

**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, 2 JULY 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 - 18 June 2010

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 18 June 2010, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. EW10003C - STORMWATER RENEWAL AT SWANSON ROAD, STAGE 4 - APPROVAL TO AWARD**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW10003C - Stormwater Renewal at Swanson Road, Stage 4.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW10003C - Stormwater Renewal at Swanson Road, Stage 4 - Approval to Award report.
2. **Approve** that the tender from Advanced Pipeline Services Limited for Contract No. EW10003C - Stormwater Renewal at Swanson Road, Stage 4 in the sum of \$343,900.00 plus \$42,987.50 GST, totalling \$386,887.50 be accepted.
3. **Approve** that authority to enter into Contract No. EW10003C - Stormwater Renewal at Swanson Road, Stage 4 on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. The existing 1,200 millimetre diameter Armco corrugated steel stormwater pipe, laid in the early 1970's, is a critical asset serving a large portion of the Swanson Road catchment and is showing signs of corrosion. Stages 1 to 3 of this project were completed in previous years. Stage 4 is the final lining stage of this project.

SCOPE OF WORK

2. This contract is to line the existing 159 metres of 1,200 millimetre diameter Armco pipe using in-situ Cured in Place Pipe lining technology.

TENDERS RECEIVED

3. Tenders were publicly advertised on Tenderlink with 21 sets of documents being uplifted. Three tenders were received by the closing date of 1 June 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Advanced Pipeline Services Limited	146 Neilson Street, Onehunga Auckland	\$343,900.00
Interflow (NZ) Limited (Alternative)	3J Henry Rose Place, Albany Auckland	\$347,900.09
The Fletcher Construction Company Limited, trading as PipeWorks	18 Gabador Place, Mt Wellington Auckland	\$386,880.94
Pre-tender contract estimate (based on most up-to-date tender rate)		\$358,950.00
Budget estimate		\$360,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

4. Advanced Pipeline Services Limited stated that they will complete the works within the contract period based on the assumption that procurement of the materials will take approximately seven weeks. This is acceptable to Council.
5. Interflow (NZ) Limited submitted an alternative tender. They proposed to supply and install Ribloc Rotaloc pipes instead of the specified Cured in Place Pipe lining. Their tender contained several tags that have not been pursued further as these tags would have no effect on the outcome of the tender evaluation.
6. The tender from The Fletcher Construction Company Limited, trading as PipeWorks contained two tags. They have assumed that the works will be executed during a period of dry weather and have not allowed for bypass pumping. They also stated they will supply a performance bond supplied by The Fletcher Trust & Investment Company. These tags are not acceptable to Council but were not pursued further as these tags would have no effect on the outcome of the tender evaluation.

TENDER EVALUATION

7. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
8. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skills	Resour.	Manag. Skills	Method.	Price	Total Weights	
	Weights	5	5	5	5	5	5	70	100	
Tenderer	Tender Sum	Grades							INDEX	
Advanced Pipeline Services Limited	\$343,900.00	85	80	85	80	75	80	56	63	
The Fletcher Construction Company Limited (PipeWorks)	\$386,880.94	80	80	75	80	70	80	44	54	
Medn. Tender Price	\$365,390.47									

Table 2 - Summary of Tender Evaluation

9. Scores for the non-price attributes were determined on the basis of information provided in each tender, information gathered from the referees nominated by each tenderer and on recent Council experience with the tenderers.
10. Interflow (NZ) Limited submitted an alternative tender that was evaluated in accordance with Section 2.8 of the New Zealand Transport Agency's Competitive Pricing Procedures Manual as shown in Table 2A below.

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skills	Resour.	Manag. Skills	Method.	Price	Total Weights	
	Weights	5	5	5	5	5	5	70	100	
Tenderer	Tender Sum	Grades							INDEX	
Advanced Pipeline Services Limited	\$343,900.00	85	80	85	80	75	80	56	63	
Interflow (NZ) Limited	\$347,900.09	75	70	75	70	70	65	55	59	
Medn. Tender Price	\$365,390.47									

Table 2A- Summary of Tender Evaluation (Alternative)

11. The pre-tender contract estimate was carried out based on a previous contract undertaken by Council.
12. The results of the tender evaluation as summarised in Table 2 and Table 2A shows that the tender submitted by Advanced Pipeline Services Limited achieved the highest overall index of 63 and this tender is also the lowest priced tender.
13. Advanced Pipeline Services Limited has successfully completed similar contracts for Council.
14. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance are not negotiable" - all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

CREDIT CHECK

15. A credit check on Advanced Pipeline Services Limited dated 9 June 2010 revealed no adverse information

JOB COSTS

16.	excl. GST
Tender sum - Advanced Pipeline Services Limited	\$343,900.00
Contingency	\$ 34,390.00
Engineering and Supervision	\$ 51,585.00

Total Job Cost	\$429,875.00

SOURCE OF FUNDING

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

Budget Description (Subject to approval of the Annual Plan 2010/2011)	Codes	Budget	Committed to other projects	Allocation to this project	Unallocate d balance	Potential surplus
Stormwater Renewals	8AMEW- 11-121	\$450,000.00	0.00	\$429,875.00	\$20,125.00	\$16,100.00
	Total			\$429,875.00		

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

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

Report prepared by: Vijay Mungro, Contracts Engineer, Project Services.



6 **CONTRACT NO. TA10013B - ROAD RE-MARKING AND RAISED PAVEMENT MARKERS 2010/2011 - APPROVAL TO AWARD**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA10013B - Road Re-Marking and Raised Pavement Markers 2010/2011.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA10013B - Road Re-Marking and Raised Pavement Markers 2010/2011- Approval to Award report.
2. **Approve** that the tender from Coastline Markers Limited for Contract No. TA10013B - Road Re-Marking and Raised Pavement Markers 2010/2011 in the sum of \$717,564.55 plus \$89,695.57 GST, totalling \$807,260.12 from 01 July 2010 to 30 June 2011 be accepted.
3. **Approve** that authority to enter into Contract No. TA10013B - Road Re-Marking and Raised Pavement Markers 2010/2011 on behalf of the Council be delegated to the Group Manager: Project Services.
4. **Agree** that authority to extend Contract No. TA10013B - Road Re-Marking and Raised Pavement Markers 2010/2011 beyond 30 June 2011 for a further 1 plus 1 year, subject to contractor's performance and availability of funding, be brought back to Auckland Transport for approval.

BACKGROUND

1. Waitakere City Council has 765 kilometres of sealed road network that needs annual road re-marking and raised pavement markers maintenance. The previous contract expired on 30 June 2010.
2. This contract forms part of Council's asset maintenance and renewals programme as provided for in the Annual Plan 2010/2011.

SCOPE OF WORK

3. The scope of work includes:
 - Annual re-marking of existing road markings;
 - Re-marking of pedestrian crossings (approximately 178 Citywide);
 - Installation of new markings on request;
 - Replacement of raised pavement markers on request;
 - Removal of existing road markings on request;
 - Re-marking of fire hydrant and water valve lids, post, triangles and kerb markings on request; and
 - Data collection of road markings.
4. The contract allows for up to two annual extensions to 30 June 2013. Each annual extension period is based on the satisfactory performance by the Contractor and subject to Auckland Transport approval.

TENDERS RECEIVED

5. Tenders were publicly advertised on Tenderlink with 13 sets of documents being uplifted. Three tenders were received by the closing date of 8 June 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Coastline Markers Limited	Albany	\$717,564.55
Roadmarkers New Zealand Limited	Hamilton	\$878,415.00
Downer EDI Works Limited	Airport Oaks	\$928,394.22
Pre-tender contract estimate (based on most up-to-date tender rate)		\$765,000.00
Budget estimate		\$768,250.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

6. The tenders from both Roadmarkers New Zealand Limited and Downer EDI Works Limited contained minor rounding errors in the extension of rates. These were not addressed as they would not affect the outcome of the tender evaluation. There were no omissions in their tenders.
7. The tender submitted by Coastline Markers Limited contained one minor omission and several rounding errors in the extension of rates such that their tender sum is \$814.62 lower than the summation of the unit rates. Coastline Markers Limited has confirmed their tender price.

TENDER EVALUATION

8. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
9. These procedures require that where the tender includes Provisional Sums (work valued by the Principal and placed within the Schedule of Prices) they are deducted from the Tender Sum prior to evaluating each tender.
10. In this contract the value of Provisional Sums is \$20,000.
11. The "two envelope process" as described in Section 2.7 of the above manual was followed. Under this method, only the first tender envelope is opened and the non-price attributes evaluated for all tenders before the second envelope containing the tender price is opened, and the tender prices duly included in the evaluation.

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number TA10013B
		Total Weights							
	Weights	6	5	6	2	6	5	70	100
Tenderer	Tender Sum	Grades							INDEX
Coastline Markers Limited	\$697,564.55	83	83	78	75	73	83	69	72
Roadmarkers New Zealand Limited	\$858,415.00	70	83	83	70	73	58	50	57
Downer EDI Works Limited	\$908,394.22	80	83	80	70	78	83	44	55
Medn. Tender Price	\$858,415.00								

Table 2 - Summary of Tender Evaluation

13. Scores for the non-price attributes were determined on the basis of information provided in each tender, on the information gathered from the referees nominated by the tenderers and on any recent Council experience with the tenderers.
14. Roadmarkers New Zealand Limited was given a comparatively low score for methodology as their methodology statement was not as well detailed as the other two tenders.
15. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Coastline Markers Limited achieved the highest index of 72. This tender is also the lowest priced tender.
16. Coastline Markers Limited is a specialist roadmarking contractor with good resources and a good track record. They have significant experience in the type and magnitude of work involved in this contract. Coastline Markers Limited is the incumbent roadmarking contractor for Waitakere City Council and has worked in Waitakere for the past six years, performing to a high standard.
17. Coastline Markers Limited's referees have confirmed that they are a cooperative contractor to work with and are proactive in finding solutions to problems encountered. The referees all recommended this contractor.
18. The lowest tender is 10.4% below the pre-tender contract estimate.
19. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance are not negotiable" - all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

CREDIT CHECK

20. A credit check on Coastline Markers Limited dated 1 June 2010 revealed no adverse information.

JOB COSTS

21.		excl. GST
	Tender sum - Coastline Markers Limited	\$717,564.55
	Contingency	\$ 71,756.45
	Engineering and Supervision	\$ 55,000.00

	Total Job Cost	\$844,321.00

SOURCE OF FUNDING

22. Source of funding is shown in Table 3 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
Road Marking/Physical Works	74000-5970	\$756,315.00	\$0.00	\$700,321.00	\$55,994.00	\$50,685.45
Valve and Hydrant routine marking	74000-7450	\$300,000.00	\$260,000.00	\$29,000.00	\$11,000.00	\$0.00
Traffic Facilities /Professional Services	63000-5940	\$342,659.00	\$0.00	\$55,000.00	\$287,659.00	\$0.00
Minor Safety Projects	8AMTA-07-034/03	\$1,121,600.00	\$1,061,600.00	\$60,000.00	\$0.00	\$0.00
	Total			\$844,321.00		

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

23. There are no implementation issues expected 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.

Report prepared by: Para Wijesooriya, Senior Engineer, Roading.



7 **CONTRACT NO. TA06054A - AUCKLAND REGIONAL TRANSPORT AUTHORITY FUNDING APPLICATIONS - APPROVAL TO EXTEND**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications for 12 months, to 30 June 2011. This contract provides for essential work to enable Council to apply for subsidy from the New Zealand Transport Agency for transport projects, through the Auckland Regional Transport Authority.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications - Approval To Extend report.
2. **Approve** that, subject to a satisfactory credit check, Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications as awarded to OPUS International Consultants Limited be extended in the sum of \$89,000 excluding GST for the period 1 July 2010 to 30 June 2011.
3. **Approve** that authority to extend Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications for the period 1 July 2010 to 30 June 2011 on behalf of the Council be delegated to the Acting Group Manager: Asset Management.

BACKGROUND

1. Each financial year territorial local authorities are required to submit to the Auckland Regional Transport Authority their funding applications for roading projects that qualify for funding assistance from the New Zealand Transport Agency. The requirements of the applications are complex and demand extensive supporting information to achieve approval of the funding applications.
2. The scope of this contract is to provide professional services to assist Council officers in making these funding applications, including carrying out economic evaluations of projects, and producing other supporting reports and information that may be required for specific projects.
3. Award of Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications to OPUS International Consultants Limited was approved at a Tenders Subcommittee meeting held on 26 January 2007 as follows:

- “1. That the Contract No. TA06054A - Auckland Regional Transport Authority - Funding Applications report be received.
2. That the action taken in accepting the tender from OPUS International Consultants Limited for Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications in the sum of \$205,175 plus \$25,647 GST, totalling \$230,822 be endorsed.
3. That the commitment to the 2007/2008 financial year for Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications totalling \$89,000 plus GST be approved.

4. *That the commitment to the 2008/2009 financial year for Contract No. TA06054A -Auckland Regional Transport Authority Funding Applications totalling \$89,000 plus GST be approved.*
5. *That the action taken by the Group Manager: Asset Management to enter into Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications be endorsed.*
6. *That the authority to extend Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications for an additional year from 1July 2009 to 30 June 2010 based on satisfactory performance by the contractor be reported back to the Tenders Subcommittee.*
7. *That the authority to extend Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications for a further additional year from 1July 2010 to 30 June 2011 based on satisfactory performance by the contractor be reported back to the Tenders Subcommittee.”*

13/2007

4. In accordance with resolution 6 above the extension of Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications for an additional year from 1 July 2009 to 30 June 2010 was approved at a Tenders Subcommittee meeting held on 10 July 2009 as follows:

- “1. **Receive** the Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications - Approval to Extend report.
2. **Approve** that, subject to a satisfactory credit check, contract No. TA06054A - Auckland Regional Transport Authority Funding applications as awarded to OPUS International Consultants Limited be extended in the sum of \$89,000 excluding GST for the period 1 July 2009 to 30 June 2010.
3. **Approve** that authority to extend Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications for the period 1 July 2009 to 30 June 2010 on behalf of the council be delegated to the Deputy Director: City Services.”

1200/2009

DECISION MAKING

5. Contract No. TA06054A - Auckland Regional Transport Authority Funding Applications is a three year contract with an original expiry date of 30 June 2009. The contract also has provision for up to two annual extensions based on the satisfactory performance by the contractor and subject to the Council's approval. The first extension was previously approved by the Tenders Subcommittee and the contract will expire on 30 June 2010 if not further extended. Extending this contract will provide consistency and continuity in carrying out the necessary work on the funding applications, and maintain the progress of transport projects approved in the Annual Plan 2010/2011 during the period of transition.
6. While a contract extension of twelve months is proposed it is recognised that the additional consultant capacity for preparing funding applications may or may not be required once the new Transport Agency is established. The terms of contract provide that there is no guaranteed level of work and so there will be no obligation on Auckland Transport to brief the consultant on projects beyond 31 October 2010 if their services are not required.

7. OPUS International Consultants Limited has confirmed in writing that they are willing to carry out the contract for a further 12 months at the rates provided for in the original contract. 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.
8. The total accumulation of the three year contract to date and the contract extension now sought, is shown in Table 1:

2006/2007	Original Contract Sum	\$27,175.00
2007/2008	Original Contract Sum	\$89,000.00
2008/2009	Original Contract Sum	\$89,000.00
2009/2010	Contract Extension 1	\$89,000.00
2010/2011	Contract Extension 2	\$89,000.00
	Total	\$383,175.00

Table 1 - Total accumulative amount

CONTRACTOR'S PERFORMANCE

9. The conclusions of an evaluation of OPUS International Consultants Limited performance to date are as follows:
 - There have been no performance related issues;
 - They have developed a good working relationship with relevant Council staff;
 - They are a well resourced company;
 - Their workmanship is generally to a very good standard; and
 - Their work has facilitated the success of Council in obtaining subsidies of its transport projects throughout the last four years, e.g. New Lynn Transit Oriented Development.

CREDIT CHECK

10. A credit check on OPUS International Consultants Limited has been requested.

JOB COSTS

11.	excl. GST
Contract sum (12 months)	\$89,000.00
Engineering and supervision	\$ 0.00

Total Job Cost	\$89,000.00

SOURCE OF FUNDING

12. Source of funding for the 2010/2011 contract extension 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
Forward Design for Benefit Cost Ratios	8AMTA-07-156	\$154,400.00	\$0.00	89,000.00	\$65,400.00	\$0.00
	Total			\$89,000.00		

Table 2 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

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

Report prepared by: Adam Moller, Senior Transport Engineer.

