing project scope for the transport interchange and associated roads to maximise benefits and enhance future development potential opportunities in New Lynn.

4. At programme commencement, the Council's transport interchange project was more advanced than those of ONTRACK, ARTA and Watercare and hence the Council's initial project scope was largely based on assumptions upon which neither ONTRACK, ARTA or Watercare were in a position to provide input. The Council's subsequent engagement with ONTRACK, ARTA and Watercare as their programmes gained momentum, progressively evolved during the Council's design development and through ongoing collaboration between their respective teams. The project scope was further refined and enhanced to provide the best benefit/cost ratio upon which the Council's funding application to New Zealand Transport Agency (NZTA) was based, and the boundaries of accountability between these organisations were adjusted, as required, during implementation of elements of the programme. Refinement of these boundaries defined the extent of the physical works that would be constructed by ONTRACK on the Council's behalf, under their Target Outturn Cost (TOC) contract with Fletcher Construction Consortium.
5. Management of the New Lynn Integrated Programme is extremely complex in comparison to a conventional project in which there would normally be an autonomous client body. The New Lynn Integrated Programme has four large organisations simultaneously acting as client bodies (the Council, ONTRACK, ARTA and Watercare), each with their own complex individual projects with potential conflicts. The degree of coordination required between the four teams is substantial and requires considerable time inputs from all.
6. The renegotiated tender comprises the following scope adjustments to Phase 1:
  - TOC2 reconciliation work, including adjustment of provisional sums, TOC2 price checks and apportioning of the TOC2 price between the Council, ONTRACK, and ARTA;
  - Re-measure of footpath materials for value engineering purposes under ONTRACK's TOC2 contract;
  - Quantity surveying services for Stage 1 Low Impact Design elements, including rain garden adjacent to Gardner Reserve, tree pits on Clark Street and large rain garden at Clark Street East;
  - Preliminary design estimate and tender documents for the alternative access road to 1B and 1C Rankin Avenue from Ambrico Place;
  - Preliminary design estimate and tender documents for the alternative access roads to and from the New Lynn Community Centre;
  - Additional post construction contract servicing of Stage 1 due to the extent of soil contamination, the extent of undercuts, the opening of multiple areas of work, and the numerous clarifications and variations issued;
  - Funding estimates for the NZTA Category 1 funding application for Stages 2 and 3, including the quantitative risk analysis;
  - Concept and preliminary design estimates and tender documents for Stage 3;
  - Stages 2 and 3 post construction contract servicing, including tender analysis and final account; and
  - The timeline for this contract remains unchanged.

#### **TENDER NEGOTIATION**

7. WTP was requested to price the renegotiated contract to include the additional scope of work above. Their tender was for a total sum of \$1,122,538.38 plus GST.

8. The tender submitted by WTP contained the following tags:
  - WTP have assumed that the construction of Stage 3 will commence at the same time as Stage 2 and will take one year to complete; and
  - WTP have not included a price for quantity surveying services associated with Stage 4 (Option 2 Trench Cover) works.
9. Both of these tags were accepted by the Council.
10. The renegotiated tender price submitted by WTP has a fee/construction ratio of 1.3%. This benchmarks favourably against other Council projects such as the Henderson Library/Unitec project, which had a similar fee/construction ratio.

#### **CONSULTANT'S PERFORMANCE**

11. An evaluation of WTP's performance to date indicates that:
  - They have a sound working relationship with Council staff;
  - They are well resourced and have adequate skilled staff and professional subcontractors able to undertake the work;
  - They respond well to Client queries and changes;
  - They have a good technical grasp of interchange and roading construction;
  - Their quantity surveying work is consistently of a high standard;
  - They interface well with key ONTRACK, ARTA and Watercare staff;
  - They have performed well, particularly in meeting very tight deadlines required for the NZTA funding application submitted in February 2010; and
  - They have a proven track record with the Council.

#### **CREDIT CHECK**

12. A credit check on WTP dated 6 May 2010 revealed no adverse information.

#### **JOB COSTS**

13.	<b>excl. GST</b>
Tender sum - WTP	\$1,122,538.38
Contingency 5%	\$ 56,126.92
	-----
Total Job Cost	\$1,178,665.30

14. A contingency sum of 5% is deemed adequate for the remainder of the contract period in consideration of the magnitude of the contract and the status of works to date.

## SOURCE OF FUNDING

15. The source of funding is shown in Table 1 below:

Budget Description	Codes	Budget	Committed to original contract	Allocation to renegotiated contract	Unallocated balance	Potential surplus
New Lynn TOD Project/ Professional Services/ WP Partnership/ Roading	8AMTA-07-192/2/2/12/11	\$971,574.44	\$549,439.50	\$422,134.94	-	-
New Lynn TOD Project/ Professional Services/ WT Partnership/ Interchange	8AMTA-07-192/2/2/12/12	\$207,090.86	183,146.50	\$23,944.36	-	-
	<b>Total</b>	\$1,178,665.30	\$732,586.00	\$446,079.30	-	-

**Table 1 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

17. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on the Council's decision making capabilities in respect of section 31(4)(a). This subsection applies to a decision in respect of which the ATA has notified the existing local government organisation under section 20(1) in which it may review any existing local government organisation decisions during the transition period.

18. Approval for this decision is covered under funding cluster ATA 0099, which was approved by the ATA on 31 August 2009. No further confirmation is required from the ATA.

**Report prepared by:** John Schermbrucker, Special Projects Manager (Programme Director: New Lynn Integrated Programme).



## 8 CONTRACT NO. EW08021A - CONSULTANT SUPPORT FOR INFILTRATION AND INFLOW AND PEAK FLOW REDUCTION PROGRAMMES 2008/2009 - APPROVAL TO EXTEND

### GLOSSARY

Gillespie Consultants Limited (GCL)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. EW08021A - Consultant Support for Infiltration and Inflow and Peak Flow Reduction Programmes 2008/2009 to 30 June 2011.

## RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08021A - Consultant Support for Infiltration and Inflow and Peak Flow Reduction Programmes 2008/009 - Approval to Extend report.
2. **Approve** the Contract No. EW08021A - Consultant Support for Infiltration and Inflow and Peak Flow Reduction Programmes 2008/2009 as awarded to Gillespie Consultants Limited be extended in the sum of \$797,740.00 excluding GST for the period 1 July 2010 to 30 June 2011.
3. **Approve** the commitment of \$797,740.00 excluding GST as provided in the draft Annual Plan 2010/2011 for Contract No. EW08021A - Consultant Support for Infiltration and Inflow and Peak Flow Reduction Programmes 2008/2009.
4. **Approve** that authority to extend Contract No. EW08021A - Consultant Support for Infiltration and Inflow and Peak Flow Reduction Programmes 2008/2009 for the period 1 July 2010 to 30 June 2011 on behalf of the Council be delegated to the Group Manager: Project Services.

## BACKGROUND

1. This contract forms part of Council's Infiltration and Inflow Control Programme as provided for in the draft Annual Plan 2010/2011. The existing contract expires on 30 June 2010 with an option to extend for a further year until 30 June 2011.
2. The Council approved the award of Contract No. EW08021A - Consultant Support for Infiltration and Inflow and Peak Flow Reduction Programmes 2008/2009 to Gillespie Consultants Limited (GCL) at a Tenders Subcommittee meeting held on 13 June 2008, where it was resolved as follows:

*"The Tenders Subcommittee resolved to:*

5. **Agree** that authority to extend Contract No. EW08021A - Consultant Support for Infiltration and Inflow and Peak Flow Reduction Programmes beyond June 2009 on an annual basis until 30 June 2011 be reported back to Tenders Subcommittee for approval."

959/2008

3. Contract No. EW08021A - Consultant Support for Infiltration and Inflow and Peak Flow Reduction Programmes 2008/2009 was initially let as a one year contract with an expiry date of 30 June 2009. The contract contains provisions for up to two (2) annual extensions based upon satisfactory performance by the Contractor and subject to the Council's approval.
4. The Council approved the award of the first annual extension of Contract No. EW08021A - Consultant Support for Infiltration and Inflow and Peak Flow Reduction Programmes 2008/2009 to Gillespie Consultants Limited at a Tenders Subcommittee meeting held on 24 July 2009, where it was resolved as follows:

*"The Tenders Subcommittee resolved to:*

2. **Approve** that the Contract No. EW08021A - Consultant Support for Infiltration and Inflow and Peak Flow Reduction programmes 2008/2009 as awarded to Gillespie Consultants Limited be extended in the sum of \$741,120.00 excluding GST for the period 27 July 2009 to 30 June 2010."

1254/2009

## DECISION MAKING

5. The extension for the period 1 July 2010 to 30 June 2011 was valued using existing contract rates as GCL has agreed to continue with the previous contract prices for all existing items except one. There was a rate increase for the Senior Engineer which has been benchmarked against similar rates and deemed to be a fair and just increase.
6. The total contract sum increase is due to the following reasons:
  - There is an increase in design and investigation work due to the inclusion by EcoWater of the sewer renewal and upgrade programmes including Northern Regional Strategic Growth Area, the New Lynn Transit Oriented Development projects and also the Babich project. This has been reflected in quantity increases for GCL engineering and technical staff;
  - In April 2008 the Infiltration and Inflow Wastewater Drainage engineer from EcoWater resigned and approximately 80% of the Infiltration and Inflow Control Programme was reassigned to the Infiltration and Inflow team from Project Services. This resulted in an increased demand being placed upon this contract. This position has not been filled by EcoWater;
  - Water Projects and GCL are also assisting the EcoWater Planning Engineer in planning for future works for upgrades and renewals;
  - Water Projects have also taken on all EcoWater projects for upgrades and renewals that were originally completed by the Contracts and Quality unit engaging external consultants. Engaging GCL to assist with the designs and associated contract work for these projects has resulted in cost savings to Council;
  - The implementation of the Private Wastewater Drainage programme in the latter part of the financial year 2008/2009 has resulted in Water Projects taking over the auditing, data entry and assessment of private drains and all customer liaison associated with this programme. Components of this programme were being completed by EcoWater, however due to resourcing issues it was decided that this could be completed more effectively under this contract and managed by Water Projects; and
  - GCL have also been engaged to complete urgent work undertaken on behalf of EcoWater during the 2009/2010 financial year including Stream hazard identification investigations, urgent stormwater manhole inspections and emergency sewer works. Using this contract for emergency investigation works has meant that Council has not been involved in a drawn out tender and award process which would have hampered the timeline for these projects.
7. The contract price is within the allocated budget in the draft Annual Plan 2010/2011.
8. The total accumulation of this contract and contract extensions approved, and now sought, showing the cost of the contract sum to date are shown in Table 1 below:

2008/2009	Original Contract Sum	\$520,600.00
2008/2009	Variations	\$146,135.00
2009/2010	Extension 1	\$741,120.00
2009/2010	Variation	\$11,000.00
2010/2011	Extension 2 (Proposed)	\$797,740.00
	Total	\$2,216,595.00

**Table 1 - Total Accumulative Amount**

9. GCL has confirmed in writing that they are willing to carry out the contract for a further 12 months.

### CONSULTANT PERFORMANCE

10. GCL's experience, team approach, site specific knowledge and public relations records are of the highest standard.
11. An evaluation of GCL's performance to date contains the following features;
- During the course of the Contractor relationship with the Council, there have been no performance related issues;
  - The rationale for extension provides an ability for the Council to retain institutional knowledge over the period of transition, and to ensure certainty of service delivery over the period of transition;
  - They have developed a good working relationship with relevant Council staff;
  - They are a well resourced company;
  - They respond quickly to customer complaints;
  - They have a strong focus on health and safety; and
  - Their workmanship is always to a very good standard.

### CREDIT CHECK

12. A credit check on GCL dated 19 April 2010 revealed no adverse information.

### JOB COSTS

13.	<b>excl. GST</b>
Contract Sum - Gillespie Consultants Limited	\$797,740.00
Contingency	\$ 79,774.00
Engineering & Supervision	<u>\$ 79,774.00</u>
Total Job Cost	\$957,288.00

### SOURCE OF FUNDING

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

Budget Description (from Annual Budget line item) Annual Plan 2010/2011	Codes	Budget	Committed to other Projects	Allocation to this Project	Unallocated Balance	Potential Surplus
Peak Flow Capacity Programme	8AMEW-10-073	410,000.00	0.00	410,000.00	0.00	
Wastewater Renewals I & I Programme	8AMEW-10-027	2,060,000.00	0.00	155,424.00	1,904,576.00	
Preparation of Future Works	8AMEW-07-071	120,000.00	0.00	100,000.00	20,000.00	
Detailed Designs I&I	8AMEW-07-025	412,000.00	0.00	121,374.00	290,626.00	
Other Wastewater Renewals	8AMEW-10-037	1,269,000.00	0.00	38,340.00	1,230,660.00	

Budget Description (from Annual Budget line item) Annual Plan 2010/2011	Codes	Budget	Committed to other Projects	Allocation to this Project	Unallocated Balance	Potential Surplus
Wastewater Upgrades	8AMEW-10-081	2,393,000.00	0.00	132,150.00	2,260,850.00	
TOTAL		6,664,000.00	0.00	957,288.00	5,706,712.00	N/A

**Table 2 - Source of Funding**

### IMPLEMENTATION ISSUES

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

### AUCKLAND COUNCIL TRANSITION ISSUES

16. 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.

**Reported prepared by:** Sharon James, Project Manager, Water Projects: Project Services.



## 9 CONTRACT NO. PK09002A - CEMETERY LANDSCAPE MAINTENANCE - APPROVAL TO EXTEND

### GLOSSARY

Parks and Maintenance Services Limited (PMS)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK09002A - Cemetery Landscape Maintenance to 30 June 2012.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK09002A - Cemetery Landscape Maintenance - Approval to Extend report.
2. **Approve** that the Contract No. PK09002A - Cemetery Landscape Maintenance as awarded to Parks and Maintenance Services Limited be extended in the sum of \$329,941.62.00 excluding GST for the period 1 July 2011 to 30 June 2012.

3. **Approve** the commitment of \$329,941.62 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK09002A - Cemetery Landscape Maintenance.
4. **Approve** that authority to extend Contract No. PK09002A - Cemetery Landscape Maintenance for the period 1 July 2011 to 30 June 2012 on behalf of Council be delegated to the Deputy Group Manager: Assets.
5. **Note** that resolutions 2, 3 and 4 above are subject to confirmation by the Auckland Transition Agency.
6. **Note** that confirmation to proceed with Contract No. PK09002A - Cemetery Landscape Maintenance - Approval to Extend report has been received from the Integrated Procurement Group.

## BACKGROUND

1. This contract requires the contractor to plan, program and undertake litter collection, turf maintenance, garden maintenance, toilet cleaning and regular cleaning of roads and paths. The contractor is also required to provide monthly work programmes and attend fortnightly meetings.
2. The contractor's focus on following the programmed works to a high quality and with a customer focus is a key to the ongoing success of the contract.
3. The Council approved the extension of Contract No. PK09002A - Cemetery Landscape Maintenance to Parks and Maintenance Services Limited (PMS) at a Tenders Subcommittee meeting held on 24 July 2009 where:

*"The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. PK09002A - Cemetery Landscape Maintenance - Approval To Extend report.
2. **Approve** that the Contract No. PK09002A - Cemetery Landscape Maintenance as awarded to Parks and Maintenance Services Limited be extended in the sum of \$362,935.78 excluding GST for the period 1 July 2010 to 30 June 2011.
3. **Approve** that authority to extend Contract No. PK09002A - Cemetery Landscape Maintenance for the period 1 July 2010 to 30 June 2011 on behalf of the Council be delegated to the Deputy Group Manager: Assets."

1262/2009

## DECISION MAKING

4. Contract No. PK09002A - Cemetery Landscape 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.
5. PMS has confirmed in writing that they are willing to carry out the contract works under the current conditions and rates of Contract No. PK09002A - Cemetery Landscape Maintenance for the proposed extension period until 30 June 2012.

6. In order to limit potential disruption to Waitakere customers during the establishment period of the new Auckland Council it is proposed that Contract No. PK09002A - Cemetery Landscape Maintenance which delivers services at Waikumete and Swanson Cemeteries be considered for extension on the basis that:
  - The contractor has developed systems and processes which fulfil the maintenance requirements of the cemeteries assets;
  - The contractor has an institutional knowledge of the City's cemeteries; and
  - This will provide certainty of service delivery over the initial establishment period of the new Auckland Council.
7. The extension period proposed is outside the original contract period and is proposed to be issued in advance of the establishment of the Auckland Council to limit disruption in levels of service while regional procurement policy is developed.
8. Confirmation to proceed with Contract No. PK09002A - Cemetery Landscape Maintenance - Approval to Extend report has been received from the Integrated Procurement Group. The Integrated Procurement 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.
9. 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.
10. The total accumulation of this contract showing the cost of the annual contract sums to date is shown in Table 1 below:

Year 2009/2010	Original Contract Sum	\$329,941.62
Year 2010/2011	Extension 1 (renewal)	\$329,941.62
Year 2011/2012	Extension 2	\$329,941.62
	Total	\$989,824.86

**Table 1 - Total accumulative amount**

## CONTRACTOR'S PERFORMANCE

11. An evaluation of PMS performance to date contains the following features:
  - They have developed a good working relationship with relevant Council staff;
  - They are a well resourced company, that continue to employ local residents of Waitakere City as a matter of course;
  - They have a strong focus on health and safety and have demonstrated ongoing compliance to health and safety requirements;
  - Their workmanship at Waikumete and Swanson Cemeteries 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.

12. 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

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

### JOB COSTS

14.		<b>excl. GST</b>
	Contract sum (12 months 2011/2012)	\$329,941.62
	Contingency	\$ 32,994.16
		-----
	Total Job Cost	\$362,935.78

### SOURCE OF FUNDING

15. 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
Cemetery Landscape Maintenance	4820 74000	\$374,000.00	\$0.00	\$362,935.78	\$0.00	\$11,064.22
	<b>Totals</b>	<b>\$374,000.00</b>	<b>\$0.00</b>	<b>\$362,935.78</b>	<b>\$0.00</b>	<b>\$11,064.22</b>

**Table 2 - Source of Funding**

### IMPLEMENTATION ISSUES

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

### AUCKLAND COUNCIL TRANSITION ISSUES

17. 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.

18. 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 agreement of the Auckland Transitional Agency.

**Report prepared by:** Roscoe Webb, Team Leader, Parks Operations and Contracts.



## 10 CONTRACT NO. PK08016A - SPORTS FIELD MAINTENANCE - APPROVAL TO EXTEND

### GLOSSARY

City Parks Services Limited (CPS)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK08016A - Sports Field Maintenance to 30 June 2012.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK08016A - Sports Field Maintenance - Approval to Extend report.
2. **Approve** that, subject to a satisfactory credit check, Contract No. PK08016A - Sports Field Maintenance as awarded to City Parks Services Limited be extended in the sum of \$1,480,363.28 excluding GST for the period 1 July 2011 to 30 June 2012.
3. **Approve** the commitment of \$1,480,363.28 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK08016A - Sports Field Maintenance
4. **Approve** that authority to extend Contract No. PK08016A - Sports Field Maintenance for the period 1 July 2010 to 30 June 2012 on behalf of Council be delegated to the Deputy Group Manager: Assets.
5. **Note** that the resolutions 2, 3 and 4 above are subject to confirmation by the Auckland Transition Agency.
6. **Note** that confirmation to proceed with Contract No. PK08016A - Sports Field Maintenance report has been received from the Integrated Procurement Group.

### BACKGROUND

1. Parks Assets currently manage 101 sports fields within the City. In order to successfully manage the maintenance requirements of the City's sports fields it is necessary to engage a contractor with the necessary resource and management skills to achieve high quality delivery of service to ensure the ongoing use and enjoyment of the City's sports fields and amenity areas.

2. The City's sports fields represent an important asset both in relation to resource, recreation and City image.
3. There are over 70 active sports clubs within Waitakere with 15 parks having sports clubrooms on parks. These clubs form an important part of the City's identity.
4. Sports field management is a highly specialised and technical field. The management of sports fields throughout the City is required to be of a standard that ensures safety of use, to enable adequate usage levels and meet surface requirements for Waitakere's clubs to maximise the facilities.
5. The Parks and Open Spaces Strategic Plan 2009 identifies that Council will need to provide 409 playing hours annually per 1,000 people. As a result it is imperative to implement sportsfield maintenance to a consistently high standard for all seasonal code requirements.
6. The scope of works for this contract includes:
  - Mowing;
  - Renovations;
  - Sand topdressing;
  - Irrigation Management;
  - Cricket wickets;
  - Goal post management;
  - Line marking; and
  - Pest and Disease management.
7. The Council approved the award of Contract No. PK08016A - Sports Field Maintenance as awarded to City Parks Services Limited (CPS) at a Tenders Subcommittee meeting held on 5 September 2008 where it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. PK08016A - Sports Field Maintenance report.
2. **Approve** the tender from City Parks Services Limited for Contract No. PK08016A - Sports Field Maintenance in the sum of \$3,742,404 plus \$467,800.58 GST, totalling \$4,210,204.58 on the basis of twenty (20) months and one (1) year subject to the contractor's ongoing performance, the availability of funding and at Council's sole discretion.
3. **Approve** the commitment of \$1,480,363.28 plus \$185,045.41 GST, totalling \$1,665,408.69 against the 2009/2010 Annual Plan for Contract No. PK08016A - Sports Field Maintenance.
4. **Approve** the commitment of \$1,480,363.28 plus \$185,045.41 GST, totalling \$1,665,408.69 against the 2010/2011 Annual Plan for Contract No. PK08016A - Sports Field Maintenance.
5. **Approve** that authority to enter into Contract No. PK08016A - Sports Field Maintenance for the period 1 November 2008 to 30 June 2011 on behalf of Council be delegated to the Group Manager: Asset Management.

6. *Agree that subject to acceptable contractor performance, the availability of funding and at Council's sole discretion, Contract No. PK08016A - Sports Field Maintenance be reported back to the Tenders Subcommittee in June 2010 for approval to re-award for the final year of the contract term."*

1495/2008

## DECISION MAKING

8. Contract No. PK08016A - Sports Field Maintenance is a 20 month contract with provision for up to one 12 month extension based on the satisfactory performance of the contractor. The contract is subject to comprehensive performance based outcomes and quality assurance measures.
9. CPS has confirmed in writing that they are willing to carry out the contract works under the current conditions and rates of Contract No. PK08016A - Sports Field Maintenance for the proposed extension period until 30 June 2012.
10. In order to limit potential disruption to Waitakere customers during the establishment period of the new Auckland Council it is proposed that Contract No. PK08016A - Sports Field Maintenance which delivers services across the City's sports fields be considered for extension on the basis that:
- The contractor has developed systems and processes which fulfil the maintenance requirements of the City's sports field assets;
  - The contractor has an institutional knowledge of the City's sports field assets; and
  - This will provide certainty of service delivery over the initial establishment period of the new Auckland Council.
11. The extension period proposed is outside the original contract period and is proposed to be issued in advance of the establishment of the Auckland Council to limit disruption in levels of service while regional procurement policy is developed.
12. Confirmation to proceed with Contract No. PK08016A - Sports Field Maintenance - Approval to Extend report has been received from the Integrated Procurement Group. The Integrated Procurement 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.
13. 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.
14. The total accumulation of this contract showing the cost of the annual contract sums to date is shown in Table 1 below:

Year 2008/2010	Original Contract Sum (20 months)	\$2,262,041.40
Year 2010/2011	Extension 1 (renewal)	\$1,480,363.28
Year 2011/2012	Extension	\$1,480,363.28
	Total	\$5,222,767.96

**Table 1 - Total accumulative amount**

## CONTRACTOR'S PERFORMANCE

15. An evaluation of CPS performance to date contains the following features:
- They have developed a good working relationship with relevant Council staff;
  - They are a well resourced company, that continue to employ local residents of Waitakere City 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.
16. CPS 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

17. A credit check on CPS has been requested.

## JOB COSTS

18.	<b>excl. GST</b>
Contract sum (12 months 2011/2012)	\$1,480,363.28
	-----
Total Job Cost	\$1,480,363.28

## SOURCE OF FUNDING

19. 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
Sportsfield Maintenance	5250	\$1,055,000.00	\$251,000.00	\$804,000.00	\$0.00	\$0.00
Sports Facilities Maintenance	5340	\$346,000.00	\$41,136.72	\$304,863.28	\$0.00	\$0.00
Sportsfields Upgrades	8AMPK-12-010	\$971,500.00	\$600,000.00	\$371,500.00	\$0.00	\$0.00
<b>Totals</b>		<b>\$2,372,500.00</b>	<b>\$892,136.72</b>	<b>\$1,480,363.28</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Table 2 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

21. 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.
22. 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 agreement of the Auckland Transitional Agency.

**Report prepared by:** Sonya Harrison, Parks Contract Officer.



## 11 CONTRACT NO. PK08015A - SPORTS PARK LANDSCAPE MAINTENANCE - APPROVAL TO EXTEND

### GLOSSARY

Parks and Maintenance Services Limited (PMS)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK08015A - Sports Park Landscape Maintenance to 30 June 2012.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK08015A - Sports Park Landscape Maintenance - Approval to Extend report.
2. **Approve** that the Contract No. PK08015A - Sports Park Landscape Maintenance as awarded to Parks and Maintenance Services Limited be extended in the sum of \$796,745.20 excluding GST for the period 1 July 2011 to 30 June 2012.

3. **Approve** the commitment of \$796,745.20 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK08015A - Sports Park Landscape Maintenance.
4. **Approve** that authority to extend Contract No. PK08015A - Sports Park Landscape Maintenance for the period 1 July 2011 to 30 June 2012 on behalf of Council be delegated to the Deputy Group Manager: Assets.
5. **Note** that the resolutions 2, 3 and 4 above are subject to confirmation by the Auckland Transition Agency.
6. **Note** that confirmation to proceed with Contract No. PK08015A - Sports Park Landscape Maintenance - Approval to Extend report has been received from the Integrated Procurement Group.

### BACKGROUND

1. Parks Assets currently manage 32 sports parks within the City. In order to successfully manage the maintenance requirements of the City's sports parks it is necessary to engage a contractor with the necessary resource and management skills to achieve high quality delivery of service to ensure the ongoing use and enjoyment of the City's sports parks and amenity areas.
2. The City's sports parks represent an important asset both in relation to resource, recreation and City image.
3. There are over 70 active sports clubs within Waitakere with 15 parks having sports clubrooms on parks. These clubs form an important part of the City's identity.
4. The management of sports parks throughout the City is required to be of a standard that ensures safety of use, cleanliness and the satisfactory appearance of the facilities.
5. The Parks and Open Spaces Strategic Plan 2009 identifies that Council will need to provide 409 playing hours annually per 1,000 people. As a result it is imperative to implement sportsfield maintenance to a consistently high standard for all seasonal code requirements and passive users.
6. The following scope of work will be provided for in Contract No. PK08015A Sports Park Landscape Maintenance. This will include:
  - Plantings maintenance;
  - Passive mowing and edging;
  - Toilets;
  - Litter;
  - Locking of parks; and
  - Car park sweeping.
7. The Council approved the extension of Contract No. PK08015A - Sports Park Landscape 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 Contract No. PK08015A - Sports Park Landscape Maintenance - Approval To Extend report.

2. *Approve that the Contract No. PK08015A - Sports Park Landscape Maintenance as awarded to Parks and Maintenance Services Limited be extended in the sum of \$1,593,490.40 excluding GST and any escalations for the period 1 July 2009 to 30 June 2011.*
3. *Approve the commitment of \$796,745.20 excluding GST and any escalations to the 2010/2011 financial year for Contract No. PK08015A - Sports Park Landscape Maintenance.*
4. *Approve that authority to extend Contract No. PK08015A - Sport Park Landscape for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Deputy Group Manager: Assets."*

1263/2009

## DECISION MAKING

8. Contract No. PK08015A - Sports Park Landscape Maintenance is a 20 month contract with provision for one 12 month extension based on the satisfactory performance of the Contractor. The contract is subject to comprehensive performance based outcomes and quality assurance measures.
9. PMS has confirmed in writing that they are willing to carry out the contract works under the current conditions and rates of Contract No. PK08015A - Sports Park Landscape Maintenance for the proposed extension period until 30 June 2012.
10. In order to limit potential disruption to Waitakere customers during the establishment period of the new Auckland Council it is proposed that Contract No. PK08015A - Sports Park Landscape 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 sports park assets; and
  - This will provide certainty of service delivery over the initial establishment period of the new Auckland Council.
11. The extension period proposed is outside the original contract period and is proposed to be issued in advance of the establishment of the Auckland Council to limit disruption in levels of service while regional procurement policy is developed.
12. Confirmation to proceed with Contract No. PK08015A - Sports Park Landscape Maintenance - Approval to Extend report has been received from the Integrated Procurement Group. The Integrated Procurement 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.
13. 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.

14. The total accumulation of this contract showing the cost of the annual contract sums to date is shown in Table 1 below:

Year 2008/2010	Original Contract Sum (20 Months)	\$1,277,908.60
Year 2010/2011	Extension 1 (renewal)	\$796,745.20
Year 2011/2012	Extension 2	\$796,745.20
	Total	\$2,871,399.00

**Table 1 - Total accumulative amount**

### CONTRACTOR'S PERFORMANCE

15. An evaluation of PMS performance to date contains the following features:
- They have developed a good working relationship with relevant Council staff;
  - They are a well resourced company, that continue to employ local residents of Waitakere City 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.
16. 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

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

### JOB COSTS

18.	<b>excl. GST</b>
Contract sum (12 months 2011/2012)	\$796,745.20
Contingency	\$ 17,973.74
	-----
Total Job Cost	\$814,718.94

## SOURCE OF FUNDING

19. 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
Fixtures and Furniture Maintenance	5330	\$589,000.00	\$524,000.00	\$65,000.00	\$0.00	\$0.00
Litter Control	5360	\$550,000.00	\$489,000.00	\$61,000.00	\$0.00	\$0.00
Passive Grass Maintenance	5320	\$1,662,000.00	\$1,595,000.00	\$67,000.00	\$0.00	\$0.00
Planting Maintenance	5290	\$1,293,000.00	\$976,282.10	\$316,718.00	\$0.00	\$0.00
Building Maintenance	5160	\$822,000.00	\$553,999.00	\$268,000.94	\$0.00	\$0.00
Car park and Driveways Maintenance	5240	\$185,000.00	\$148,000.00	\$37,000.00	\$0.00	\$0.00
<b>Total</b>		<b>\$5,101,000.00</b>	<b>\$4,286,281.00</b>	<b>\$814,718.94</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Table 2 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

21. 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.

22. 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 agreement of the Auckland Transitional Agency.

**Report prepared by:** Sonya Harrison, Parks Contract Officer.



12 **CONTRACT NO. PK05016A - CIVIL WORKS - APPROVAL TO EXTEND**

**GLOSSARY**

Field Drainage Specialist Limited (FDS)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK05016A - Civil Works to 30 June 2012.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK05016A - Civil Works - Approval to Extend report.
2. **Approve** that, subject to a satisfactory credit check, Contract No. PK05016A - Civil Works as awarded to Field Drainage Specialist Limited be extended in the sum of \$2,285,981.00 excluding GST for the period 1 July 2011 to 30 June 2012.
3. **Approve** the commitment of \$2,285,981.00 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK05016A - Civil Works.
4. **Approve** that authority to extend Contract No. PK05016A - Civil Works for the period 1 July 2011 to 30 June 2012 on behalf of Council be delegated to the Deputy Group Manager: Assets.
5. **Note** that resolutions 2, 3 and 4 above are subject to confirmation by the Auckland Transition Agency.
6. **Note** that confirmation to proceed with Contract No. PK05016A - Civil Works - Approval to Extend report has been received from the Integrated Procurement Group.

**BACKGROUND**

1. The requirements of the current civil works contract are to supply all material, labour, cartage, tools, plant and machinery necessary for the installation and renewal of assets within Waitakere's parks and open space infrastructure. The contract has been divided into separable portions as outlined below:
  - Coring and sand carpeting and sand slitting of sports fields;
  - Sports field construction;
  - Drainage video inspection and flushing of drains;
  - Removing and replacing concrete wickets and astro-turf surfaces;
  - Sports field irrigation installation and renewal;
  - Supply and installation of lateral, subsoil, and swale drains;
  - Planting and establishment of turf cover;
  - Construction of concrete and aggregate walkways, and timber boardwalks; and
  - Car park renewal works and repairs.

2. The Council approved the extension of Contract No. PK05016A - Civil Works to Field Drainage Specialists Limited (FDS) 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. PK05016A - Civil Works - Approval To Extend report.
2. **Approve** that Contract No. PK05016A - Civil Works as awarded to Field Drainage Specialists Limited be extended in the sum of \$4,571,962.00 excluding GST and escalations for the period 1 July 2009 to 30 June 2011.
3. **Approve** the commitment of \$2,285,981.00 excluding GST and any escalations to the 2010/2011 financial year for Contract No. PK05016A - Civil Works.
4. **Approve** that authority to extend Contract No. PK05016A - Civil Works to Field Drainage Specialists Limited for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Deputy Group Manager: Assets.”

1264/2009

## DECISION MAKING

3. Contract No. PK05016A - Civil Works was a one year contract with an expiry date of 30 June 2006. The contract allowed for two annual extensions up to 30 June 2008, based on the satisfactory performance by the Contractor and subject to Council's approval. Both of these annual extensions have been exercised and following the resolution of the Tenders Subcommittee on 7 December 2007, negotiations were undertaken with Field Drainage Specialists Limited to extend the contract sum and scope for a further one (1) year for 2008/2009. The contract has had further renewal periods of one (1) plus one (1). As per the above resolution the contract is currently subject to a two (2) year renewal period on the basis of ongoing contract performance in the 2010/2011 financial year.
4. FDS has confirmed in writing that they are willing to carry out the contract works under the current conditions and rates of Contract No. PK05016A - Civil Works for the proposed extension period until 30 June 2012.
5. In order to limit potential disruption to Waitakere customers during the establishment period of the new Auckland Council it is proposed that Contract No. PK05016A - Civil Works 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.
6. The extension period proposed is outside the original contract period and is proposed to be issued in advance of the establishment of the Auckland Council to limit disruption in levels of service while regional procurement policy is developed.
7. Confirmation to proceed with Contract No. PK05016A - Civil Works - Approval to Extend report has been received from the Integrated Procurement Group. The Integrated Procurement 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.

8. 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.
9. 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	\$891,724.10
Year 2006/2007	Extension 1 (renewal)	\$1,208,216.40
Year 2007/2008	Extension 2 (renewal)	\$1,901,875.45
Year 2008/2009	Extension 3	\$1,975,947.11
Year 2009/2010	Extension 4	\$2,285,981.00
Year 2010/2011	Extension 4	\$2,285,981.00
Year 2011/2012	Extension 5	\$2,285,981.00
	Total	\$12,835,706.06

**Table 1 - Total accumulative amount**

### CONTRACTOR'S PERFORMANCE

10. An evaluation of FDS performance to date contains the following features:
  - They have developed an excellent working relationship with relevant Council staff;
  - They have developed a thorough working knowledge of Council's sports field assets and their needs thereby enabling better programming of works as they take "ownership" of the City's sports field assets;
  - 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.
11. FDS 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

12. A credit check on FDS has been requested.

### JOB COSTS

13.	<b>excl. GST</b>
Contract sum (12 months 2011/2012)	\$2,285,981.00
	-----
Total Job Cost	\$2,285,981.00

## SOURCE OF FUNDING

14. 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
Safety & Emergency Works	5200	381,000.00	214,334.00	166,666.00	0.00	0.00
Services Maintenance	5220	408,000.00	309,400.00	98,600.00	0.00	0.00
Car park & Driveway Maintenance	5240	185,000.00	114,700.00	70,300.00	0.00	0.00
Sport Field Maintenance	5250	1,055,000.00	804,000.00	251,000.00	0.00	0.00
Building Upgrades	8AMPK-12-002	948,500.00	883,500.00	65,000.00	0.00	0.00
Car Park Upgrades	8AMPK-12-003	523,800.00	458,800.00	65,000.00	0.00	0.00
Path & Track Upgrades	8AMPK-12-005	494,300.00	339,300.00	155,000.00	0.00	0.00
Fixtures & Furniture Upgrade	8AMPK-12-004	398,200.00	147,700.00	250,500.00	0.00	0.00
Services Upgrade	8AMPK-12-008	290,000.00	235,000.00	55,000.00	0.00	0.00
Sport Facilities Upgrades	8AMPK-12-009	94,700.00	0.00	94,700.00	0.00	0.00
Sports Field Upgrades	8AMPK-12-010	971,500.00	371,500.00	600,000.00	0.00	0.00
Structure Upgrade	8AMPK-12-011	1,076,400.00	918,185.00	158,215.00		
Upgrade Existing Sports Fields	8AMPK-12-014	148,000.00	0.00	148,000.00	0.00	0.00
Parks Stormwater Drainage Programme	8AMPK-12-022	108,000.00	0.00	108,000.00	0.00	0.00
<b>Total</b>		<b>7,082,400.00</b>	<b>4,796,419.00</b>	<b>\$2,285,981.00</b>	<b>0.00</b>	<b>0.00</b>

**Table 2 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

16. 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.

17. 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 agreement of the Auckland Transitional Agency.

**Report prepared by:** Sonya Harrison, Parks Contract Officer.



13 **CONTRACT NO. PK05001C - PLANT AND ANIMAL PEST MAINTENANCE - APPROVAL TO EXTEND**

**GLOSSARY**

Bilfinger Berger (New Zealand) Limited (BBS)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK05001C - Plant and Animal Pest Maintenance to 30 June 2012.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK05001C - Plant and Animal Pest Maintenance - Approval to Extend report.
2. **Approve** that the Contract No. PK05001C - Plant and Animal Pest Maintenance as awarded to Bilfinger Berger (New Zealand) Limited be extended in the sum of \$406,369.10 excluding GST for the period 1 July 2011 to 30 June 2012.
3. **Approve** the commitment of \$406,369.10 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK05001C - Plant and Animal Pest Maintenance.
4. **Approve** that authority to extend Contract No. PK05001C - Plant and Animal Pest Maintenance for the period 1 July 2011 to 30 June 2012 on behalf of Council be delegated to the Deputy Group Manager: Assets.
5. **Note** that resolutions 2, 3 and 4 above are subject to confirmation by the Auckland Transition Agency.
6. **Note** that confirmation to proceed with Contract No. PK05001C - Plant and Animal Pest Maintenance - Approval to Extend report has been received from the Integrated Procurement Group.

## BACKGROUND

1. The scope of work for Contract No. PK05001C - Plant and Animal Pest Maintenance includes programmed and response work involving the programmed control of environmental weeds within the road reserve and in parks, response to community requests and possum, rodent, wasp and wild bee control. The principal objective of the programme is to maintain or improve the ecological integrity of Council's parks and road reserves through the control of environmental weeds and animal pests.
2. The Council approved the extension of Contract No. PK05001C - Plant and Animal Pest 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. PK05001C - Plant and Animal Pest Maintenance - Approval To Extend report.
2. **Approve** that Contract No. PK05001C - Plant and Animal Pest Maintenance as awarded to Bilfinger Berger (New Zealand) Limited be extended in the sum of \$863,740.16 excluding GST for the period 1 July 2009 to 30 June 2011.
3. **Approve** the commitment of \$431,870.08 excluding GST and escalations to the 2010/2011 financial year for Contract No. PK05001C - Plant and Animal Pest Maintenance.
4. **Approve** that authority to extend Contract No. PK05001C - Plant and Animal Pest Maintenance for the period 1 July 2009 to 30 June 2011 on behalf of the Council be delegated to the Deputy Group Manager: Assets.”

1260/2009

## DECISION MAKING

3. BBS were awarded Contract No. PK05001C - Plant and Animal Pest Maintenance for a period of 24 months with a right of renewal of 24 months, plus 24 months. The contract is subject to comprehensive performance based outcomes and quality assurance measures.
4. BBS has confirmed in writing that they are willing to carry out the contract works under the current conditions and rates of Contract No. PK05001C - Plant and Animal Pest Maintenance for the proposed extension period until 30 June 2012.
5. In order to limit potential disruption to Waitakere customers during the establishment period of the new Auckland Council it is proposed that Contract No. PK05001C - Plant and Animal Pest 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.
6. The extension period proposed is outside the original contract period and is proposed to be issued in advance of the establishment of the Auckland Council to limit disruption in levels of service while regional procurement policy is developed.

7. Confirmation to proceed with Contract No. PK05001C - Plant and Animal Pest Maintenance - Approval to Extend report has been received from the Integrated Procurement Group. The Integrated Procurement 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.
8. 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.
9. 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	\$414,440.58
Year 2006/2007		\$414,440.58
Year 2007/2008	Extension 1 (renewal)	\$387,276.46
Year 2008/2009		\$387,276.46
Year 2009/2010	Extension 2 (renewal)	\$406,369.10
Year 2010/2011		\$406,369.10
Year 2011/2012	Extension 3	\$406,369.10
	Total	\$2,822,541.38

**Table 1 - Total accumulative amount**

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

10. An evaluation of BBS performance to date contains the following features:
  - They have developed a good working relationship with relevant Council staff;
  - 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.
11. BBS 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**

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

## JOB COSTS

13.		<b>excl. GST</b>
	Contract sum (12 months 2011/2012)	\$406,369.10
	Contingency	\$ 40,600.00
		-----
	Total Job Cost	\$446,969.10

## SOURCE OF FUNDING

14. 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
Weed & Pest Maintenance	5190-74000	\$896,000.00	\$502,508.98	\$393,491.02	\$0.00	\$0.00
Cemetery Weed Control	8CSCM-12-840	\$32,000.00	\$2,634.02	\$29,365.98	\$0.00	\$0.00
Quarry Revegetation	6390-74000	\$70,000.00	\$54,771.28	\$15,228.72	\$0.00	\$0.00
Kay Rd Revegetation	8PSAF-07-001	\$8,883.38	\$0.00	\$8,883.38	\$0.00	\$0.00
	<b>Total</b>	<b>\$1,006,883.38</b>	<b>\$559,914.28</b>	<b>\$446,969.10</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Table 2 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

16. 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.

17. 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 agreement of the Auckland Transitional Agency.

**Report prepared by:** Helen Biffin, Team Leader - Parks Environmental Contracts.



14 **CONTRACT NO. PK05001B - ROADSIDE VEGETATION MAINTENANCE - APPROVAL TO EXTEND**

**GLOSSARY**

Aspin Weed Control Limited (AWC)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK05001B - Roadside Vegetation Maintenance to 30 June 2012.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK05001B - Roadside Vegetation Maintenance - Approval to Extend report.
2. **Approve** that the Contract No. PK05001B - Roadside Vegetation Maintenance as awarded to Aspin Weed Control Limited be extended in the sum of \$239,981.52 excluding GST for the period 1 July 2011 to 30 June 2012.
3. **Approve** the commitment of \$239,981.52 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK05001B - Roadside Vegetation Maintenance.
4. **Approve** that authority to extend Contract No. PK05001B - Roadside Vegetation Maintenance for the period 1 July 2011 to 30 June 2012 on behalf of Council be delegated to the Deputy Group Manager: Assets.
5. **Note** that resolutions 2, 3 and 4 above are subject to confirmation by the Auckland Transition Agency.
6. **Note** that confirmation to proceed with Contract No. PK05001B - Roadside Vegetation Maintenance - Approval to Extend report has been received from the Integrated Procurement Group.

**BACKGROUND**

1. The scope of work includes:
  - Control of vegetative growth in roadside kerb and channel, drains and dish channels on all Council owned roadways;
  - Control of vegetative growth on roadside footpath edges; and
  - Manual control of vegetative growth in the kerb and channel, and roadside footpath edges outside schools and kindergartens.
2. The Council approved the extension of Contract No. PK05001B - Roadside Vegetation Maintenance to Aspin Weed Control Limited (AWC) 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. PK05001B - Roadside Vegetation Maintenance - Approval To Extend report.

2. *Approve that the Contract No. PK05001B - Roadside Vegetation Maintenance as awarded to Aspin Weed Control Limited be extended in the sum of \$533,703.94 excluding GST for the period 1 July 2009 to 30 June 2011.*
3. *Approve the commitment of \$266,851.97 excluding GST and any escalations to the 2010/2011 financial year for Contract No. PK05001B - Roadside Vegetation Maintenance.*
4. *Approve that authority to extend Contract No. PK05001B - Roadside Vegetation Maintenance for the period 1 July 2009 to 30 June 2011."*

1261/2009

## DECISION MAKING

3. AWC were awarded Contract No. PK05001B - Roadside Vegetation Maintenance for a period of 24 months with a right of renewal of 24 months, plus 24 months. The contract is subject to comprehensive performance based outcomes and quality assurance measures.
4. AWC has confirmed in writing that they are willing to carry out the contract works under the current conditions and rates of Contract No. PK05001B - Roadside Vegetation Maintenance for the proposed extension period until 30 June 2012.
5. In order to limit potential disruption to Waitakere customers during the establishment period of the new Auckland Council it is proposed that Contract No. PK05001B - Roadside Vegetation 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.
6. The extension period proposed is outside the original contract period and is proposed to be issued in advance of the establishment of the Auckland Council to limit disruption in levels of service while regional procurement policy is developed.
7. Confirmation to proceed with Contract No. PK05001B - Roadside Vegetation Maintenance - Approval to Extend report has been received from the Integrated Procurement Group. The Integrated Procurement 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.
8. 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.

9. 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	\$221,239.60
Year 2006/2007		\$221,239.60
Year 2007/2008	Extension 1 (renewal)	\$228,762.48
Year 2008/2009		\$228,762.48
Year 2009/2010	Extension 2 (renewal)	\$239,981.52
Year 2010/2011		\$239,981.52
Year 2011/2012	Extension 3	\$239,981.52
	Total	\$1,619,948.72

**Table 1 - Total accumulative amount**

### CONTRACTOR'S PERFORMANCE

10. An evaluation of AWC performance to date contains the following features:
- They have developed a good working relationship with relevant Council staff;
  - They are a well resourced company, that continue to employ local residents of Waitakere City 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.
11. AWC 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

12. A credit check on AWC dated 7 April 2010 revealed no adverse information.

### JOB COSTS

13.	<b>excl. GST</b>
Contract sum (12 months 2011/2012)	\$239,981.52
Contingency	\$ 23,998.00
	-----
Total Job Cost	\$263,979.52

## SOURCE OF FUNDING

14. 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
Vegetation Control (subsidized)	5490	\$381,000.00	\$117,020.48	\$263,979.52	\$0.00	\$0.00
	<b>Totals</b>	<b>\$381,000.00</b>	<b>\$117,020.48</b>	<b>\$263,979.52</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Table 2 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

16. 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.

17. 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 agreement of the Auckland Transitional Agency.

**Report prepared by:** Helen Biffin, Team Leader, Parks Environmental Contracts.



15 **CONTRACT NO. PK03600C - CITYWIDE GRAFFITI MANAGEMENT- APPROVAL TO EXTEND**

**GLOSSARY**

Tag Out Trust (TOT)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK03600C - Citywide Graffiti Management to 30 June 2012.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK03600C - Citywide Graffiti Management - Approval to Extend report.
2. **Approve** that the Contract No. PK03600C - Citywide Graffiti Management as awarded to Tag out Trust be extended in the sum of \$920,000.00 excluding GST for the period 1 July 2011 to 30 June 2012.
3. **Approve** the commitment of \$920,000.00 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK03600C - Citywide Graffiti Management.
4. **Approve** that authority to extend Contract No. PK03600C - Citywide Graffiti Management for the period 1 July 2011 to 30 June 2012 on behalf of Council be delegated to the Deputy Group Manager: Assets.
5. **Note** that resolutions 2, 3 and 4 above are subject to confirmation by the Auckland Transition Agency.
6. **Note** that confirmation to proceed with Contract No. PK03600C - Citywide Graffiti Management - Approval to Extend report has been received from the Integrated Procurement Group.

**BACKGROUND**

1. The contract is a continuation of Council's graffiti removal and prevention programme for all neighbourhood / local parks, civic and streetscape areas throughout the City. The works are required to maintain a clean and graffiti free condition throughout Waitakere.
2. The purpose of the contract is to implement the Graffiti Control Strategy established in 1999. The objectives of that strategy are:
  - To significantly reduce the incidence of graffiti within Waitakere;
  - To reduce the number of complaints or establish a 'no complaints' target;
  - Establish and run a successful Tag Free Programme for recidivist taggers;
  - Establish and run a successful Community Service for reducing re-offending; and
  - Communicate with Police to catch and charge repetitive taggers.

2. The contract focuses on two elements: prevention and removal. The scope of work includes:
  - Youth education and Tag Free Kiwi Programme;
  - Community Service Programmes;
  - Self-help removal assistance for residents and business;
  - Adopt a Spot volunteer scheme;
  - The employment of seven operators for the quick removal of tagging; and
  - Management of the Waitakere City Council component of the Auckland Regional Database.
3. The scope of the contract has increased over the past year with the addition of the Project Twin Streams cycle ways, new parks assets and new City developments.
4. This contract comprises of:
  - Programmed frequency inspections and graffiti removal for the high profile areas, City Centre's, main arterial routes, town centre toilet blocks, parks within Waitakere;
  - Removing graffiti throughout the City from parks, commercial areas, residential areas, main arterial routes, walkways and through Council's service request system; and
  - The contract requires the programmed removal of graffiti of assets which are considered to have a high profile within the City.
5. To undertake graffiti removal the contract includes the supply of all management, supervision, labour, materials, plant and incidentals required to maintain the following assets to a graffiti free condition:
  - Major Commercial Centres;
  - Minor Commercial Centres;
  - Major Arterial Routes;
  - Parks;
  - Waikumete Cemetery;
  - Toilets;
  - Bus Shelters;
  - Street Lights and Traffic Poles;
  - City Entry Signs;
  - Art Works;
  - Cycle ways and cycle way assets; and
  - Management of the Auckland Regional Database.
6. The Council approved the extension of Contract No. PK03600C - Citywide Graffiti Management to Tag Out Trust (TOT) 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. PK03600C - Citywide Graffiti Management - Approval To Extend report.
  2. **Approve** that Contract No. PK03600C - Citywide Graffiti Management as awarded to Waitakere Tag Out Trust be extended in the sum of \$945,427.00 excluding GST for the period of 1 July 2010 to 30 June 2011.

3. **Approve** the commitment of \$945,427.00 excluding GST and any escalations to the 2010/2011 financial year for Contract No. PK03600C - Citywide Graffiti Management.
4. **Approve** that authority to extend Contract No. PK03600C - Citywide Graffiti Management for the period 1 July 2010 to 30 June 2011 on behalf of the Council be delegated to the Deputy Group Manager: Assets.”

1256/2009

## DECISION MAKING

7. Contract No. PK03600C - Citywide Graffiti Management is a 24 month contract with provision for 11 months, plus 12 months, plus 12 months, plus 21 months, plus 12 months, plus 12 months, plus 12 months extension based on the satisfactory performance of the Contractor. The contract is subject to comprehensive performance based outcomes and quality assurance measures.
8. TOT has confirmed in writing that they are willing to carry out the contract works under the current conditions and rates of Contract No. PK03600C - Citywide Graffiti Management for the proposed extension period until 30 June 2012.
9. In order to limit potential disruption to Waitakere customers during the establishment period of the new Auckland Council it is proposed that Contract No. PK03600C - Citywide Graffiti Management which delivers services across the City be considered for extension on the basis that:
  - The contractor has developed systems and processes which fulfil the graffiti removal 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.
10. The extension period proposed is outside the original contract period and is proposed to be issued in advance of the establishment of the Auckland Council to limit disruption in levels of service while regional procurement policy is developed.
11. Confirmation to proceed with Contract No. PK03600C - Citywide Graffiti Management - Approval to Extend report has been received from the Integrated Procurement Group. The Integrated Procurement 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.
12. The extension value is based on existing contract rates and matches the operational budget provided for these services in the 2011/2012 financial years.
13. The total accumulation of this contract showing the cost of the annual contract sums to date is shown in Table 1 below:

Year 2003/2004 & 2004/2005	Original Contract Sum (24 months)	\$900,000.00
Year 2005/2006	Extension 1 (renewal for 11 months)	\$495,962.88
Year 2006/2007	Extension 2 (renewal for 12 months)	\$541,050.20
Year 2007/2008	Extension 3 (renewal for 12 months)	\$765,293.47
Year 2008/2009	Extension 4 (renewal for 21 months)	\$1,496,705.68
Year 2009/2010	Extension 5 (renewal for 12 months)	\$871,875.00
Year 2010/2011	Extension 6 (renewal for 12 months)	\$945,427.00
Year 2011/2012	Extension 7 (renewal for 12 months)	\$920,000.00
	Total	\$6,936,314.00

**Table 1 - Total accumulative amount**

## CONTRACTOR'S PERFORMANCE

14. An evaluation of TOT performance to date contains the following features:
- They have developed a good working relationship with relevant Council staff;
  - They are well resourced and employ local residents of the City 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.
15. TOT 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.

## CREDIT CHECK

16. A credit check on TOT dated 14 April 2010 revealed no adverse information.

## JOB COSTS

17.	<b>excl. GST</b>
Contract sum (12 months 2011/2012)	\$920,000.00
	-----
Total Job Cost	\$920,000.00

## SOURCE OF FUNDING

18. 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
Education & Public Relationship	5400	\$920,000.00	\$0.00	\$920,000.00	\$0.00	\$0.00
	<b>Totals</b>	<b>\$920,000.00</b>	<b>\$0.00</b>	<b>\$920,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

Table 2 - Source of Funding

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

20. 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.
21. 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 agreement of the Auckland Transitional Agency.

Report prepared by: Gill Thurlow, Contract Officer, Parks and Open Spaces.



## 16 CONTRACT NO. SP10002A - SUPPLY AND INSTALL RADIO FREQUENCY IDENTIFICATION EQUIPMENT INTO WAITAKERE LIBRARIES - PHASE 1 - APPROVAL TO PROCEED TO INVITED TENDER

### GLOSSARY

Radio Frequency Identification Equipment	(RFID)
Request for Proposal	(RFP)
New Zealand Transport Agency	(NZTA)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to revoke Request for Proposal for Contract No. CW0909009D - Provision of RFID Equipment and Services - resolution number 389/2010 and call for invited tenders for Contract No. SP10002A - Supply and Install Radio Frequency Identification Equipment into Waitakere Libraries - Phase 1.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SP10002A - Supply and Install Radio Frequency Identification Equipment into Waitakere Libraries - Phase 1 - Approval to Proceed to Invited Tender report.

2. **Agree** that pursuant to Standing Order 27.18 resolution number 389/2010 from the Tenders Subcommittee meeting of 9 April 2010:

*“The Tenders Subcommittee resolved to:*

2. **Approve** that the Director: Community Wellbeing be delegated authority to invite tenders from 3M New Zealand Limited, Techlogic Corporation and Datacom Systems Limited/Bibliotheca Radio Frequency Identification Library Systems Australia Pty Limited, for Contract No. CW0909009D - Provision of Radio Frequency Identification Equipment and Services.
3. **Agree**, subject to resolution 4 below, that the results of the tender evaluation process for Contract No. CW0909009D - Provision of Radio Frequency Identification Equipment and Services - be reported back to the Tenders Subcommittee for approval.
4. **Note** that resolutions 2 and 3 above be subject to confirmation by the Auckland Transition Agency.
5. **Note** that confirmation be sought to proceed with Contract No. CW0909009D - Provision of Radio Frequency Identification Equipment and Services from the Integrated Procurement Group.”

389/2010

be revoked.

3. **Approve** that the following five contractors be invited to tender for Contract No. SP10002A - Supply and Install Radio Frequency Identification Equipment into Waitakere Libraries - Phase 1:
- Tech Logic Corporation;
  - ST LogiTrack Pte Ltd;
  - FE Technologies;
  - Datacom Systems Ltd/Bibliotheca RFID Library Systems Australia Pty Ltd; and
  - 3M New Zealand Limited.
4. **Agree** that the results of the tender evaluation process for Contract No. SP10002A - Supply & Install Radio Frequency Identification Equipment into Waitakere Libraries - Phase 1 be reported back to the Tenders Subcommittee.

## **BACKGROUND**

1. Radio Frequency Identification Equipment (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. A business case for the implementation of RFID was presented by an independent library consultant to the Culture and Community Committee at its meeting held on 8 April 2009.

3. At its meeting held on 8 April 2009, the Culture and Community Committee meeting resolved as follows:

*“The Culture and Community Committee resolved 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 on the advice of an external project management consultant, it was decided to proceed by way of a publicly advertised Request for Proposal (RFP). The RFP was advertised on Tenderlink on 18 December 2009 with ten sets of documents being uplifted. Five responses were received by the closing date of 26 January 2010.
5. RFP submissions were evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency’s (NZTA) “Competitive Pricing Procedures Manual”. However, a decision was made by the Project Control Group that the standard NZTA non-price attributes were not directly relevant to the requirements of this project. The conditions of the RFP required submitters to provide pricing information (weighting 50%), and detailed submissions based on four key non-price attributes namely:
- Track record;
  - Standards and Interoperability (compatibility with existing libraries for the greater Auckland Region);
  - Aesthetic and Physical Considerations; and
  - Functionality.
6. Following evaluation of the RFP’s, two of the respondents were selected for demonstrations and review (Datacom Systems Ltd/Bibliotheca RFID Library Systems Australia Pty Ltd and 3M New Zealand Ltd). These reviews were carried out by a Project Implementation Team joined by representatives from libraries for the greater Auckland region.
7. On 9 April 2010 a report was presented to the Tenders Subcommittee seeking approval to invite the two contractors with the highest index scores (Datacom Systems Ltd/Bibliotheca RFID Library Systems Australia Pty Ltd and 3M New Zealand Ltd) to tender for Contract CW0909009D - Provision of RFID Equipment and Services. Tenders Subcommittee resolved to:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. CW0909009D - Provision of Radio Frequency Identification Equipment and Services - Request for Proposal report.
2. **Approve** that the Director: Community Wellbeing be delegated authority to invite tenders from 3M New Zealand Limited, Techlogic Corporation and Datacom Systems Limited/Bibliotheca Radio Frequency Identification Library Systems Australia Pty Limited, for Contract No. CW0909009D - Provision of Radio Frequency Identification Equipment and Services.

3. *Agree, subject to resolution 4 below, that the results of the tender evaluation process for Contract No. CW0909009D - Provision of Radio Frequency Identification Equipment and Services - be reported back to the Tenders Subcommittee for approval.*
4. *Note that resolutions 2 and 3 above be subject to confirmation by the Auckland Transition Agency.*
5. *Note that confirmation be sought to proceed with Contract No. CW0909009D - Provision of Radio Frequency Identification Equipment and Services from the Integrated Procurement Group.*

389/2010

8. Subsequent to the above resolutions 389/2010 made on 9 April 2010 it has become evident that a best practice process in line with Council's procurement policy had not been followed. An external project management Consultant was engaged to oversee the project and an RFP process was implemented with the objective of short listing respondents for purposes of an invited tender. However, the RFP included a requirement for respondents to provide a tender price which was made public through the resulting tender report.
9. On review of the process by Council officers, Special Projects and Legal Services recommended that by making the respondents prices public, an objective tender process is no longer achievable and the above mentioned RFP process should be cancelled in accordance with the terms and conditions of the RFP document.
10. Letters informing the five vendors of this process have been sent out.

#### **SCOPE OF WORK**

11. It is intended to implement RFID in all Waitakere Library branches, as per resolution number 539/2009 dated 8 April 2009 of the Culture and Community Committee.
12. The project has been divided into phases, with Phase 1 commencing during the Annual Plan 2009/2010.
13. The scope of work outlined in this contract involves:
  - Supply of 500,000 RFID tags to be affixed 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 and maintenance.
14. Phase 2 will deal with the implementation of RFID in the remaining library branches, and is subject to the successful completion of Phase 1.

## PROPOSAL

15. In recognition of the time and effort provided by the five respondents as well as the fact that the conditions for a publicly notified process have essentially been satisfied during the above mentioned RFP, it is considered appropriate that the five current existing respondents be nominated as the shortlist for an invited tender process. The names of the five invitees are as follows:
  - Tech Logic Corporation;
  - ST LogiTrack Pte Ltd;
  - FE Technologies;
  - Datacom Systems Ltd/Bibliotheca RFID Library Systems Australia Pty Ltd; and
  - 3M New Zealand Limited.
16. Tenders will be evaluated using the standard NZTA weighted attributes in accordance with the guidelines in the Council Procurement Manual, with a 50% weighting 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;
  - Equipment Functionality.
17. A tender document will be issued in June 2010, with a tender period of two weeks. It is expected that the scope of works will be substantially similar to that of the RFP document.

## SOURCE OF FUNDING

18. Funding of \$670,287 has been provided in the Annual Plan 2009/2010 for the purchase and installation of RFID equipment and tags.
19. Based on the expected value of RFID tags, equipment, installation and conversion costs, the estimated value of the proposed contract for Phase 1 is \$500,000. This cost includes a provision of up to \$200,000 for a five bin book sorter.
20. A commitment of \$58,900 has been set aside for project management costs, leaving \$611,387 as available budget.
21. The overall expenditure will be within the budgeted funding allocation.
22. Budget will need to be carried forward to the draft Annual Plan 2010/2011, with project completion estimated for November 2010. This has been signalled during forecasting.

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

24. 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.
  
25. This contract does not require consideration under the Regional Procurement process being managed by the Integrated Procurement Group as it falls outside of the guidelines for contracts to be considered for regional procurement. All other library systems have been involved in the discussions around the implementation of RFID in Waitakere. Those libraries that do not currently have RFID have made approaches to their respective Councils to seek funding; however, as RFID had not been included in their LTCCP process, they were unsuccessful in securing funding. Papakura is in the process of securing RFID equipment but they required a shorter timeframe to implement.

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

