

**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, 30 JULY 2010,
COMMENCING AT 9.00 AM**

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HENDERSON, WAITAKERE, ON FRIDAY, 30 JULY 2010,
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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 - 16 July 2010

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 16 July 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 - APPROVAL TO EVALUATE TENDERS USING PRICE QUALITY METHOD**

GLOSSARY

New Zealand Transport Agency	(NZTA)
Price Quality Method	(PQM)
Competitive Pricing Procedures	(CPP)
Tender Evaluation Team	(TET)
Weighted Attributes Method	(WAM)
Supplier Quality Premium	(SQP)
Alternative Tender Premium	(ATP)
Request for Tenders	(RFT)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to evaluate tenders using the Price Quality Method as described in “*Transfund New Zealand General Circular No. 02/09 - Price Quality Method CPP for Physical Works*” for Contract No. NL08002ZZH - New Lynn Transit Oriented Development - Construction of Stages 2 and 3.

As the value of this contract is expected to be over the delegated authority of both the Tenders Subcommittee and the Finance and Operational Performance Committee, and providing that the use of the Price Quality Method is approved, the results of the tender evaluation for Contract No. NL08002ZZH - New Lynn Transit Oriented Development - Construction of Stages 2 and 3 must be reported to the Council.

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 - Approval to Evaluate Tenders Using Price Quality Method report.
2. **Approve** the use of the Price Quality Method as described in “*Transfund New Zealand General Circular No. 02/09 - Price Quality Method CPP for Physical Works*” for evaluating the tenders for Contract No. NL08002ZZH - New Lynn Transit Oriented Development - Construction of Stages 2 and 3.
3. **Agree** that the results of the tender evaluation process for Contract No. NL08002ZZH - New Lynn Transit Oriented Development - Construction of Stages 2 and 3 be reported to the Council.

BACKGROUND

1. At the meeting on 21 May 2010, the Tenders Subcommittee resolved as follows:

“The Tenders Subcommittee resolved 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.”*

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2. From 1 October 2010, the New Zealand Transport Agency (NZTA) intends to make the Price Quality Method (PQM) its preferred tender evaluation methodology for all NZTA funded contracts.
3. NZTA funding has been secured for the contract for construction of Stages 2 and 3. The NZTA has requested that the Council uses the PQM to evaluate this tender. Whilst the PQM is a method that is approved for use in the NZTA's Competitive Pricing Procedures (CPP) Manual, it is not currently a method that is approved for use in the Council's Procurement Manual.

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 contract term will extend over 18 months, from October 2010 to June 2012.

PROPOSAL

- A1-A12*
6. The PQM proposed for use is that described in “*Transfund New Zealand General Circular No. 02/09 - Price Quality Method CPP for Physical Works*”, attached at pages A1 to A12.
 7. The PQM is almost identical to the Weighted Attributes Method (WAM) currently used by the Council, and will result in the same decision in practically all situations. However, the PQM has two significant improvements:
 - It gives the Tender Evaluation Team (TET) a clear and consistent process for deciding the Supplier Quality Premium (SQP), which represents the amount that the Council is prepared to pay for higher quality for each tenderer. It also enables unsuccessful tenderers to learn the difference between their SQP and the winning tenderer's SQP; and
 - It simplifies the evaluation of alternative tenders.
 8. The following steps are used in the PQM. Steps 1 and 2 are the same as the WAM currently used by the Council.

Step 1: Grade the non-price attributes

- Open envelope 1 (non-price attributes).
- Grade each non-price attribute for each tender from 1-100.
- Reject any tender that scores 35 or less on any single non-price attribute.

Step 2: Calculate the Weighted Sum Margin

- Multiply the weight specified in the Request for Tenders (RFT) by the grade for each non-price attribute and divide by 100. The result is the index for each non-price attribute;
- Add all the indices for each tender. The result is the weighted sum of the non-price attribute grades; and
- Deduct the lowest weighted sum from each tender's weighted sum. The result is the Weighted Sum Margin for each tender.

Step 3: Calculate the SQP

- Calculate the SQP for each tender using the following formula:
 - $SQP = \text{Engineer's Estimate} \times (\text{Weighted Sum Margin} / \text{Price Weight})$; and
 - The estimate used in the formula must exclude any amount fixed by the tendering authority (Provisional Sums).

Step 4: Confirm the SQP

- Review the SQP calculated for each tender;
- Confirm that the SQP for each tender represents the additional amount that the Council is prepared to pay for a higher-quality supplier;
- Replace any SQP with an acceptable figure if the review shows that any SQP does not represent the extra amount that the Council is prepared to pay;
- For the evaluation of the tenders for the construction of Stages 2 and 3, the SQP will not be adjusted unless the TET finds very good reasons for doing so;
- As the SQP will, in all likelihood, not be adjusted, the only difference between the PQM and the WAM is that the Engineer's Estimate rather than the Median Tender Price will be used to determine the preferred tender; and
- When using the WAM, the difference between tenders is measured using indices. When using the PQM, the difference is measured using dollar amounts. So, in principle, the difference between the tenders remains the same, it is just measured in a different way.

Step 5: Calculate the Alternative Tender Premium (ATP)

- Determine whether alternative tenders are acceptable and are within the scope and requirements of the RFT;
- Calculate the SQP for alternative tenders by following steps 1-4 above;
- Decide how much more or less the Council is prepared to pay for a product offered by an alternative tender by comparing it to the minimum standard product specified in the RFT. The result is the ATP; and
- Complete steps 1-5 before opening envelope 2.

Step 6: Identify the preferred tender

- Open envelope 2 (tender price);
- Deduct each tender's SQP and each alternative tender's ATP from the tender price; and
- Identify the tender with the lowest tender price less SQP and less any ATP. This is the preferred tender.

9. As the NZTA has requested that the Council use the PQM to evaluate this tender and because the PQM is not currently provided for in the Council's Procurement Manual, Tenders Subcommittee approval is required for Contract No. NL08002ZZH to be evaluated using the PQM.

SOURCE OF FUNDING

10. Funding of \$12,900,000 has been provided in the Annual Plan 2010/2011 for work to be carried out from October 2010 to June 2011. Funding of \$9,600,000 will be included in the 2011/2012 financial year to complete the contract.

IMPLEMENTATION ISSUES

11. As the funding for Contract No. NL08002ZZH is over the delegated authority of both the Tenders Subcommittee and the Finance and Operational Performance Committee, and providing that the use of the PQM is approved, the results of the tender evaluation will need to be reported to the Council.

AUCKLAND COUNCIL TRANSITION ISSUES

12. 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: Jacqui Robson, Principal Engineer, Special Projects.



6 CONTRACT NO. EW09012B - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - OPANUKU STREAM 2009 - 2012 - APPROVAL TO EXTEND

GLOSSARY

Project Twin Streams	(PTS)
McLaren Park Henderson South Community Initiative Inc	(MPHS)
Auckland Regional Holdings Limited	(ARH)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. EW09012B - Project Twin Streams - Community Contract - Opanuku Stream 2009 - 2012 for 24 months, from 1 July 2010 to 30 June 2012. This contract is held by McLaren Park Henderson South Community Initiative Inc. (MPHS) and was approved as a 36 month contract subject to annual approval of renewal by the Tender Subcommittee.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW09012B - Project Twin Streams - Community Contract - Opanuku Stream 2009 - 2012 - Approval to Extend report.
2. **Approve** that the Contract No. EW09012B - Project Twin Streams - Community Contract - Opanuku Stream 2009 - 2012 as awarded to McLaren Park Henderson South Community Initiative Inc be extended in the sum of \$300,000.00 plus \$37,500 GST, totalling \$337,500 for the period 1 July 2010 to 30 June 2012.
3. **Approve** the commitment of \$150,000 excluding GST as provided in Year 3 (2011/2012 financial year) of the Long Term Council Community Plan 2009-2019 for Contract No. EW09012B - Project Twin Streams - Community Contract - Opanuku Stream 2009 - 2012.
4. **Approve** that authority to extend Contract No. EW09012B - Project Twin Streams - Community Contract - Opanuku Stream 2009 - 2012 for the period 1 July 2010 to 30 June 2012 on behalf of the Council be delegated to the Acting Group Manager: Asset Management.
5. **Note** that on 20 July 2009 the Auckland Transition Authority confirmed the decision to award Contract No. EW09012B - Project Twin Streams - Community Contract - Opanuku Stream 2009 - 2012 to McLaren Park Henderson South Community Initiative Inc. (ATA0025).

BACKGROUND

1. Project Twin Streams (PTS) is focussed on restoring six streams: Waikumete Stream, Opanuku Stream, Henderson Creek, Oratia Stream, Swanson Stream and Pixie Stream and their environs, principally through innovative storm water management and the weeding and planting of stream banks. Over time this focus has broadened into a Quadruple Bottom Line approach which recognizes and weaves together the social, economic, cultural, spiritual and environmental aspects of the project.
2. Key to the success and sustainability of this project is the public involvement and participation in the revegetation programme organised through community contract organisations.
3. MPHS has held a community contract for the Opanuku Stream since July 2009 when they took over this contract from the Corban Estate Art Centre. They have made excellent progress on the new area of stream from Border Road to Candia Road as well as maintaining momentum on the Lower Oratia stream area.
4. The timeframe for completion of PTS is 30 June 2012.
5. PTS has regional funding of \$39.5 million over 10 years from 2002 to 2012, which is held by Auckland Regional Holdings Limited (formerly Infrastructure Auckland).
6. The Tenders Subcommittee approved the award of Contract No. EW09012B - Project Twin Streams - Community Contract - Opanuku Stream 2009 - 2012 to McLaren Park Henderson South Community Initiative (MPHS) at its meeting held on 12 June 2009 where it was resolved as follows:

“The Tenders Subcommittee resolved to:

1. **Receive** the Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 report.
2. **Approve** subject to resolution 8 below, that the tender from McLaren Park Henderson South Community Initiative Inc for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 in the sum of \$450,000 plus \$56,250.00 GST, totalling \$506,250.00 be accepted.
3. **Approve** subject to resolution 8 below, the commitment of \$150,000.00 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012.
4. **Approve** subject to resolution 8 below, the commitment of \$150,000.00 excluding GST for the 2010/2011 financial year for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012.
5. **Approve** subject to resolution 8 below, the commitment of \$150,000.00 excluding GST for the 2011/2012 financial year for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012.
6. **Approve** subject to resolution 8 below, that authority to enter into Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 on behalf of Council be delegated to the Deputy Director: City Services.
7. **Agree** subject to resolution 8 below, that future renewals for Contract No. EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 under the 1 + 1 + 1 right of renewal provisions be reported back to the Council for approval.
8. **Agree** that the resolutions 2-7 above for Contract No EW09012B - Project Twin Streams Community Contract - Opanuku Stream 2009 - 2012 be subject to final confirmation by the Auckland Transition Agency.

963/2009

DECISION MAKING

7. Contract No. EW09012B - Project Twin Streams - Community Contract - Opanuku Stream 2009 - 2012 is a three year contract with an expiry date on June 2012. It is considered that it would be beneficial to confirm the extension of the contract for the remaining period of 24 months for the reasons set out below.
8. MPHS has confirmed that they are willing to carry out the contract for a further 24 months.
9. MPHS has met all their contract deliverables (planting, maintenance, community liaison and engagement) during the first 12 months of this contract.
10. They have established good relationships with their community as exemplified by excellent community participation at public planting days. They have over 20 community groups, schools and organisations involved in regular restoration and maintenance work on the Opanuku stream. Sites for planting have been identified and prepared to ensure the planting targets for the 2011 planting season can be achieved.

11. Funding for this contract will be provided by ARH.
12. Extension of the current contract for a further 24 month period allows efficiencies in the learning, development and support for the community that are aligned to the Opanuku Stream and the riparian rehabilitation works.
13. This extension was valued using existing contract rates plus escalation allowance. 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 24 months.
14. The total cost of this contract is shown in Table 1 below:

2009/2010	Year 1	\$150,000.00
2010/2011	Extension 1 (renewal for 12 months)	\$150,000.00
2011/2012	Extension 2 (renewal for 12 months)	\$150,000.00
	Total	\$450,000.00

Table 1 - Total accumulated amount

CREDIT CHECK

15. A credit check on MPHS dated 20 April 2010 revealed no adverse information.

JOB COSTS

16.	excl. GST
Contract sum (12 months 2010/2011)	\$150,000.00
Engineering and Supervision	\$ 0.00
Contingency	\$ 15,000.00

Total Job Cost	\$165,000.00

17.	excl. GST
Contract sum (12 months 2011/2012)	\$150,000.00
Engineering and Supervision	\$ 0.00
Contingency	\$ 15,000.00

Total Job Cost	\$165,000.00

SOURCE OF FUNDING

18. 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
Project Twin Streams	8AMEW-07-191/02/01/03	\$3,338,000.00	\$3,173,000	\$165,000.00	0.00	0.00
	Total	\$3,338,000.00	\$3,173,000	\$165,000.00	0.00	0.00

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
Project Twin Streams	8AMEW-07-191/02/01/03	\$1,973,000.00	\$1,808,000	\$165,000.00	0.00	0.00
	Total	\$1,973,000.00	\$1,808,000	\$165,000.00	0.00	0.00

Table 2 - Source of Funding in 2010/2011 and 2011/2012 financial years

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

20. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as the original contract has already been approved by the Auckland Transition Agency (ATA0025).

Report prepared by: Meredith Youngson, Social Programme Coordinator, Project Twin Streams.



7 CONTRACT NO. EW09012D - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - GLEN EDEN 2009 - 2012 - APPROVAL TO AMEND CONTRACT SUM AND EXTEND CONTRACT PERIOD

GLOSSARY

Project Twin Streams	(PTS)
EcoMatters Environment Trust	(EcoMatters)
Auckland Regional Holdings Limited	(ARH)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to amend the contract sum and extend Contract No. EW09012D - Project Twin Streams - Community Contract - Glen Eden 2009 - 2012 for 12 months, from 1 July 2011 to 30 June 2012. This contract is held by EcoMatters Environment Trust (EcoMatters), and was approved as a 36 month contract subject to approval of renewal by the Tenders Subcommittee.

It is recommended that the contract sum be increased to \$255,000.00 plus GST to provide additional resources for the extra work the community is proposing to take on through their Stream Ranger positions. This work is currently being carried out by contractors, so that the additional cost will be offset by reducing the physical works contract for this area.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW09012D - Project Twin Streams - Community Contract - Glen Eden 2009 - 2012 - Approval to Amend Contract Sum and Extend Contract Period report.
2. **Approve** that the Contract No. EW09012D - Project Twin Streams - Community Contract - Glen Eden 2009 - 2012 as awarded to EcoMatters Environment Trust be extended in the sum of \$510,000.00 plus \$63,750 GST, totalling \$573,750.00 for the period 1 July 2010 to 30 June 2012.
3. **Approve** the commitment of \$255,000.00 excluding GST as provided in year 3 (2011/2012 financial year) of the Long Term Council Community Plan 2009-2019 for Contract No. EW09012D - Project Twin Streams - Community Contract - Glen Eden 2009 - 2012.
4. **Approve** that authority to extend Contract No. EW09012D - Project Twin Streams - Community Contract - Glen Eden 2009 - 2012 for the period 1 July 2010 to 30 June 2012 on behalf of the Council be delegated to the Acting Group Manager: Asset Management.
5. **Note** that on 20 July 2009 the Auckland Transition Authority confirmed the decision to award Contract No. EW09012D - Project Twin Streams - Community Contract - Glen Eden 2009 -2012 to EcoMatters Environment Trust (ATA0027).

BACKGROUND

1. Project Twin Streams (PTS) is focussed on restoring six streams: Waikumete Stream, Opanuku Stream, Henderson Creek, Oratia Stream, Swanson Stream and Pixie Stream and their environs, principally through innovative storm water management and the weeding and planting of stream banks. Over time this focus has broadened into a Quadruple Bottom Line approach which recognises and weaves together the social, economic, cultural, spiritual and environmental aspects of the project.
2. Key to the success and sustainability of this project is the public involvement and participation in the revegetation programme organised through community contract organisations.
3. EcoMatters has held a community contract for the Waikumete Stream since September 2006. They work on this project in partnership with Glen Eden Primary School where the PTS Community Coordinator and Stream Ranger for Glen Eden have an office.
4. As a PTS contract organisation EcoMatters has made outstanding progress in organising public planting events in the Waikumete Stream area and engaging local residents, schools, groups and businesses in the work.
5. The timeframe for completion of PTS is 30 June 2012.
6. PTS has regional funding of \$39.5 million over 10 years from 2002 to 2012, which is held by Auckland Regional Holdings Limited (formerly Infrastructure Auckland) (ARH).

7. The Tenders Subcommittee approved the award of Contract No. EW09012D - Project Twin Streams - Community Contract - Glen Eden 2009 - 2012 to EcoMatters at a its meeting held on 26 June 2009 where it was resolved as follows:

“The Tenders Subcommittee resolved to:

1. **Receive** the Contract No. EW09012D - Project Twin Streams Community Contract - Glen Eden 2009 - 2012 report.
2. **Approve** subject to resolution 8 below, that the tender from Ecomatters Environment Trust for Contract No. EW09012D - Project Twin Streams Community Contract - Glen Eden 2009 - 2012 in the sum of \$610,000.00 plus \$76,250.00 GST, totalling \$686,250.00 be accepted.
3. **Approve** subject to resolution 8 below, the commitment of \$250,000 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. EW09012D - Project Twin Streams Community Contract - Glen Eden 2009 - 2012.
4. **Approve** subject to resolution 8 below, the commitment of \$180,000 excluding GST for the 2010/2011 financial year for Contract No. EW09012D - Project Twin Streams Community Contract - Glen Eden 2009 - 2012.
5. **Approve** subject to resolution 8 below, the commitment of \$180,000 excluding GST for the 2011/2012 financial year for Contract No. EW09012D - Project Twin Streams Community Contract - Glen Eden 2009 - 2012.
6. **Approve** subject to resolution 8 below, that authority to enter into Contract No. EW09012D - Project Twin Streams Community Contract - Glen Eden 2009 - 2012 for the period 1 July 2009 to 30 June 2012 on behalf of Council be delegated to the Deputy Director: City Services.
7. **Agree** subject to resolution 8 below, that future renewals of Contract No. EW09012D - Project Twin Streams Community Contract - Glen Eden 2009 - 2012 under the 2 + 1 right of renewal provision be reported back to the Council for approval.
8. **Agree** that the resolutions 2-7 above for Contract No EW09012D - Project Twin Streams Community Contract - Glen Eden 2009 - 2012 be subject to final confirmation by the Auckland Transition Agency.”

1110/2009

DECISION MAKING

Extension

8. Contract No. EW09012D - Project Twin Streams - Community Contract - Glen Eden 2009 - 2012 is a 36 month contract with an expiry date of June 2012. The initial term of the contract was for two years with a right of renewal of one year for the period 1 July 2011 to 30 June 2012. EcoMatters has confirmed that they are willing to carry out the contract for a further 24 months. It is considered that it would be beneficial to confirm the extension for the remaining period of 12 months for the reasons set out below.

9. The Community Engagement component is critical to the integrity and success of the PTS riparian rehabilitation programme in both the short term to carry out the restoration and aftercare work, and in the long term to create the behaviour changes needed to ensure the sustainability of the restoration programme.
10. In the PTS Glen Eden area this community engagement has been managed by EcoMatters in partnership with Glen Eden Primary School. They have developed an excellent relationship with the Glen Eden community in order to carry out this work.
11. The PTS Glen Eden area is a complex one and this contract was one of the last community contracts to be signed. They were almost two years behind the earlier contracts and although some extra ground has been gained over the last year with the addition of a Stream Ranger position, there is still a considerable amount of work to do before 2012.
12. Confirming the contract extension now will provide EcoMatters with certainty in planning and delivery of the required work programme to 2012. Extension of the current contract for a further 12 month period allows efficiencies in the learning, development and support for the community that are aligned to the Waikumete Stream and the riparian rehabilitation works

Amendment to Contract Sum

13. Over the past year Ecomatters has established a Stream Ranger role that has added significant value to the project. The Stream Ranger role has provided efficiencies in time, resources and money, through the following activities and initiatives:
 - All PTS community equipment is well maintained and available for all PTS Community Coordinators across the project; and
 - The Stream Ranger has taken on aspects of technical support, in particular when working with small community groups. This has included issues of health and safety, site set up, plant placement, organisation of equipment and restoration information.
14. The current Stream Ranger responds to all requests from Council's call centre, the PTS Riparian Coordinator and the general public to deal with private property issues that are impacting on restoration of PTS sites. This includes:
 - Inorganic and green waste dumping;
 - Invasive weed control from private properties - either seed sources onto PTS sites or creeping plants/vines;
 - Working with private property owners, who are planting into reserve and/or PTS restoration sites, on issues such as eco sourcing, best practice methods of restoration and native habitat creation; and
 - Dealing with reports of unusual discharge from household storm water pipes, educating residents about their impact on storm water and the effect on streams and stream life.
15. In order to achieve the PTS goals over the next 24 months in terms of stream restoration and community participation and ensure the long term sustainability of the project, Ecomatters proposes to employ an additional Stream Ranger to support their current staff members who are already working at full capacity.

16. Employing a second Stream Ranger will enable Ecomatters to deliver the following outcomes over the next 24 months:
- The planting programme for all public areas in Glen Eden suitable for community planting days will be completed;
 - All available sites suitable for adoption by community groups will be planted and an aftercare programme established;
 - All schools in the Glen Eden area will continue to be active participants in the project; and
 - All private properties in the ARH funded areas will have been contacted and engagement in the restoration of their stream areas maximised.
17. The new work to be undertaken is currently being undertaken by contractors, so the additional cost will be offset by reducing the physical works contract for this area.
18. Funding for this contract will be provided by ARH.
19. This extension was valued using existing contract rates plus escalation allowance. 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 24 months.
20. The total cost of this contract is shown in Table 1 below:

2009/2010	Year 1	\$250,000.00
2010/2011	Extension 1 (renewal for 12 months)	\$255,000.00
2011/2012	Extension 2 (renewal for 12 months)	\$255,000.00
	Total	\$760,000.00

Table 1 - Total accumulated amount

CONTRACTOR'S PERFORMANCE

21. An evaluation of EcoMatters' performance to date contains the following features:
- During the course of EcoMatters' relationship with the Council there have been no performance related issues;
 - The rationale for extension provides the ability for the Council to retain institutional knowledge over the period of transition and to ensure certainty of ongoing community engagement over the period of transition;
 - PTS Glen Eden had developed a good working relationship with relevant Council staff and have progressed the programme well in the past year;
 - They have a strong focus on health and safety;
 - They have excellent local knowledge of the stream area and are familiar with the works required; and
 - They have worked with and formed excellent relationships with the community groups and schools in their area.

CREDIT CHECK

22. A credit check on EcoMatters dated 22 April 2010 revealed no adverse information.

JOB COSTS

23.		excl. GST
	Contract sum (12 months 2010/2011)	\$255,000.00
	Engineering and Supervision	\$ 0.00
	Contingency	\$ 25,000.00

	Total Job Cost	\$280,000.00

24		excl. GST
	Contract sum (12 months 2011/2012)	\$255,000.00
	Engineering and Supervision	\$ 0.00
	Contingency	\$ 25,000.00

	Total Job Cost	\$280,000.00

SOURCE OF FUNDING

25. Source of funding for 2010/2011 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
Project Twin Streams	8AMEW-07-191/02/01/02	\$3,338,000.00	\$3,058,000.00	\$280,000.00	0.00	0.00
	Total	\$3,338,000.00	\$3,058,000.00	\$280,000.00	0.00	0.00

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
Project Twin Streams	8AMEW-07-191/02/01/02	\$1,973,000.00	\$1,693,000.00	\$280,000.00	0.00	0.00
	Total	\$1,973,000.00	\$1,693,000.00	\$280,000.00	0.00	0.00

Table 2 - Source of Funding in 2010/2011 and 2011/2012 financial years

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

27. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as the original contract has already been approved by the Auckland Transition Agency. (ATA0027)

Report prepared by: Meredith Youngson, Social Programme Coordinator, Project Twin Streams.



8 **CONTRACT NO. EW08020C - PROJECT TWIN STREAMS - COMMUNITY CONTRACT - RANUI-MASSEY 2009 - 2012 - APPROVAL TO EXTEND**

GLOSSARY

Project Twin Streams	(PTS)
Te Ukaipo Mercy Initiatives for Rangatahi Limited	(Te Ukaipo)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 for 24 months, from 1 July 2010 to 30 June 2012. This contract was approved as a 42 month contract subject to annual approval of renewal by the Tender Subcommittee and is held by Te Ukaipo Mercy Initiatives for Rangatahi Limited (Te Ukaipo).

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 - Approval to Extend report.
2. **Approve**, subject to resolution 5 below, that Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 as awarded to Te Ukaipo Mercy Initiatives for Rangatahi Limited be extended in the sum of \$220,000 plus \$27,500 GST, totalling \$247,500 for the period 1 July 2010 to 30 June 2012.
3. **Approve** the commitment of \$100,000 excluding GST as provided in Year 3 (2011/2012 financial year) of the Long Term Council Community Plan 2009-2019 for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012.
4. **Approve** that authority to extend Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 for the period 1 July 2010 to 30 June 2012 on behalf of the Council be delegated to the Acting Group Manager: Asset Management.
5. **Agree** that the resolutions 2 and 3 above for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 be subject to confirmation by the Auckland Transition Agency.

BACKGROUND

1. Project Twin Streams (PTS) is focussed on restoring six streams: Waikumete Stream, Opanuku Stream, Henderson Creek, Oratia Stream, Swanson Stream and Pixie Stream and their environs, principally through innovative storm water management and the weeding and planting of stream banks. Over time this focus has broadened into a Quadruple Bottom Line approach which recognises and weaves together the social, economic, cultural, spiritual and environmental aspects of the project.
2. Key to the success and sustainability of this project is the public involvement and participation in the revegetation programme organised through community contract organisations.

3. Te Ukaipo was the first PTS community contract to be awarded and was signed in January 2005. Te Ukaipo has made excellent progress over the past five and a half years in terms of engaging their community and replanting the banks of Swanson Stream.
4. The timeframe for completion of PTS is 30 June 2012.
5. PTS has regional funding of \$39.5 million over 10 years from 2002 to 2012, which is held by Auckland Regional Holdings Ltd (formerly Infrastructure Auckland (ARH)).
6. The Tenders Subcommittee approved the award of Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 to Te Ukaipo at its meeting held on 19 December 2008 where it was resolved as follows:

“The Tenders Subcommittee resolved to:

1. **Receive** the Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 report.
2. **Approve** the tender from Te Ukaipo Mercy Initiatives for Rangatahi Limited (Te Ukaipo) for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 in the sum of \$400,000 excluding GST for the period 1 January 2009 to 30 June 2012.
3. **Approve** the commitment of \$120,000 excluding GST against the Annual Plan 2009/2010 for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012.
4. **Approve** the commitment of \$120,000 excluding GST against the Annual Plan 2010/2011 for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012.
5. **Approve** the commitment of \$100,000 excluding GST against the Annual Plan 2011/2012 for Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012.
6. **Approve** that authority to enter into Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 for the period 1 January 2009 to 30 June 2012 on behalf of Council be delegated to the Deputy Director: City Services.
7. **Approve** that the authority to extend Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 for the periods 1 July 2009 to 30 June 2010, 1 July 2010 to 30 June 2011 and 1 July 2011 to 30 June 2012 (renewable each year) on behalf of Council be brought back to the Tenders Subcommittee.”

2160/2008

DECISION MAKING

7. Contract No. EW08020C - Project Twin Streams - Community Contract - Ranui-Massey 2009 - 2012 is a 36 month contract with an expiry date on June 2012. It is considered that it would be beneficial to confirm the extension for the remaining period of 24 months for the reasons set out below.

8. Te Ukaipo has confirmed that they are willing to carry out the contract for a further 24 months.
9. Te Ukaipo has met all their contract deliverables (planting, maintenance, community liaison and engagement) during the first 18 months of this contract.
10. They have established good relationships with their community as exemplified by excellent community participation at public planting days. They have 12 community groups and organisations involved in regular restoration and maintenance work on the Swanson stream. Sites for planting have been identified and prepared to ensure the planting targets for the 2010 and 2011 planting season can be achieved.
11. Funding for this contract will be provided ARH.
12. Extension of the current contract for a further 24 month period allows efficiencies in the learning, development and support for the community that are aligned to the Swanson Stream and the riparian rehabilitation works.
13. This extension was valued using existing contract rates plus escalation allowance. 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 24 months.
14. The total cost of this contract is shown in Table 1 below:

2008/2009	Year 1 (6 month period)	\$60,000.00
2009/2010	Year 2	\$120,000.00
2010/2011	Extension 1 (renewal for 12 months)	\$120,000.00
2011/2012	Extension 2 (renewal for 12 months)	\$100,000.00
	Total	\$400,000.00

Table 1 - Total accumulated amount

CREDIT CHECK

15. A credit check on Te Ukaipo dated 20 April 2010 revealed no adverse information.

JOB COSTS

16.	excl. GST
Contract sum (12 months 2010/2011)	\$120,000.00
Engineering and Supervision	\$ 0.00
Contingency	\$ 10,000.00

Total Job Cost	\$130,000.00
Contract sum (12 months 2011/2012)	\$100,000.00
Engineering and Supervision	\$ 0.00
Contingency	\$ 10,000.00

Total Job Cost	\$110,000.00

SOURCE OF FUNDING

17. 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
Project Twin Streams	8AMEW-07-191/02/01/04	\$3,338,000.00	\$3,208,000.00	\$130,000.00	0.00	0.00
	Total	\$3,338,000.00	\$3,208,000.00	\$130,000.00	0.00	0.00

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
Project Twin Streams	8AMEW-07-191/02/01/04	\$1,973,000.00	\$1,863,000.00	\$110,000.00	0.00	0.00
	Total	\$1,973,000.00	\$1,863,000.00	\$110,000.00	0.00	0.00

Table 2 - Source of Funding in 2010/2011 and 2011/2012 financial years

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

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

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

20. Therefore this extension requires confirmation by the Auckland Transition Agency.

Report prepared by: Meredith Youngson, Social Programme Coordinator, Project Twin Streams.

