



**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, 24 SEPTEMBER 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 - 10 September 2010

**RECOMMENDATION**

It is recommended that the Tenders Subcommittee resolve to:

**Receive** the minutes of the meeting of the Tenders Subcommittee held on Friday, 10 September 2010, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. EW10006C - WASTEWATER RENEWALS AND UPGRADES IN MINI CATCHMENT 14 - NEW LYNN AREA 2 - APPROVAL TO AWARD**

**GLOSSARY**

Mini Catchment (MC)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW10006C - Wastewater Renewals and Upgrades in Mini Catchment 14 - Area 2 New Lynn.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW10006C - Wastewater Renewals and Upgrades in Mini Catchment 14 - New Lynn Area 2 - Approval to Award report.
2. **Approve**, subject to resolution 4 below, the tender from Advanced Pipeline Services Limited for Contract No. EW10006C - Wastewater Renewals and Upgrades in Mini Catchment 14 - New Lynn Area 2 in the sum of \$319,905.00 plus \$39,988.13 GST, totalling \$359,893.13 be accepted.
3. **Approve**, subject to resolution 4 below, authority to enter into Contract No. EW10006C - Wastewater Renewals and Upgrades in Mini Catchment 14 - New Lynn Area 2 on behalf of the Council be delegated to the Group Manager: Project Services.
4. **Note** that resolutions 2 to 3 above are subject to confirmation by the Auckland Transition Agency.

**BACKGROUND**

1. The Council has an objective to reduce flows in the wastewater network by 25% through the Infiltration and Inflow Control Programme. The New Lynn wastewater catchment is the first catchment to be assessed under this programme and rehabilitation and upgrade work has already been carried out on public drains in Mini Catchment (MC)2, MC4, MC5, MC6, MC7, MC8, MC9, MC15, MC17, MC18, MC19 and MC21.
2. The rehabilitation of MC14 is the next project on the priority list. The existing manholes and public sewer pipes in the area are in poor condition and under capacity and require rehabilitation and upgrading.
3. Funding was approved by the Council in the Annual Plan 2010/2011 for this work.

**SCOPE OF WORK**

4. The scope of work includes:
  - installation of approximately 75 metres of new wastewater pipeline using directional drilling technique;
  - rehabilitation of 890 metres of existing wastewater pipelines using structural lining, slip lining and pipe bursting techniques;
  - construction and rehabilitation of 39 manholes;
  - replacement of 17 service connections;
  - rehabilitation of 30 service connections using lateral junction repairs; and
  - video inspection of 100 private drains, flushing and video inspection of newly installed and rehabilitated lines.

## TENDERS RECEIVED

5. Tenders were publicly advertised on Tenderlink with 21 sets of documents being uplifted. Three tenders including an alternative tender were received by the closing date of 31 August 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)	ALTERNATIVE TENDER (excl. GST)
Advanced Pipeline Services Limited	146 Neilson Street, Onehunga, Auckland	\$319,905.00	\$292,685.00
H&H Contractors Limited	12A Culperry Road, Glen Eden, Waitakere	\$429,935.00	
Pre-tender contract estimate (based on most up-to-date tender rates)		\$408,520.00	
Budget estimate		\$410,000.00	

Table 1 - Summary of Tender Prices

## TAGS, ERRORS OR OMISSIONS

6. There were no tags, errors or omissions in any of the tenders.

## 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	Attributes	Exper.	Track	Tech.	Resour.	Manag.	Method.	Price	Contract Number EW10006C
<b>Evaluation</b>			Record	Skill		Skill			Total Weights
	<b>Weights</b>	<b>10</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>70</b>	<b>100</b>
<b>Tenderer</b>	<b>Tender Sum</b>				<b>Grades</b>				<b>INDEX</b>
Advanced Pipeline Services Limited	\$319,905.00	<b>85</b>	<b>85</b>	<b>80</b>	<b>80</b>	<b>75</b>	<b>78</b>	<b>65</b>	<b>70</b>
H&H Contractors Limited	\$429,935.00	<b>85</b>	<b>83</b>	<b>80</b>	<b>80</b>	<b>85</b>	<b>72</b>	<b>35</b>	<b>49</b>
<b>Median Tender Price</b>	\$374,920.00								

Table 2 - Summary of Tender Evaluation

9. Advanced Pipeline Services Limited submitted an alternative tender proposing to structurally line the pipes designed for pipe bursting and slip lining. This methodology was unacceptable due to several reasons and hence this alternative tender was rejected.
10. Scores for the non-price attributes were determined on the basis of information provided in each tender and on any recent Council experience with the tenderers.
11. The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Advanced Pipeline Services Limited achieved the highest index of 70.
12. Advanced Pipeline Services Limited have successfully completed several similar contracts for Council in the past and they have the necessary expertise and resources to satisfactorily carry out the works.

13. The successful tender is 21.7% below the pre-tender contract estimate.
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 2 September 2010 revealed no adverse information.

### JOB COSTS

16.	<b>excl. GST</b>
Tender sum - Advanced Pipeline Services Limited	\$319,905.00
Contingency	\$ 31,990.50
Engineering and Supervision	\$ 31,990.50
Other (Consents)	\$ 10,000.00
	-----
Total Job Cost	\$393,886.00

### SOURCE OF FUNDING

17. 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
Sewer Renewals I&I	8AMEW- 11-027	\$2,060,000.00	\$318,357.00	\$393,886.00	\$1,347,757.00	\$90,095.00
	<b>Total</b>	\$2,060,000.00	\$318,357.00	\$393,886.00	\$1,347,757.00	\$90,095.00

**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 constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does 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:** Tarun Ahuja, Senior Contracts Engineer.



6 **CONTRACT NO. EW10009B - WASTEWATER INVESTIGATIONS IN CRITICAL AND TARGETED CATCHMENTS IN NEW LYNN - APPROVAL TO AWARD**

**GLOSSARY**

Mini Catchment (MC)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW10009B - Wastewater Investigations in Critical and Targeted Catchments in New Lynn.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW10009B - Wastewater Investigations in Critical and Targeted Catchments in New Lynn - Approval to Award report.
2. **Approve**, subject to resolution 4 below, the tender from Associated Environmental Services Limited for Contract No. EW10009B - Wastewater Investigations in Critical and Targeted Catchments in New Lynn in the sum of \$354,480.00 plus \$44,310.00 GST, totalling \$398,790.00 be accepted.
3. **Approve**, subject to resolution 4 below, authority to enter into Contract No. EW10009B - Wastewater Investigations in Critical and Targeted Catchments in New Lynn on behalf of the Council be delegated to the Group Manager: Project Services.
4. **Note** that resolutions 2 to 3 above are subject to confirmation by the Auckland Transition Agency.

**BACKGROUND**

1. The Council has an objective to reduce flows in the wastewater network by 25% through the Infiltration and Inflow Control Programme. In order to achieve this, Council is systematically analysing the various catchments in the City.
2. This contract is for the pre-rehabilitation field investigations of the public wastewater system (manholes only) in Mini Catchment (MC)1, MC3, MC10, MC11, MC12, MC13 New Lynn to enable planning of manhole rehabilitation works to proceed in these Mini Catchments. The work also includes investigation of private drains in MC1, MC3, MC5, MC6, MC7, MC8, MC10, MC11, MC12, MC13 and MC19 New Lynn.
3. Funding was approved by the Council in the Annual Plan 2010/2011 for this work.

**SCOPE OF WORK**

4. The scope of work includes:
  - Notification of property owners;
  - Locating and inspection of manholes in MC1, MC3, MC10, MC11, MC12, MC13 New Lynn;
  - Video inspection of private wastewater drains within the Mini Catchments MC1, MC3, MC5, MC6, MC7, MC8, MC10, MC11, MC12, MC13 and MC19 New Lynn and preparation of log sheets and as-built drawings; and
  - Reporting of all information collected.

## TENDERS RECEIVED

5. Tenders were publicly advertised on Tenderlink with 23 sets of documents being uplifted. Six tenders were received by the closing date of 24 August 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Drainage Unplugged Limited	34 Spinnaker Drive, Te Atatu Peninsula, Auckland	Disqualified
Associated Environmental Services Limited	2 Waripori Street, Berhampore, Wellington, 6023	\$354,480.00
Advanced Pipeline Services Limited	146 Neilson Street, Onehunga, Auckland	\$449,995.00
Transpacific Industries Group Limited	86 Lunn Avenue, Mt Wellington, Auckland	\$491,278.75
Mules Construction Limited	4th Floor, Barclays House, 70 Shortland Street, Auckland	Disqualified
HydroTech Drainage and Plumbing Limited	Unit 1, 10 Bancroft Crescent, Glendene, Auckland	\$729,095.00
Pre-tender contract estimate (based on most up-to-date tender rates)		\$520,459.00
Budget estimate		\$530,000.00

**Table 1 - Summary of Tender Prices**

## TAGS, ERRORS OR OMISSIONS

6. The tender submitted by Drainage Unplugged Limited contained a summation error however this was not addressed as their tender was disqualified.
7. There was a summation error of \$30,905 in the tender submitted by Transpacific Industries Group Limited. They were not asked to confirm the correct tender price as it would have not affected the outcome of the tender evaluation process.
8. The tender submitted by Mules Construction Limited contained a number of tags however these were not addressed as it would have not affected the outcome of the tender evaluation process.

## TENDER EVALUATION

9. 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".

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number EW10009B
									Total Weights
	<b>Weights</b>	<b>10</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>70</b>	<b>100</b>
Tenderer	Tender Sum	Grades							INDEX
Associated Environmental Services Limited	\$354,480.00	75	50	75	75	50	72	75	72
Advanced Pipeline Services Limited	\$449,995.00	85	85	80	80	75	75	54	62
Transpacific Industries Group Limited	\$491,278.75	60	70	65	75	75	50	46	52
HydroTech Drainage and Plumbing Limited	\$729,095.00	40	55	50	50	60	40	-5	11
Mules Construction Limited		30							Disqualified
Drainage Unplugged Limited		30							Disqualified
<b>Median Tender Price</b>	\$470,636.88								

**Table 2 - Summary of Tender Evaluation**

11. The tenders submitted by Drainage Unplugged Limited and Mules Construction Limited were disqualified as their tenders failed to demonstrate any previous experience associated with video inspection of private wastewater drains.
12. Scores for the non-price attributes were determined on the basis of information provided in each tender, reference checks and on any recent Council experience with the tenderers.
13. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Associated Environmental Services Limited achieved the highest index of 72.
14. Associated Environmental Services Limited have successfully completed several similar contracts for other Councils in the past and they have the necessary expertise and resources to satisfactorily carry out the works.
15. The successful tender is 32% below the pre-tender contract estimate.
16. 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**

17. A credit check on Associated Environmental Services Limited dated 1 September 2010 revealed no adverse information.

## JOB COSTS

18.		<b>excl. GST</b>
	Tender sum - Associated Environmental Services Limited	\$354,480.00
	Contingency	\$ 35,448.00
	Engineering and Supervision	\$ 70,000.00
	Other (Hansen Data Uploading)	\$ 10,000.00
		-----
	Total Job Cost	\$469,928.00

## SOURCE OF FUNDING

19. 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
Video Programme	8AMEW- 07-026	\$300,000.00	\$77,000.00	\$62,000.00	\$161,000.00	0.00
Design & Investigations I&I	6590	\$92,700.00	0.00	\$92,700.00	0.00	0.00
Wastewater Manhole Repairs	8AMEW- 07-035	\$110,000.00	0.00	\$110,000.00	0.00	0.00
Sewer Renewals I&I	8AMEW- 11-027	\$2,060,000.00	\$1,202,144.60	\$205,228.00	\$652,627.40	\$175,520.00
	<b>Total</b>	\$2,562,700.00	\$1,279,144.60	\$469,928.00	\$813,627.40	\$175,520.00

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

21. The decision making proposed in this report is constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does 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:** Tarun Ahuja, Senior Contracts Engineer.



7 **CONTRACT NO. EW10007C - WASTEWATER UPGRADES AND RENEWALS IN MINI CATCHMENT 17 - NEW LYNN AREA 3 - APPROVAL TO AWARD**

**GLOSSARY**

Mini Catchment (MC)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW10007C - Wastewater Upgrades and Renewals in Mini Catchment 17 - New Lynn Area 3.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW10007C - Wastewater Upgrades and Renewals in Mini Catchment 17 - New Lynn Area 3 - Approval to Award report.
2. **Approve**, subject to resolution 5 below, Contract No. EW10007C - Wastewater Upgrades and Renewals in Mini Catchment 17 - New Lynn Area 3 be awarded to other than the lowest priced tender, as the Weighted Attributes Tender Evaluation Method requires the tendering authority to enter into a contract only with the tenderer that scores the highest overall index.
3. **Approve**, subject to resolution 5 below, the tender from JB Contractors Limited for Contract No. EW10007C - Wastewater Upgrades and Renewals in Mini Catchment 17 - New Lynn Area 3 in the sum of \$839,685.00 plus \$104,960.63 GST, totalling \$944,645.63 be accepted.
4. **Approve**, subject to resolution 5 below, that authority to enter into Contract No. EW10007C - Wastewater Upgrades and Renewals in Mini Catchment 17 - New Lynn Area 3 on behalf of Council be delegated to the Group Manager: Project Services.
5. **Note** that resolutions 2 to 4 above are subject to confirmation by the Auckland Transition Agency.

**BACKGROUND**

1. The Council has an objective to reduce flows in the wastewater network by 25% through the Infiltration and Inflow Control Programme. The New Lynn wastewater catchment is the first catchment to be assessed under this programme and rehabilitation work has already been carried out on public drains in Mini Catchments (MC)2, MC4, MC5, MC6, MC7, MC8, MC9, MC15, MC19 and MC21.
2. The rehabilitation of MC17 is the next project on the priority list. The existing manholes and public sewer pipes in the area are under capacity and in poor condition and therefore require rehabilitation and upgrading.
3. Funding was approved by the Council in the Annual Plan 2010/2011 for this work.

**SCOPE OF WORK**

4. The scope of work includes:
  - installation of approximately 1,083 metres of new wastewater pipeline using directional drilling, micro tunnelling and open cut trenching;

- rehabilitation of 458 metres of existing wastewater pipelines using structural lining, slip lining and pipe bursting techniques;
- replacement and rehabilitation of 43 manholes;
- replacement of 29 service connections;
- rehabilitation of 18 service connections using lateral junction repairs;
- video inspection of 224 private properties; and
- flushing and video inspection of newly installed and rehabilitated lines.

## TENDERS RECEIVED

5. Tenders were publicly advertised in Tenderlink with 25 sets of documents being uplifted. Five tenders were received by the closing date of 26 August 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Flowerday Enterprises Limited	105A Crown Road, RD1, Pukekohe	Disqualified
Horizontal Earth Drilling Limited	55 Watea Road, Torbay, North Shore	\$793,255.00
JB Contractors Limited	81 McLaughlin's Road, Wiri, Manukau City	\$839,685.00
H&H Contractors Limited	12A Culperry Road, Glen Eden, Waitakere	\$1,074,640.00
Suburban Drainage Limited	57 Piptiwai Drive, Helensville , R D 1, Kaukapakapa	\$1,078,760.20
Pre-tender contract estimate (based on the most up-to-date tender rates)		\$827,105.00
Budget estimate		\$840,000.00

**Table 1 - Summary of Tender Prices**

## TAGS, ERRORS OR OMISSIONS

6. The tender submitted by Flowerday Enterprises Limited contained errors and omissions in that nominated subcontractors were not specified and non-price attributes for the subcontractors were not submitted.
7. There were no tags, errors or omissions in the other tenders.

## 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. The tender submitted by Flowerday Enterprises Limited failed to demonstrate any previous relevant experience and that they are capable of completing a project of this nature. The tender was disqualified and not evaluated further.

10. 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 No EW10007C
									Total Weights
	<b>Weights</b>	<b>10</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>70</b>	<b>100</b>
Tenderer	Tender Sum	Grades							INDEX
Flowerday Enterprises Limited		<b>30</b>							Disqualified
Horizontal Earth Drilling Limited	\$793,255.00	<b>60</b>	<b>60</b>	<b>58</b>	<b>58</b>	<b>55</b>	<b>48</b>	67	64
JB Contractors Limited	\$839,685.00	<b>88</b>	<b>87</b>	<b>90</b>	<b>90</b>	<b>86</b>	<b>70</b>	62	69
H&H Contractors Limited	\$1,074,640.00	<b>82</b>	<b>83</b>	<b>85</b>	<b>82</b>	<b>85</b>	<b>75</b>	38	51
Suburban Drainage Limited	\$1,078,760.20	<b>50</b>	<b>55</b>	<b>52</b>	<b>50</b>	<b>50</b>	<b>50</b>	37	41
<b>Median Tender Price</b>	\$957,162.50								

**Table 2 - Summary of Tender Evaluation**

11. Scores for the non-price attributes were determined on the basis of information provided in each tender and on any recent Council experience with the tenderers.
12. The results of the tender evaluation as summarized in Table 2 shows that the tender submitted by JB Contractors Limited achieved the highest index of 69.
13. JB Contractors Limited have successfully completed several similar contracts for Council in the past and they have the necessary expertise and resources to satisfactorily carry out the works.
14. The successful tender is 1.5% above the pre-tender contract estimate.
15. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance are not negotiable" - all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

### CREDIT CHECK

16. A credit check dated 18 August 2010 on JB Contractors Limited revealed no adverse information.

### JOB COSTS

17.		<b>excl. GST</b>
	Tender sum - JB Contractors Limited	\$ 839,685.00
	Contingency	\$ 83,968.50
	Engineering and Supervision	\$ 83,968.50
	Other (Consents)	\$ 30,000.00
		-----
	Total Job Cost	\$1,037,622.00

## SOURCE OF FUNDING

18. 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
Other Wastewater	8AMEW-11-081	\$2,393,000.00	\$795,456.90	\$786,960.13	\$810,582.97	0.00
Sewer Renewals I&I	8AMEW-11-027	\$2,060,000.00	\$1,407,372.60	\$250,661.87	\$401,965.53	\$315.00
	<b>Total</b>	<b>\$4,453,000.00</b>	<b>\$2,202,829.50</b>	<b>\$1,037,622.00</b>	<b>\$1,212,548.50</b>	<b>\$315.00</b>

**Table 3 - Source of Funding**

## 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 constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does 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: Neville Colling, Contracts Engineer.



## 8 CONTRACT NO. EW10006D - WASTEWATER RENEWALS AND UPGRADES IN MINI CATCHMENTS 2, 4, 9 AND 21 - NEW LYNN - APPROVAL TO AWARD

### GLOSSARY

Mini Catchment

(MC)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW10006D - Wastewater Renewals and Upgrades in Mini Catchments 2, 4, 9, and 21 - New Lynn.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW10006D - Wastewater Renewals and Upgrades in Mini Catchments 2, 4, 9, and 21 - New Lynn - Approval to Award report.
2. **Approve**, subject to resolution 4 below, the tender from Advanced Pipeline Services Limited for Contract No. EW10006D - Wastewater Renewals and Upgrades in Mini Catchments 2, 4, 9, and 21 - New Lynn in the sum of \$399,918.00 plus \$49,989.75 GST, totalling \$449,907.75 be accepted.

3. **Approve**, subject to resolution 4 below, authority to enter into Contract No. EW10006D - Wastewater Renewals and Upgrades in Mini Catchments 2, 4, 9, and 21 - New Lynn on behalf of the Council be delegated to the Group Manager: Project Services.
4. **Note** that resolutions 2 to 4 above are subject to confirmation by the Auckland Transition Agency.

### BACKGROUND

1. The Council has an objective to reduce flows in the wastewater network by 25% through the Infiltration and Inflow Control Programme. The New Lynn wastewater catchment is the first catchment to be assessed under this programme and rehabilitation and upgrade work has already been carried out on public drains in Mini Catchments (MC)2, MC4, MC5, MC6, MC7, MC8, MC9, MC15, MC17, MC18, MC19 and MC21.
2. The rehabilitation and upgrade work under this contract is for sewers and manholes that are in poor condition and that have not been covered in previous contracts.
3. Funding was approved by the Council in the Annual Plan 2010/2011 for this work.

### SCOPE OF WORK

4. The scope of work includes:
  - installation of approximately 25 metres of new wastewater pipeline using directional drilling;
  - rehabilitation of 1,512 metres of existing wastewater pipelines using structural lining, slip lining and pipe bursting techniques;
  - construction and rehabilitation of 29 manholes;
  - replacement of 12 service connections;
  - rehabilitation of 65 service connections using lateral junction repairs; and
  - flushing and video inspection of newly installed and rehabilitated lines.

### TENDERS RECEIVED

5. Tenders were publicly advertised on Tenderlink with 20 sets of documents being uplifted. Four tenders including one alternative tender were received by the closing date of 31 August 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)	
		Conforming	Alternative
Flowerday Enterprises Limited	105A Crown Road, R D 1, Pukekohe	Disqualified	
Advanced Pipeline Services Limited	146 Neilson Street, Onehunga, Auckland	\$399,918.00	\$379,516.00
The Fletcher Construction Company Limited trading as "Pipeworks"	18 Gabador Place Mt Wellington, Auckland	\$516,142.67	
Suburban Drainage Limited	57 Pipitiwai Drive, Helensville, R D 1. Kaukapakapa	\$620,417.24	
Pre-tender contract estimate (based on most up-to-date tender rates)		\$493,525.00	
Budget estimate		\$500,000.00	

**Table 1 - Summary of Tender Prices**

## TAGS, ERRORS OR OMISSIONS

6. The tender from Suburban Drainage Limited contained a number of extension errors. The errors were not addressed as resolution would not have affected the outcome of the tender evaluation.
7. There were tags in the tender from Flowerday Enterprises Limited. These were not addressed as it did not affect the outcome of the tender evaluation process.
8. There were no other tags, errors or omissions in the other tenders.

## TENDER EVALUATION

9. 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".
10. A summary of the evaluation results is shown in Table 2:

Tender	Attributes	Exper	Track Record	Tech. Skill	Resour.	Manag. Skill	Method	Price	Contract Number EW10006D Total Weights
	<b>Weights</b>	<b>10</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>70</b>	<b>100</b>
Tenderer	Tender Sum				Grades				INDEX
Flowerday Enterprises Limited		<b>30</b>							Disqualified
Advanced Pipeline Services Limited	\$399,918.00	<b>85</b>	<b>85</b>	<b>80</b>	<b>80</b>	<b>75</b>	<b>78</b>	<b>73</b>	75
The Fletcher Construction Company Limited trading as "Pipeworks"	\$516,142.67	<b>80</b>	<b>80</b>	<b>85</b>	<b>85</b>	<b>80</b>	<b>75</b>	<b>50</b>	59
Suburban Drainage Limited	\$620,417.24	<b>50</b>	<b>55</b>	<b>52</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>30</b>	36
<b>Median Tender Price</b>	\$516,142.67								

**Table 2 - Summary of Tender Evaluation**

11. Scores for the non-price attributes were determined on the basis of information provided in each tender and on any recent Council experience with the tenderers.
12. The tender submitted by Flowerday Enterprises Limited failed to demonstrate any previous relevant experience and that they are capable of completing a project of this nature. The tender was disqualified and not evaluated further.
13. The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Advanced Pipeline Services Limited achieved the highest index of 75.
14. Advanced Pipeline Services Limited also submitted an alternative tender based on a proposal to structurally line the pipes designed for pipe bursting and slip lining. This methodology was unacceptable due to several design considerations and hence this alternative tender was rejected.
15. Advanced Pipeline Services Limited have successfully completed several similar contracts for Council in the past and they have the necessary expertise and resources to satisfactorily carry out the works.

16. The successful tender is 19% below the pre-tender contract estimate.
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 pre-start meeting and imposed during the contract period.

### CREDIT CHECK

18. A credit check on Advanced Pipeline Services Limited dated 2 September 2010 revealed no adverse information.

### JOB COSTS

19.		<b>excl. GST</b>
	Tender sum - Advanced Pipeline Services Limited	\$399,918.00
	Contingency	\$ 39,991.80
	Engineering and Supervision	\$ 39,991.80
	Other (Consents)	\$ 10,000.00
		-----
	Total Job Cost	\$489,901.60

### SOURCE OF FUNDING

20. 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
Sewer Renewals I&I	8AMEW-11-027	\$2,060,000.00	\$712,243.00	\$489,901.60	\$857,855.40	\$100,082.00
	<b>Total</b>	\$2,060,000.00	\$712,243.00	\$489,901.60	\$857,855.40	\$100,082.00

**Table 3 - Source of Funding**

### IMPLEMENTATION ISSUES

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

### AUCKLAND COUNCIL TRANSITION ISSUES

22. The decision making proposed in this report is constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does 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:** Neville Colling, Contracts Engineer.



9 **CONTRACT NO. EW08005A - PROJECT TWIN STREAMS - RIPARIAN REHABILITATION PROJECT - WAIKUMETE STREAM - APPROVAL TO AMEND CONTRACT SUM**

**GLOSSARY**

Project Twin Streams	(PTS)
Auckland Regional Holdings	(ARH)
Te Ngahere (2009) Limited	(TNH)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to amend the contract sum for Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project - Waikumete Stream.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project - Waikumete Stream - Approval to Amend Contract Sum report.
2. **Approve** that Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project - Waikumete Stream as awarded to Te Ngahere (2009) Limited be amended to the sum of \$657,956.74 excluding GST for the period 1 July 2010 to 30 June 2012.
3. **Approve** the commitment of \$338,161.19 excluding GST as provided in the Annual Plan 2010/2011 for Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project - Waikumete Stream.
4. **Approve** the commitment of \$319,795.55 excluding GST as provided in Year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project - Waikumete Stream.
5. **Agree** that the extension to Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project - Waikumete Stream for a further one year, 2011/2012, be subject to Contractor performance and Auckland Council approval.
6. **Approve** that authority to extend Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project - Waikumete Stream for the period 1 July 2010 to 30 June 2012 on behalf of the Council be delegated to the Deputy Group Manager: Assets.
7. **Note** that the Auckland Transitional Agency approval to amend and extend Contract No. EW08005A - Project Twin Streams Rehabilitation Project - Waikumete Stream was received 3 December 2009, (Ref: 96-CS-C-01).

**BACKGROUND**

1. At the Tenders Subcommittee meeting 27 November 2009, it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project; Waikumete Stream - Approval to Amend Contract Sum and Extend Contract Period report.

2. **Approve** that, subject to a satisfactory credit check, the Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project; Waikumete Stream as awarded to Te Ngahere Limited be extended in the sum of \$1,102,56.90 excluding GST for the period 1 July 2010 to 30 June 2012.
3. **Approve** the commitment of \$601,401.36 excluding GST as provided in year 2 (2010/2011) of the Long Term Council Community Plan 2009-2019 for Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project; Waikumete Stream.
4. **Approve** the commitment of \$501,167.64 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project; Waikumete Stream.
5. **Agree** that the extension to Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project; Waikumete Stream for a further one plus one year for 2010/2011 and 2011/2012 be brought back to the Tenders Subcommittee for approval subject to funding availability and contractor approval.
6. **Approve** that authority to extend Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project; Waikumete Stream for the period 1 July 2010 to 30 June 2012 on behalf of the Council be delegated to the Acting Director: City Services.
7. **Agree** that resolution 5 above be subject to final confirmation by the Auckland Council.”

1896/2009

2. Confirmation to amend and extend Contract No EW08005A - Project Twin Streams Rehabilitation Project - Waikumete Stream was received by the Auckland Transitional Agency (Ref: 96-CS-C-01, dated 3 December 2009).

### DECISION MAKING

3. This report addresses the requirements of resolution five of minute no. 1896/2009 to report back to Tenders Subcommittee.
4. Contract No. EW08005A - Project Twin Streams - Riparian Rehabilitation Project: Waikumete Stream is a four year contract with an expiry date of 30 June 2012.
5. Te Ngahere (2009) Limited (TNH) have confirmed in writing that they are willing to carry out the contract until 30 June 2012.
6. Funding for this contract will be provided by Auckland Regional Holdings (ARH). Based on the nature of these works, Council will be able to claim the full amount from ARH.
7. 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	\$455,400.86
2009/2010	Extension 1 Current	\$501,168.65
2010/2011	Extension 2 Proposed	\$338,161.19
2011/2012	Extension 3 Proposed	\$319,795.55
	<b>Total</b>	<b>\$1,614,526.20</b>

**Table 1 - Total accumulative amount**

### CONTRACTOR'S PERFORMANCE

8. An evaluation of TNH performance to date contains the following features:
- During the course of the contractor relationship with the Council, there have been no performance related issues;
  - They have developed a good working relationship with relevant Council staff;
  - They are a well resourced company;
  - They respond quickly to customer complaints;
  - They have a strong focus on health and safety;
  - Their workmanship is generally to a very good standard;
  - They have local knowledge of the stream area and are familiar with the works required on the stream; and
  - They have worked with and formed good relationships with the community groups on the stream.

### CREDIT CHECK

9. A credit check on TNH dated 13 August 2010 has revealed no adverse information.

### JOB COSTS

10.		<b>excl. GST</b>
	Contract sum - TNH 2010/2011	\$338,161.19
		-----
	Total Job Cost	\$338,161.19
11.		<b>excl. GST</b>
	Contract sum - TNH 2011/2012	\$319,795.55
		-----
	Total Job Cost	\$319,795.55

### SOURCE OF FUNDING

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

Budget Description (from annual budget line item) Financial Year 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams - Riparian Rehabilitation Project Waikumete Stream EW080500A	8AMEW-07-191/02/01/02	\$601,401.36	\$263,240.17	\$338,161.19	\$0	\$0
<b>Total</b>		\$601,401.36	\$263,240.17	\$338,161.19		

**Table 2 - Source of Funding**

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

Budget Description (from annual budget line item) Financial Year 2011/2012	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams - Riparian Rehabilitation Project Waikumete Stream EW080500A	8AMEW-07-191/02/01/02	\$501,167.64	\$181,372.09	\$319,795.55	\$0	\$0
<b>Total</b>		\$501,167.64	\$181,372.09	\$319,795.55		

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

14. Any extension under the contract 'right-of-renewal' provisions will be at the sole discretion of Council's successor, and will also be conditional on the contractor consistently meeting the contract KPI's, demonstrating efficiency gains, and maintaining a good working relationship with the Council.

## AUCKLAND COUNCIL TRANSITION ISSUES

15. The decision making proposed in this report is constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does 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.
16. Auckland Transitional Authority approval was granted to extend and amend Contract EW08005A - Project Twin Streams Rehabilitation Project - Waikumete Stream (Ref: 97-CS-C-01, dated 3 December 2009).

**Report prepared by:** Gill Thurlow, Parks Contract Officer: Parks Assets.



## 10 CONTRACT NO. EW08011A - SUPPLY OF ECO - SOURCED PLANTS FOR PROJECT TWIN STREAMS 2009/2010 AND 2010/2011 - APPROVAL TO AMEND CONTRACT SUM AND EXTEND CONTRACT PERIOD

### GLOSSARY

Project Twin Streams	(PTS)
Bilfinger Berger (New Zealand) Limited	(BBS)
Auckland Regional Holdings	(ARH)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to amend the contract sum and extend the contract period for Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams 2009/2010 and 2010/2011- Approval to Amend Contract Sum and Extend Contract Period report.
2. **Approve**, subject to a satisfactory credit check, Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams as awarded to Bilfinger Berger (New Zealand) Limited be amended to the sum of \$603,150.55 plus \$72,378.06 GST, totalling \$675,528.61 for the period 1 November 2010 to 31 October 2012.

3. **Approve** the commitment of \$375,110.00 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams.
4. **Agree** that the extension to Contract No. EW0811A - Supply of Eco-Sourced Plants for Project Twin Streams for a further 24 months to October 2012 be subject to Contractor performance and Auckland Council approval.
5. **Approve** the commitment of \$228,040.55 excluding GST as provided in year 4 (2012/2013) of the Long Term Council Community Plan 2009-2019 for Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams.
6. **Approve** that authority to extend Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams for the period 1 November 2010 to 31 October 2012 on behalf of the Council be delegated to the Deputy Group Manager: Assets.
7. **Note** that resolution 5 above is subject to confirmation by the Auckland Transition Agency.

## BACKGROUND

1. At the Tenders Subcommittee meeting on 3 October 2008, it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams 2009/2010 and 2010/2011 report.
2. **Approve** that the Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams 2009/2010 and 2010/2011 be awarded to Bilfinger Berger Services (New Zealand) Limited in the sum of \$929,502.00 excluding GST for the period 2009/2010 and 2010/2011.
3. **Approve** that \$408,981.10 be committed to Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams 2009/2010 and 2010/2011 for the 2009/2010 financial year.
4. **Approve** that \$408,981.10 be committed to Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams 2009/2010 and 2010/2011 for the 2010/2011 financial year.
5. **Approve** the authority to enter into Contract No. EW08011A - Supply of Eco-Sourced Plants for Project Twin Streams 2009/2010 and 2010/2011 on behalf of the Council be delegated to the Group Manager: Asset Management.”

1691/2008

## DECISION MAKING

2. Contract No. EW08011A - Project Twin Streams - Supply of Eco-Sourced Plants is a two year contract with an expiry date of 1 November 2010.
3. Bilfinger Berger (New Zealand) Limited (BBS) have successfully provided eco-sourced plants for Project Twin Streams (PTS) since 2008.

4. BBS follow the code of eco-sourcing practice and ethics; they have reliable, permanent and skilled management and staff, good propagation facilities and nursery space to provide the eco-sourced plants.
5. PTS is required to successfully deliver the stream restoration program for five streams by 2012. The supply of eco-sourced plants is essential to this program in order to achieve this objective. The financial implications of undertaking the necessary planting work until October 2012 impacts on both the 2011/2012 and 2012/2013 financial years.
6. BBS has confirmed in writing that they are willing to carry out their contract for a further 24 months.
7. 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 24months.
8. Funding for this contract will be provided by Auckland Regional Holdings (ARH). Based on the nature of these works, Council will be able to claim the full amount from ARH.
9. The total accumulation cost 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	Year 1 of current contract	\$204,490.00
2009/2010	Year 2 of current contract	\$408,981.10
2010/2011	Extension 1	\$408,981.10
2011/2012	Extension 2 - proposed	\$375,110.00
2012/2013	Extension 3 - proposed	\$228,040.55
	<b>Total</b>	<b>\$1,625,602.70</b>

**Table 1 - Total Accumulated Amount.**

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

10. An evaluation of BBS's performance to date contains the following features:
  - During the course of BBS's 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 plant supply over the period of transition;
  - BBS has developed a good working relationship with relevant Council staff;
  - They have a strong focus on health and safety; and
  - They have local knowledge of the PTS project and are familiar with the requirements under this contract.

#### **CREDIT CHECK**

11. A credit check on BBS has been requested.

## JOB COSTS

12.		<b>excl. GST</b>
	Contract sum - BBS 2011/2012	\$375,110.00
		-----
	Total Job Cost	\$375,110.00
13.		<b>excl. GST</b>
	Contract sum - BBS 2012/2013	\$228,040.55
		-----
	Total Job Cost	\$228,040.55

## SOURCE OF FUNDING

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

Budget Description (from annual budget line item) Annual Plan 2011/2012	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams - Supply of Eco-Sourced Plants EW08011A	8AMEW-07-191/02/01	\$375,110.00	\$0	\$375,110.00	\$0	\$0
	<b>Total</b>	\$375,110.00		\$375,110.00		

**Table 2 - Source of Funding**

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

Budget Description (from annual budget line item) Financial Year 2012/2013	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams - Supply of Eco-Sourced Plants EW08011A	8AMEW-07-191/02/01	\$228,040.55	\$0	\$228,040.55	\$0	\$0
	<b>Total</b>	\$228,040.55		\$228,040.55		

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

16. Any extension under the contract 'right-of-renewal' provisions will be at the sole discretion of Council's successor, and will also be conditional on the contractor consistently meeting the contract deliverables and maintaining a good working relationship with the Council.

## AUCKLAND COUNCIL TRANSITION ISSUES

17. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities in respect of Section 31(4)(i) - to enter into any contract (other than an employment agreement) - (i) that imposes, or will continue to impose, any obligation on the existing local authority after 30 June 2011.

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 right of renewal beyond June 2011 be subject to agreement of the Auckland Council or its delegated Council Controlled Organisation.

**Report prepared by:** Gill Thurlow - Contract Officer, Project Twin Streams.



11 **CONTRACT NO. PK10013C - PIHA DOMAIN AND CAMPGROUND WASTEWATER TREATMENT PLANT UPGRADE - APPROVAL TO AWARD**

**GLOSSARY**

Returned Services Association	(RSA)
Hynds Environmental Systems Limited	(Hynds)
Reflection Treatment Systems Limited	(Reflections)
Innoflow Technologies New Zealand Limited	(Innoflow)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK10013C - Piha Domain and Campground Wastewater Treatment Plant Upgrade.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK10013C - Piha Domain and Campground Wastewater Treatment Plant Upgrade - Approval to Award report.
2. **Approve** that Contract No. PK10013C - Piha Domain and Campground Wastewater Treatment Plant Upgrade be awarded to other than the lowest priced tender, as the Weighted Attributes Tender Evaluation Method requires the tendering authority to enter into a contract only with the tender that scores the highest overall index.
3. **Approve** that the tender from Innoflow Technologies Limited for Contract No. PK10013C - Piha Domain and Campground Wastewater Treatment Plant Upgrade in the sum of \$514, 300.91 plus \$77,145.14 GST, totalling \$591,446.05, be accepted.
4. **Approve** that authority to enter into Contract No. PK10013C - Piha Domain and Campground Wastewater Treatment Plant Upgrade on behalf of the Council be delegated to the Group Manager: Project Services.

**BACKGROUND**

1. Piha Domain and Campground is located at 21 Seaview Road, Piha, Waitakere.

2. The existing wastewater treatment and disposal plant serving the Domain and Campground is currently undersized and wastewater flows during the peak summer months are managed by pump-outs. A new Auckland Regional Council Discharge Permit was granted in 2010 for the upgrade of a new treatment and disposal system serving the Piha Domain and Campground, South Piha Public toilets, Piha Returned Services Association (RSA) and Piha Bowling Club.
3. Funding was approved by the Council in the Annual Plan 2009/2010 for this work.

### SCOPE OF WORK

4. The scope of work includes upgrading/replacing the wastewater treatment plant at the Domain, increasing the size of the disposal field, decommissioning the existing treatment plant serving the South Piha toilets and connecting wastewater flows from the Piha RSA and Bowling Club.

### TENDERS RECEIVED

5. Tenders were publicly advertised on Tenderlink with 50 sets of documents being uplifted. Three tenders were received by the closing date of 2 September 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Hynds Environmental Systems Limited	Greenlane, Auckland	\$495,790.84
Innoflow Technologies New Zealand Limited	311A Postman Road, Dairy Flat, North Shore City	\$514,300.91
Reflection Treatment Systems Limited	Waimauku, Auckland	\$518,705.00
Pre-tender contract estimate (based on most up-to-date tender rate)		\$571,320.00
Budget estimate		\$362,000.00

**Table 1 - Summary of Tender Prices**

### TAGS, ERRORS OR OMISSIONS

6. All three tenders tagged out striking rock during directional drilling and excavations from their tenders. This is the industry norm for projects involving directional drilling and was considered acceptable.
7. All three tenders had other tags and were therefore non-conforming. Hynds Environmental Systems Limited (Hynds) and Reflection Treatment Systems Limited (Reflections) had tags relating to alkalinity treatment. Innoflow Technologies New Zealand Limited (Innoflow) had tags related to removal of redundant infrastructure from the existing wastewater system, backfilling, pumping out existing tanks during the works and mulching the disposal field. All tenderers were asked to either confirm or adjust their tender price to remove these tags.
8. Hynds revised their tender price from \$495,790.84 to \$513,290.84. Innoflow confirmed their tender price of \$514,300.91. Reflections confirmed their tender price of \$518,705.
9. There were no other tags, errors or omissions in the tenders.

## TENDER EVALUATION

10. 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".
11. 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.
12. In this contract there are no Provisional Sums.
13. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number PK10013C
	Weights	15	10	10	5	5	5	50	Total Weights
Tenderer	Tender Sum	Grades							INDEX
Hynds Environment Systems Limited	\$513,290.84	65	70	75	75	75	60	50	60
Innoflow Technologies New Zealand Limited	\$514,300.91	90	70	85	80	80	85	50	66
Reflection Treatment Systems Limited	\$518,705.00	70	75	80	75	80	65	49	62
<b>Med.n Tender Price</b>	\$514,300.91								

**Table 2 - Summary of Tender Evaluation**

14. 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.
15. Innoflow produced the best tender in terms of methodology, technical content and their approach to meeting the requirements of the tender, as compared to the Hynds and Reflections.
16. Innoflow are the most experienced provider of on-site and decentralised wastewater treatment equipment in New Zealand. They install treatment systems for single dwellings, public toilets, subdivisions and coastal communities. The size of their plants range from 1m<sup>3</sup>/day up to 250+m<sup>3</sup>/day. The technology proposed by Innoflow has a good track record in New Zealand and meets the requirements of the resource consent. Innoflow have been installing these systems for over 15 years. Innoflow supplied the original Piha Domain and Campground treatment system and have also installed several other plants for Council.
17. The project management and installation team offered by Innoflow are senior personnel within the company. The project manager supervised the installation of Karekare Public Toilets in 2008. It should be noted that contract negotiations for this installation were difficult but the installation proceeded without any problems.

18. Innoflow and Reflections proposed textile filter technology that met conditions of the resource consent. Hynds offered an alternative aeration technology that is not as robust and uses more power. One of the main issues during tender evaluation was extracting information relating to alkalinity and how nitrogen limits in the consent would be met. Within the tender documents, flow and load sampling data was carried out to characterise the influent and establish alkalinity and nitrogen concentrations. Innoflow's tender showed a full and comprehensive understanding of the influent characteristics and how to meet the effluent quality criteria.
19. Reflections propose to use fifteen multiple domestic treatment units, which would have implications if there was any ground settlement. There are also potential difficulties servicing this many units. Innoflow offer technology that is designed for larger scale application and is also modular in nature.
20. An assessment of power usage for all three tenders has been undertaken. The technology provided by Innoflow has the lowest power usage while Hynds has the higher power usage. This is due to differing types of technology proposed and Hynds use of high power blowers.

	Hynds	Innoflow	Reflections
Annual Power Usage (kWh per year)	5082	2310	4000
Power Cost (\$ per kWh)	0.2	0.2	0.2
Annual Cost per year (\$ per year)	\$1,016.40	\$462.00	\$800.00

**Table 3 - Annual Power Costs**

21. The tender required that each company provide an annual service cost. These are presented in the table below:

	Hynds	Innoflow	Reflections
Annual Servicing Cost	\$2,380.00	\$6,200.00	\$5,970.00
Number of Services per Year	3	4	Monthly during peak months and then quarterly

**Table 4 - Annual Servicing Costs**

22. Innoflow's reference checks were good with all referees confirming that they would use them again and had no issue recommending them.
23. The results of the tender evaluation, as summarised in Table 2, shows that the tender submitted by Innoflow achieved the highest index of 66. This tender is also the second lowest tender.
24. Innoflow was founded in 1994. They are a privately owned wastewater treatment plant company and specialise in high quality treatment systems for subdivisions, toilet blocks, campgrounds and other areas that are not reticulated for sewage.
25. Innoflow has been involved in a number of successful Council projects, including the supply of wastewater treatment and disposal systems at Les Waygood Public Toilets, Mid Beach Public Toilets, Karekare Public Toilets, South Piha Public Toilets and Piha Domain and Campground (original plant installed in 1997).
26. The preferred tender is 10% below the pre-tender engineer's estimate.
27. 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

28. A credit check on Innoflow dated 8 September 2010 revealed no adverse information.

### JOB COSTS

29.		<b>excl. GST</b>
	Tender sum - Innoflow	\$514,300.91
	Contingency	\$ 51,430.09
		-----
	Total Job Cost	\$565,731.00

### SOURCE OF FUNDING

30. Source of funding is shown in Table 5 below:

Budget Description (from annual budget line item) Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Services Upgrade	8AMPK-11-08/13/06	\$362,000.00	0.00	\$362,000.00	0.00	0.00
RSA and Bowling Club Contribution Estimate	N/A	N/A	N/A	\$144,662.69	N/A	N/A
Asset Improvement	8AMPK-11-013	\$100,000.00	\$40,931.69	\$59,068.31	0.00	0.00
				\$565,731.00		

**Table 5 - Source of Funding**

31. The RSA and Piha Bowling Club contribution is an estimate only, as this amount depends on the final project costs.
32. The budget was set in the Annual Plan 2010/2011. Changes to the project scope have seen the cost estimate increase and contributions are to be sourced from the Piha RSA and the Piha Bowling Club.

### IMPLEMENTATION ISSUES

33. The Piha RSA and the Piha Bowling Club have not yet signed the funding agreements.
34. There are no other expected implementation issues with this contract.

### AUCKLAND COUNCIL TRANSITION ISSUES

35. 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:** Tim Sherring, Senior Engineer.



12 **CONTRACT NO. PK09003A - PROFESSIONAL SERVICES FOR PROJECT TWIN STREAMS - APPROVAL TO EXTEND**

**GLOSSARY**

Project Twin Streams	(PTS)
Thomas Civil and Environmental Consultants Limited	(TCEC)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK09003A - Professional Services for Project Twin Streams for 12 months, to 30 June 2012.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK09003A - Professional Services for Project Twin Streams - Approval to Extend report.
2. **Approve** that Contract No. PK09003A - Professional Services for Project Twin Streams as awarded to Thomas Civil Consultants Limited be extended in the sum of \$347,175 excluding GST for the period 1 July 2011 to 30 June 2012.
3. **Approve**, subject to resolution 5 below, the commitment of \$347,175 excluding GST for the 2011/2012 financial year for Contract No. PK09003A - Professional Services for Project Twin Streams.
4. **Approve**, subject to resolution 5 below, that authority to extend Contract No. PK09003A - Professional Services for Project Twin Streams for the period 1 July 2011 to 30 June 2012 on behalf of the Council be delegated to the Deputy Group Manager: Assets.
5. **Note** that resolutions 3 to 4 above are subject to confirmation by the Auckland Transition Agency.

**BACKGROUND**

1. The scope of work includes providing professional services to Project Twin Streams (PTS). These include, but are not limited to:
  - Negotiating property purchases, covenants, and agreements to work on private properties;
  - Arranging sales of surplus properties;
  - Tidying up properties for handover to Parks Assets;
  - Preparing and administering resource consents;
  - Drawing planting plans; and
  - Providing riparian co-ordinator roles.
2. The existing contract is due to expire on 30 June 2011.
3. The Council approved the award of Contract No. PK09003A - Professional Services for Project Twin Streams to Thomas Civil and Environmental Consultants Limited (TCEC) (formerly Thomas Civil Consultants Limited) at a Tenders Subcommittee meeting held on 21 August 2009 with the following recommendations:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. PK09003A - Project Twin Streams - Professional Services - Approval To Award report.

2. **Approve** that the tender from Thomas Civil Consultants Limited for Contract No. PK09003A - Project Twin Streams - Professional Services in the sum of \$998,500 plus \$124,812.50 GST, totalling \$1,123,312.50 from 1 September 2009 to 30 June 2011 be accepted.
3. **Approve** the commitment of \$579,645 excluding GST as provided in the Annual Plan 2009/2010 for Contract No. PK09003A - Project Twin Streams - Professional Services.
4. **Approve** the commitment of \$418,855 excluding GST for the 2010/2011 financial year for Contract No. PK09003A - Project Twin Streams - Professional Services.
5. **Approve** that authority to enter into Contract No. PK09003A - Project Twin Streams - Professional Services on behalf of the Council be delegated to the Deputy Director: City Services.”

1403/2009

### DECISION MAKING

4. Contract No. PK09003A - Professional Services for Project Twin Streams is a 22 months contract with an expiry date of 30 June 2011.
5. The current contract was publicly advertised to ensure that Council would get the best price that the market had to offer as all interested contractors had a fair opportunity to tender.
6. TCEC is the incumbent contractor. They have been involved in all aspects of PTS since the commencement of the project in 2002, and hence are fully conversant with the ethos of the project and the processes and protocols involved.
7. All funding tables for this contract are in line with revised contract periods.
8. The extension was valued using existing contract rates plus escalation allowance. These rates are significantly lower when compared against rates received by other tenderers for this contract, 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 and contract extensions approved, and now sought, showing the cost of the contract sum to date are shown in Table 1 below:

2009/2010	Original Contract Sum	\$579,995
2010/2011	Original Contract Sum	\$418,855
2011/2012	Extension 1 Proposed	\$347,175
	Total	\$1,346,025

**Table 1 - Total accumulative amount**

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

### CONTRACTOR'S PERFORMANCE

11. An evaluation of TCEC performance to date contains the following features:
  - During the course of the contractor relationship with the Council, there have been no performance related issues;

- Confirmation that 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 generally to a very good standard.

### CREDIT CHECK

12. A credit check on TCEC dated 20 July 2010 revealed no adverse information.

### JOB COSTS

13.		<b>excl. GST</b>
	Contract sum (12 months) - TCEC	\$347,175
	Engineering and Supervision	\$ 0
		-----
	Total Job Cost	\$347,175

### SOURCE OF FUNDING

14. Source of funding is shown in Tables 2 and 3 below:

Budget Description (from annual budget line item) Draft Annual Plan 2011/2012	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Project Twin Streams	8AMEW-07-191/02	\$1,973,000	\$1,654,570	\$347,175	Nil	Nil
	<b>Total</b>	\$1,973,000	\$1,654,570	\$347,175	Nil	Nil

Table 2 - Source of Funding 2011/2012

### IMPLEMENTATION ISSUES

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

### AUCKLAND COUNCIL TRANSITION ISSUES

16. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities in respect of s31 Decision making during transition period:
- (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 existing local authority after 30 June 2011; and
    - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.

Report prepared by: Anil Karan, Project Twin Streams Evaluations Leader.



13 **CONTRACT NO. PK10004A - NATIVE REVEGETATION PROGRAMME - APPROVAL TO AWARD**

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK10004A - Native Revegetation Programme.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK10004A - Native Revegetation Programme - Approval to Award report.
2. **Approve** that, the tender from The Plant People for Contract No. PK10004A - Native Revegetation Programme in the sum of \$232,418.95 plus \$34,862.84 GST, totalling \$267,281.79 from 11 October 2010 to 30 October 2012 be accepted.
3. **Approve** the commitment of \$101,238.43 excluding GST as provided in the Annual Plan 2010/2011 for Contract No. PK10004A - Native Revegetation Programme.
4. **Approve** the commitment of \$152,810.52 excluding GST as provided in Year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK10004A - Native Revegetation Programme.
5. **Approve** the commitment of \$6,610.00 excluding GST for Year 4 (2012/2013) of the Long Term Council Community Plan 2009-2019 for Contract No. PK10004A - Native Revegetation Programme.
6. **Approve** that authority to enter into Contract No. PK10004A - Native Revegetation Programme on behalf of the Council be delegated to the Acting Group Manager: Asset Management.
7. **Note** that confirmation to proceed to procurement has been received from the Auckland Transition Authority via their Integrated Procurement Group on 4 May 2010.

**BACKGROUND**

1. Funding has been included in the Annual Plan 2010/2011 and Years 3 and 4 of the Long Term Council Community Plan to purchase, plant and maintain eco-sourced native plants. All sites have been selected based on their ecological value and the potential impact of not planting.
2. All plants required as part of this project will be supplied as part of the contract works. Auditing of plant stock will be carried out to ensure that plants are grown in accordance with best horticultural practices and Council's Eco-sourcing Code of Practice and Ethics.
3. Integrated Procurement Group approval was received on 4 May 2010 along with Auckland Transition Authority confirmation No. ATA0780 received on 28 July 2010.

## SCOPE OF WORK

4. The scope of work outlined in this contract includes the supply of eco-sourced plants, extensive environmental weed control and site preparation, planting of eco-sourced plants and mulching at some sites. The timeline of work is outlined in Table 1. Aftercare is required in newly planted sites for a period of 12 months. The programme shall be undertaken in the following reserves throughout the City:
- Kawaka Reserve;
  - Manawa Wetland Reserve;
  - Rata Street Esplanade Reserve;
  - Waikumete Cemetery;
  - Opanuku Scenic Reserve;
  - Astelia Grandis Reserve;
  - Paremuka Esplanade;
  - Paremuka Wetland
  - Lookout Reserve; and
  - Kaurilands Domain.

## TENDERS RECEIVED

5. Tenders were publicly advertised on Tenderlink or Tenders were invited from selected tenderers with 30 sets of documents being uplifted. Eleven tenders were received by the closing date of 19 August 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
The Plant People Limited	135 Barrack Rd, Mt Wellington, Auckland	\$232,418.95
Brett Garea Environments Limited	75 Vauxhall Rd, Devonport, North Shore	\$262,737.41
Rahopara Parks & Gardens Limited	PO Box 163-140, Lynfield, Auckland	\$263,345.40
Vegetation Specialists	215 South Head Rd, Helensville, Rodney	\$274,488.27
Bilfinger Berger (New Zealand) Limited	63 Keeling Rd, Henderson, Waitakere	\$275,827.37
HEB Construction Limited	Firth Street, Drury, Auckland	\$285,326.55
Treescape Limited	91 Riverlea Rd, Hillcrest, Hamilton	\$285,498.57
Targeted Pest Solutions Limited	9d Beatrice Tinsley Crescent, Albany, North Shore	\$303,221.80
Trade-Enviro Limited	PO Box 393, Drury, Auckland	\$437,735.10
Fort Projects	Level 7, 85 Fort Street, CBD, Auckland	\$511,716.85
All Drains Limited	35 Cherrington Rd, Papakura, Auckland	Disqualified
Pre-tender contract estimate (based on most up-to-date tender rate)		\$269,685.10

**Table 1 - Summary of Tender Prices**

## TAGS, ERRORS OR OMISSIONS

6. The tender from All Drains Limited had omissions. Several items of work were indicated as not being included in the pricing as requested. Therefore, the tenderer was disqualified and omitted from the tender process.

7. There were tags in the tenders submitted by Brett Grarea Environment Limited, Rahopara Parks & Gardens Limited, Bilfinger Berger (New Zealand) Limited, HEB Construction Limited and Fort Projects. These were not addressed as it did not affect the outcome of the tender evaluation process.

### 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 \$105,159.10. This Provisional Sums includes \$83,959.10 for plant supply from a nominated native plant supplier. The supplier, Bilfinger Berger (New Zealand) Limited lease the land from Council providing an annual return of \$25,000. They have a strong background in the ecosourcing of native plants and provide quality plant stock. \$21,200 has been provided as days works in this contract.
11. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Res.	Man-agement	Method	Price	Total Weights
	Weights	8	8	6	10	12	6	50	100
Tenderer	Tender Sum	Grades							INDEX
Bilfinger Berger (NZ) Ltd	\$275,827.37	71	67	75	72	70	75	52	61
Targeted Pest Solutions	\$303,221.80	61	65	62	71	69	75	42	55
Fort Projects	\$511,716.85	63	65	72	59	74	70	-32	17
Brett Garea Environmental Limited	\$262,737.41	65	65	75	68	73	57	56	62
Rahopara Parks & Gardens Limited	\$263,345.40	69	65	75	68	73	68	56	63
Vegetation Specialists	\$274,488.27	66	65	75	66	73	77	52	61
Treescape Limited	\$285,498.57	65	65	75	70	78	78	48	60
Trade Enviro Limited	\$437,735.10	70	65	75	71	73	63	-6	32
The Plant People Limited	\$232,418.95	71	65	75	70	75	78	67	70
HEB Construction	\$285,326.55	69	65	75	74	75	65	48	60
All Drains Limited		37	65	40	70	73	35	100	Dis-qualified
<b>Median Tender Price</b>	\$280,576.96								

\* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

**Table 2 - Summary of Tender Evaluation**

12. The tender submitted by All Drains Limited was disqualified as their submitted tender failed to demonstrate any technical skills associated with native plant revegetation and arboricultural work. Further they omitted to price several items of work which were outlined in the tender document and submitted very low prices for other work which could not provide a quality outcome for Council. Therefore this tender could not be considered further.

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. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by The Plant People Limited achieved the highest index of 70. This tender is also the lowest priced tender.
15. The Plant People Limited has experience in all aspects of vegetation removal, site preparation and planting works. They are a privately owned company and specialise in landscaping and vegetation control. Current and past clients include Waitakere City Council, McConnell Properties and Pegasus Town Limited.
16. The Plant People has the necessary expertise and resources to satisfactorily carry out the works.
17. Reference checks made on a selection of clients indicated a well-resourced, well-managed and capable contractor.
18. The lowest tender is 13.8% 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 The Plant People Limited dated 26 August 2010 revealed no adverse information.

#### JOB COSTS

21.	<b>excl. GST</b>
Tender sum - (The Plant People Limited)	\$232,418.95
Contingency	\$ 23,240.00
Engineering and Supervision	\$ 5,000.00
	-----
Total Job Cost	\$260,658.95

#### SOURCE OF FUNDING

22. Source of funding for 2010/2011, 2011/2012 and 2012/2013 is shown in Tables 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
Rewarewa Stream Upgrade	8AMEW-07-216	\$60,000.00	\$52,048.30	\$7,951.70	\$0.00	\$0.00
Native Revegetation Programme	8AMPK-11-019	\$104,131.00	\$61,405.00	\$42,726.00	\$0.00	\$0.00
Weed & Pest Maintenance	5190-74000	\$1,070,000.00	\$1,019,439.27	\$50,560.73	\$0.00	\$0.00
<b>Total</b>		<b>\$1,234,131.00</b>	<b>\$1,132,892.57</b>	<b>\$101,238.43</b>	<b>\$0.00</b>	<b>\$0.00</b>

Budget Description (from annual budget line item) Draft Annual Plan 2011/2012	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Native Revegetation Programme	8AMPK-12-019	\$106,838.00	\$53,838.00	\$53,000.00	\$0.00	\$0.00
Weed & Pest Maintenance	5190-74000	\$896,000.00	\$796,189.48	\$99,810.52	\$0.00	\$0.00
<b>Total</b>		<b>\$1,002,838.00</b>	<b>\$850,027.48</b>	<b>\$152,810.52</b>	<b>\$0.00</b>	<b>\$0.00</b>

Budget Description (from annual budget line item) 2012/2013 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Weed & Pest Maintenance	5190-74000	\$898,000.00	\$891,390.00	\$6,610.00	\$0.00	\$0.00
<b>Total</b>		<b>\$898,000.00</b>	<b>\$891,390.00</b>	<b>\$6,610.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Table 3 - Source of Funding for the 2010/11, 2011/12 and 2012/13 financial years**

### IMPLEMENTATION ISSUES

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

### AUCKLAND COUNCIL TRANSITION ISSUES

24. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities in respect of entering into any contract (other than an employment agreement) 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 existing local authority after 30 June 2011; and
    - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.

25. Confirmation has been received on 7 September 2010 that no further Auckland Transition Authority approval is required and Long Term Council Community Plan funding has also previously been approved by the Auckland Transition Authority.

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



14 **CONTRACT NO. TA10015B - IMPROVED ILLUMINATION IN LOCAL ROADS 2010/2011 - APPROVAL TO AWARD**

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA10015B - Improved Illumination in Local Roads 2010/2011.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA10015B - Improved Illumination in Local Roads 2010/2011 - Approval to Award report.
2. **Approve** that the tender from Transfield Services (New Zealand) Limited for Contract No. TA10015B - Improved Illumination in Local Roads 2010/2011 in the sum of \$1,253,437.58 plus \$156,679.70 GST, totalling \$1,410,117.28 be accepted.
3. **Approve** that authority to enter into Contract No. TA10015B - Improved Illumination in Local Roads 2010/2011 on behalf of the Council be delegated to the Group Manager: Project Services.

**BACKGROUND**

1. This contract forms part of Council's Capital Streetlight Upgrade programme of work throughout Waitakere.
2. Funding was approved by the Council in the Annual Plan 2010/2011 for this work.

**SCOPE OF WORK**

3. The scope of work includes the supply and installation of new streetlight columns, outreach arms, pole brackets and lanterns for the upgrade of 23 selected local roads within Waitakere.
4. The selected roads to be included in this contract for street lighting upgrades are:
  - Airport, Allington, Arahoe, Daytona, Garelja, Stottholm, Withers and Woodvale Roads;
  - Ava, Buscomb, Cedar Heights, Covil, Neil and Pakira Avenues;
  - Bishop, Dolbear, Kokiri and Puketitiro Streets;
  - Cliff View and Garton Drives;
  - Cobham Crescent;
  - Pinedale Place; and
  - Rhinevale Close.
5. The contract to be awarded is a five-month contract commencing October 2010 and ending March 2011.

**TENDERS RECEIVED**

6. Tenders were publicly advertised on Tenderlink with 19 sets of documents being uplifted. Three tenders were received by the closing date of 24 August 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Transfield Services (New Zealand) Limited	Gate 2, Hellabys Road, Otara, Otahuhu, Auckland	\$1,253,437.58
Traffic Systems Limited	681E Rosebank Road, Avondale, Auckland	\$1,346,216.80
Electrix Limited	16 William Pickering Avenue, Albany, Auckland	\$1,459,710.75
Pre-tender contract estimate (based on most up-to-date tender rate)		\$1,422,427.00
Budget estimate (excl. fee and contingency)		\$1,450,000.00

**Table 1 - Summary of Tender Prices**

### TAGS, ERRORS OR OMISSIONS

7. There were no tags, errors or omissions in the three tenders.

### 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 \$346,000.
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.

Tender	Attributes	Exper.	Track	Tech.	Resour.	Manag.	Method.	Price	Contract Number TA10015B
<b>Evaluation</b>			Record	Skill		Skill			Total Weights
	<b>Weights</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>70</b>	<b>100</b>
<b>Tenderer</b>	<b>Tender Sum</b>				<b>Grades</b>				<b>INDEX</b>
Transfield Services (New Zealand) Limited	\$907,437.58	83	80	83	88	80	80	59	66
Traffic Systems Limited	\$1,000,216.80	70	70	73	65	70	70	50	56
Electrix Limited	\$1,113,710.75	85	80	83	83	80	80	39	52
<b>Med.n Tender Price</b>	\$1,000,216.80								

**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. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Transfield Services (New Zealand) Limited achieved the highest index of 66. This tender is also the lowest priced tender.
15. Transfield Services (New Zealand) Limited is one of New Zealand's largest electrical contracting companies with staff located throughout the country. Current and past clients include the Auckland, North Shore and Waitakere city councils.
16. Transfield Services (New Zealand) Limited successfully completed Streetlight Capital Works 2007/2008 and Improved Illumination in Local Roads 2009/2010 Stages 1 & 2, for the Council.
17. Transfield Services (New Zealand) Limited has the necessary expertise and resources to satisfactorily carry out the works.
18. The lowest tender is 11.88% 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 Transfield Services (New Zealand) Limited dated 31 August 2010 revealed no adverse information.

#### JOB COSTS

21.		<b>excl. GST</b>
	Tender sum - Transfield Services (New Zealand) Limited	\$1,253,437.58
	Contingency	\$ 125,350.00
	Engineering and Supervision	\$ 52,500.00
		-----
	Total Job Cost	\$1,431,287.58

#### 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
Streetlight Renewals	8AMTA-10-013	\$1,251,577	\$0	\$1,221,577	\$30,000	\$30,000.00
Improved Illumination in Local Roads	8AMTA-07-149	\$802,426	\$45,879	\$209,711	\$546,836	\$166,562.42
	<b>Total</b>	\$2,054,003	\$45,879	\$1,431,288	\$576,836	\$196,562.42

**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:** Jayantha Rajasooriya: Roading Engineer.



## 15 CONTRACT NO. TA10019C - SLIP REPAIRS - 163 SIMPSON ROAD AND 27 RAYNER ROAD

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA10019C - Slip Repairs - 163 Simpson Road and 27 Rayner Road.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA10019C - Slip Repairs - 163 Simpson Road and 27 Rayner Road - Approval to Award report.
2. **Approve** that Contract No. TA10019C - Slip Repairs - 163 Simpson Road and 27 Rayner Road be awarded to other than the lowest priced tender, as the Weighted Attributes Tender Evaluation Method requires the tendering authority to enter into a contract only with the tender that scores the highest overall index.
3. **Approve** that the tender from Nasey Contractors Limited for Contract No. TA10019C - Slip Repairs - 163 Simpson Road and 27 Rayner Road in the sum of \$301,302.00 plus \$37,662.75 GST, totalling \$338,964.75 be accepted.
4. **Approve** that authority to enter into Contract No. TA10019C - Slip Repairs - 163 Simpson Road and 27 Rayner Road on behalf of the Council be delegated to the Group Manager: Project Services.

### BACKGROUND

1. Geotechnical investigations were undertaken in February 2009 in connection with instability in the road reserve at 163 Simpson Road, Ranui. The investigations reported stability issues and risk of further movement.
2. Geotechnical investigations at a recent slip at 27 Rayner Road, Piha assessed the site as presenting a high risk of further movement.

3. After evaluating possible options to remedy the situation a preferred option was identified and developed for construction within Contract No. TA10019C - Slip Repairs - 163 Simpson Road and 27 Rayner Road.
4. Contract No. TA10019C - Slip Repairs - 163 Simpson Road and 27 Rayner Road forms part of Council's slip repairs programme as provided for in the Annual Plan 2010/2011.

### SCOPE OF WORK

5. The scope of work includes construction of two timber-pole retaining walls, one at 163 Simpson Road, Ranui and the other at 27 Rayner Road, Piha. The retaining wall at 163 Simpson Road will also include road pavement rehabilitation, kerb and channel construction and minor drainage works.

### TENDERS RECEIVED

6. Tenders were publicly advertised on Tenderlink with 51 sets of documents being uplifted. Fourteen tenders were received by the closing date of 19 August 2010. One tender was received after the closing date of 19 August 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
J Alexander Limited	Albany, Auckland	\$276,395.00
Troy Wheeler Civil Limited	Papakura, Auckland	\$282,223.76
JW Neill Contractors Limited	Albany, Auckland	\$299,545.15
Nasey Contractors Limited	Albany, Auckland	\$301,302.00
Hibiscus Construction Limited	Silverdale, Auckland	\$308,195.43
HEB Construction Limited	Drury, Auckland	\$347,945.89
Contract Landscapes Limited	Kumeu, Auckland	\$366,413.00
H and H Contractors Limited	New Lynn, Auckland	\$393,594.00
P and M Civil Limited	Ponsonby, Auckland	\$467,712.00
Infrastructure and Civilworks Limited	Albany, Auckland	Disqualified
Flowerday Enterprises Limited	Pukekohe, Auckland	Disqualified
Ground Structures Limited	Penrose, Auckland	Disqualified
Kirrane and Malone Limited		Non-confirming (no 2 <sup>nd</sup> envelope)
Land Developers Limited		Non-confirming (no 2 <sup>nd</sup> envelope)
Rintoul Civil Limited	Kerikeri, Northland	Non-confirming (late submission)
Pre-tender contract estimate		\$336,031.00
Budget Estimate		\$350,000.00

**Table 1 - Summary of Tender Prices**

### TAGS, ERRORS OR OMISSIONS

7. There were minor arithmetic errors in the tenders from Nasey Contractors Limited and Hibiscus Contractors Limited that have no bearing on the final recommendation. Upon request both companies have confirmed their submitted tender prices in writing.
8. There were no other errors or omissions in the other tenders.

## TENDER EVALUATION

9. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Land Transport New Zealand's "Competitive Pricing Procedures Manual".
10. 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.
11. In this contract the value of Provisional Sums is \$5,000.
12. 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.
13. As Kirrane and Malone Limited, Land Developers Limited and Rintoul Civil Limited submitted non-conforming tenders they have been disqualified accordingly. Their tenders have not been included in the evaluations.
14. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exp	Track Record	Tech Skill	Res	Manage. Skill	Method	Price	Contract Number TA10019C
									Total Weights
	Weights	8%	8%	4%	3%	4%	3%	70%	100
Tenderer	Tender Sum	Grades							INDEX
Nasey Contractors Limited	\$296,302.00	88	85	85	68	65	75	52	61
Troy Wheeler Civil Limited	\$277,223.76	58	73	56	65	63	73	59	60
J Alexander Limited	\$271,395.00	53	65	45	48	53	63	60	59
JW Neill Contractors Limited	\$294,545.15	63	68	58	43	55	43	53	55
Hibiscus Construction Limited	\$303,195.43	50	53	48	50	55	68	50	51
HEB Construction Limited	\$342,945.89	75	68	65	78	73	73	37	47
Contract Landscapes Limited	\$361,413.00	83	85	83	80	65	51	31	45
H and H Contractors Limited	\$388,594.00	81	80	83	70	70	68	22	38
P and M Civil Limited	\$462,712.00	43	63	43	40	55	53	-3	13
Infrastructure and Civilworks Limited		63	35	-	-	-	-		Disqualified
Flowerday Enterprises Limited		35	-	-	-	-	-		Disqualified
Ground Structures Limited		68	53	45	43	35	-		Disqualified
<b>Median Tender Price</b>	<b>\$303,195.43</b>								

**Table 2 - Summary of Tender Evaluation**

15. Three tenderers were disqualified during the non-price attributes tender evaluation.
16. Flowerday Enterprises Limited was disqualified as they did not submit information under Relevant Experience to show they have previously undertaken similar jobs.

17. Infrastructure and Civilworks Limited was disqualified because of a Track Record attribute score of 35.
18. Ground Structures Limited was disqualified as they submitted no information under Management Skills except for an organisation chart.
19. The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Nasey Contractors Limited achieved the highest index of 61.
20. Nasey Contractors Limited was registered in 1998. They have carried out many similar projects in recent years to a good standard. Past clients include Auckland Regional Council, Rodney District Council and Waitakere City Council. They have built a number of timber retaining walls for Waitakere City Council. They are well recommended by previous clients.
21. 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

22. A credit check on Nasey Contractors Limited dated 14 July 2010 revealed no adverse information.

### JOB COSTS

23.		<b>excl. GST</b>
	Tender sum - Nasey Contractors Limited	\$301,302.00
	Contingency	\$ 30,000.00
	Engineering and Supervision	\$ 30,000.00
		-----
	Total Job Cost	\$361,302.00

### SOURCE OF FUNDING

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

Budget Description (from Annual Budget line item) 2010/2011 Annual Plan	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential Surplus
Flood Damage: Slip Repairs	8AMTA-07- 124	\$3,020,028	\$116,926	\$361,302	\$2,541,800	\$48,698
	<b>Total</b>	\$3,020,028	\$116,926	\$361,302	\$2,541,800	\$48,698

**Table 3 - Source of Funding**

### IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

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

**Report prepared by:** Harish Singh, Principal Engineer.



## 16 CONTRACT NO. TA08025C - CITYWIDE ROAD MAINTENANCE - APPROVAL TO ISSUE A VARIATION

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to issue a variation to Contract No. TA08025C - Citywide Road Maintenance to allow additional funds approved in the Annual Plan 2010/2011 to be expended within this contract. This report is being presented to the Tenders Subcommittee as the variation will exceed the delegated authority of Council officers.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA08025C - Citywide Road Maintenance - Approval to Issue a Variation report.
2. **Approve** that a variation in the sum of \$4,815,022.95 excluding GST be issued to Contract No. TA08025C - Citywide Road Maintenance as awarded to Fulton Hogan Limited, for the period 1 July 2010 to 30 June 2011.
3. **Approve** that authority to issue the variation to Contract No. TA08025C - Citywide Road Maintenance on behalf of Council be delegated to the Group Manager: Project Services.

### BACKGROUND

1. Waitakere City has approximately 765km of sealed roads and 33km of unsealed roads that require routine maintenance. This contract includes the maintenance and renewal of Council's sealed and unsealed road network, including their street facilities (with the exception of streetlights), footpaths and roadside drainage. It also includes minor bridge maintenance, street and commercial centre cleaning, minor safety improvements, road rehabilitation and asset emergency response work.
2. There is also a capital works component of road reconstructions, road drainage extensions, traffic calming works and other miscellaneous items.

3. Council approved the award of Contract No. TA08025C to Fulton Hogan Limited at a full Council meeting held on 29 April 2009 with the following recommendations:

*“The Council resolved to:*

1. **Receive** the Contract No. TA08025C - Citywide Road Maintenance report.
2. **Approve** that the tender from Fulton Hogan Limited for Contract No. TA08025C - Citywide Road Maintenance for a two year contract in the sum of \$31,840,089.02 plus \$3,980,011.13 GST, totalling \$35,820,100.15 be accepted.
3. **Approve** the commitment of \$15,920,044.51 excluding GST to the draft Annual Plan 2009/2010 for Contract No. TA08025C - Citywide Road Maintenance.
4. **Approve** the commitment of \$15,920,044.51 excluding GST to the Long Term Council Community Plan for 2010/2011 for Contract No. TA08025C - Citywide Road Maintenance.
5. **Approve** that authority to enter into Contract No. TA08025C - Citywide Road Maintenance on behalf of the Council be delegated to the Director: City Services.
6. **Approve** that authority to award cumulative contract variations to Contract No. TA08025C - Citywide Road Maintenance, up to the value of the contingency sum of \$3,184,000.00 plus GST on behalf of the Council be delegated to the Director: City Services.
6. **Agree** that authority to extend Contract TA08025C - Citywide Road Maintenance beyond 30 June 2011 on an annual basis until 30 June 2014 based on the satisfactory performance by the Contractor be reported back to Council.”

602/2009

4. To date there has been variations totalling \$2,399,587.72 authorised by the relevant delegated authority.
5. Through its Annual Plan 2010/2011 deliberations Council increased the budgets of a number of line items for work incorporated in this contract. The contract itself has very competitive rates and therefore it is recommended that it should be utilised to carry out the additional works.
6. To enable this to occur the additional funds have to be introduced into the contract by way of the issue of a variation and approved by delegated authority. It is essential that this be done as early as possible to allow the Contractor to programme sufficient resources for the work.

#### **SCOPE OF WORK**

7. There is a general increase in budgets over a range of items within the contract to allow for cost fluctuations since the contract commenced in July 2009. Currently these fluctuations are running at 10.4 % of the value of the work performed. In addition, Council has authorised additional funds for specific works that are part of this variation including:
  - Additional footpath renewals in town centres;
  - Additional full road reconstructions in Don Buck Road and Great North Road;
  - Asphaltic sealing of car parks in Parrs Park and Trusts Stadium;
  - Additional minor safety works throughout the city; and
  - Parrs Cross Road upgrading.

## JOB COSTS

8.		<b>excl. GST</b>
	Contract Sum at Award	\$31,840,089.02
	Variations approved to date	<u>\$ 2,399,587.72</u>
	Total Current Approved Contract Sum	\$34,239,676.74 (Total A)
	Total Actual Expenditure 2009/2010	\$18,305,629.69
	Available Budget 2010/2011	<u>\$20,749,070.00</u>
	Total Anticipated Expenditure	\$39,054,699.69 (Total B)
	Value of Variation Required (Total B - Total A)	\$ 4,815,022.95

## SOURCE OF FUNDING

9. Source of funding is shown in table 1 below:

Budget Description Annual Plan 2010/2011	Codes	Budget	Committe d to other projects	Allocation to this project	Unallocated balance
Urban Maintenance	5830-74000	1,408,000	0	1,408,000	0
Rural Maintenance	5850-74000	931,000	0	931,000	0
Street Cleaning	5870-74000	152,292	0	152,292	0
Flood Damage	5900-74000	161,000	0	161,000	0
Bridge Maintenance	5930-74000	215,061	150,000	65,061	0
Guardrails	5950-74000	81,291	0	81,291	0
Cycleways	6000-74000	38,073	0	38,073	0
Signs	5980-74000	476,427	0	476,427	0
Bus Shelters	6050-74000	85,000	0	85,000	0
High Profile Areas	6200-74000	32,928	0	32,928	0
Street Cleaning	6220-74000	429,093.00	0	429,093	0
General Road Maintenance	6180-74000	112,161.00	0	112,161	0
Pro-active Maintenance	6182-74000	102,900.00	0	102,900	0
Intersection Sweeping	6230-74000	54,537.00	0	54,537	0
Commercial Centres Road Sweeping	6240-74000	216,090.00	0	216,090	0
Car Park Maintenance	6190-74000	171,843	128,625	43,218	0
Sealed Road Renewals	8AMTA-07-004	9,636,600	21,000	9,615,600	0
Drainage System Renewals	8AMTA-07-006	1,055,500	23,250	1,032,250	0
Traffic Facilities Renewal	8AMTA-07-009	657,300	304,800	352,500	0
Road Rehab & Reconstruction	8AMTA-08-003	426,800	70,000	356,300	0
Footpath Renewals	8AMTA-07-020	1,378,361	48,861	1,329,500	0
Vehicle Crossings	8AMTA-07-021	98,800.00	3,750	95,050	0
Bridge Renewals	8AMTA-10-034	874,700	862,025	12,675	0
Road Rehab & Reconstruction	8AMTA-10-035	2,146,800	174,500	1,972,300	0
Safety Improvement	8AMTA-07-034	1,121,000	221,000	900,000	0
Misc. Kerb & Channel	8AMTA-07-027	1,283,000	939,000	344,000	0
Road Drainage Extns	8AMTA-07-128	386,000	250,000	136,000	0
Parks Renewals	8AMPK-11-003	441,900	236,609	205,291	0
Opanuku Cycleway	8AMTA-07-101	1,200,155	1,191,622	8,533	0
<b>TOTAL</b>				<b>20,749,070</b>	

Table 1 - Source of Funding

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

11. 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.
12. The additional funding required for this variation was approved by the Auckland Transition Agency as part of the Annual Plan 2010/2011.

**Report prepared by:** Neil Prendiville, Roading Projects Manager: Project Services.



## 17 CONTRACT NO. TA10031B - OLYMPIC PARK LIGHTING - CONSTRUCTION WORKS 2010/2011 - APPROVAL TO AWARD

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA10031B - Olympic Park Lighting - Construction Works 2010/2011.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA10031B - Olympic Park Lighting - Construction Works 2010/2011- Approval to Award report.
2. **Approve** the commitment of \$368,096.85 excluding GST for the 2010/2011 financial year for Contract No. TA10031B - Olympic Park Lighting - Construction Works 2010/2011.
3. **Approve** that authority to enter into Contract No.TA10031B - Olympic Park Lighting - Construction Works 2010/2011 on behalf of the Council be delegated to the Deputy Group Manager: Assets.

### BACKGROUND

1. Contract No. TA10031B - Olympic Park Lighting - Construction Works 2010/2011 is a contract to provide physical works for the installation of lights, which is part of the Council's pedestrian safety improvements. The work addresses the community outcome for sustainability to provide a safe path network inside the park that supports quality urban design. As a matter of sustainability Council has agreed to use solar powered lights, and combined wind and solar powered lights to reduce power supply expenditures.

## SCOPE OF WORK

2. The scope of work includes the supply and installation of:
- 21 solar powered lights on six metre columns to light the pathways;
  - one combined wind and solar powered light on a six metre column (total nine metres with wind turbine) at the Wolverton Street end of the pathway;
  - three solar powered lights on eight metre columns to light the car park at the end of Olympic Place; and
  - one combined wind and solar powered light on an eight metre column (total 11 metres with wind turbine) at the entrance of Olympic Place from Clark Street.

## TENDERS RECEIVED

3. Tenders were publicly advertised on Tenderlink with 30 sets of documents being uplifted. Five tenders were received by the closing date of 24 August 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Wiltek Maintenance Limited	97 Cook Street	\$368,096.85
Coll Electrical Limited	352 Church Street, Penrose	\$375,060.00
Transfield Services Limited	Gate 2, Hellabys Road, Otara	\$386,512.20
Traffic Systems Limited	681E Rosebank Road, Avondale	\$388,891.66
Power XINX Holdings Limited	Not Listed	Disqualified
Pre-tender contract estimate (based on most up-to-date tender rate)		\$341,700.00
Budget estimate		\$400,000.00

**Table 1 - Summary of Tender Prices**

## TAGS, ERRORS OR OMISSIONS

4. The tender submitted by Transfield Services Limited contained minor tags within their non-price attribute submission that were addressed and removed.
5. There were no other errors or omissions in the other tenders.

## TENDER EVALUATION

6. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in the New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
7. 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.
8. In this contract the value of Provisional Sums is \$10,000.
9. 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.

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number TA10031B
Weights		10	5	5	3	2	5	70	100
Tenderer	Tender Sum	Grades							INDEX
Wiltek Maintenance Limited	\$358,096.85	78	70	78	69	45	70	53	59
Coll Electrical Limited	\$365,060.00	85	69	58	58	65	72	52	58
Transfield Services Limited	\$376,512.20	80	71	85	86	85	75	48	58
Traffic Systems Limited	\$378,891.66	81	64	73	75	74	83	48	56
Power Xinx Holdings Limited		35	35	35	35	35	35	100	Disqualified
<b>Med.n Tender Price</b>	\$370,786.10								

**Table 2 - Summary of Tender Evaluation**

11. The tender submitted by Power XINX Holdings Limited was disqualified as their submitted tender failed to demonstrate any previous relevant experience, technical skills and all other attributes. The tender included the price and health and safety questionnaire. Tender clarification correspondence revealed that Power XINX Holdings Limited had intentions of sub-letting this work out to another contractor. They had omitted to incorporate this into their tender submission, therefore this tender could not be considered further.
12. Scores for the non-price attributes were determined on the basis of information provided in each tender, on the information gathered from the referees nominated by the tenderers and on any recent Council experience with the tenderers.
13. There is a difference between the pre-tender contract estimate and the submitted tenders, but the lowest two tenders are within 10% of the estimate. The pre-tender contract estimate by Lighting Design Partnership Limited was based on recent indicated market prices for solar and combined wind and solar materials. It was concluded that the increase in tendered rates are likely to be related to the first time usage of wind and solar lighting in Auckland.
14. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Wiltek Maintenance Limited achieved the highest index of 59. This tender is also the lowest priced tender.
15. Wiltek Maintenance Limited has the necessary expertise and resources to satisfactorily carry out the works.
16. Reference checks made on a selection of clients indicated a well-resourced, well-managed and capable contractor.
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 pre-start meeting and imposed during the contract period.

### CREDIT CHECK

18. A credit check on Wiltek Maintenance Limited dated 30 August 2010 revealed no adverse information.

### JOB COSTS

19.		<b>excl. GST</b>
	Tender sum - Wiltek Maintenance Limited	\$368,096.85
	Contingency	\$ 36,809.68
		-----
	Total Job Cost	\$404,906.53

### SOURCE OF FUNDING

20. 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
Improve Illumination In Local Roads	8AMTA-07-149	\$802,426.00	\$248,772.00	\$404,906.53	\$148,748.00	\$0.00
<b>Total</b>				\$404,906.53		

**Table 3 - Source of Funding**

### IMPLEMENTATION ISSUES

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

### AUCKLAND COUNCIL TRANSITION ISSUES

22. 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:** Nabil Hadad, Senior Transport Engineer.



## 18 CORBAN ESTATE DEFERRED RENEWALS PROGRAMME

### GLOSSARY

Corban Estate	(the Estate)
Waitakere Pacific Arts and Culture Development Trust	(WPACDT)
Corban Estate Arts Trust	(CEAC)
Auckland Transition Agency	(ATA)

### EXECUTIVE SUMMARY

This purpose of this report is to seek approval from the Tenders Subcommittee to delegate to the Chief Executive Officer the ability to enter into contract(s) with suitable architect(s), project manager(s) and any contractors, to ensure commitment to this work prior to the transition into the Auckland Council on 1 November 2010.

Corban Estate (the Estate) is owned by Waitakere City Council and designated as an Arts Precinct. There are currently a number of lease holders on the site, including the two main leaseholders Corban Estate Arts Trust (CEAC) and the Waitakere Pacific Arts and Culture Development Trust (WPACDT). A comprehensive development plan has been prepared to ensure that WPACDT fully understands the ongoing maintenance requirements of the Estate. The Council is also committed to presenting to WPACDT an asset that has been assessed as in a moderate to good condition.

Council has approved the placing of the Corban Estate under a single tenure agreement with WPACDT. The Finance and Operational Performance Committee approved an additional expenditure of \$1,340,000 over the \$300,000 already allocated for the remediation of the Barrel Store, at its meeting of 10 June 2010.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Corban Estate Deferred Renewals Programme report.
2. **Approve** the award of contracts relating to the Corban Estate Deferred Renewals Programme be delegated to the Chief Executive Officer subject to the contract sum(s) being within budget to an amount of \$1,340,000 in addition to the \$300,000 previously allocated, as approved by the Finance and Operational Performance Committee on 10 June 2010.

### BACKGROUND

1. The placement of the entire Estate under one lease was agreed in principle by Council at its meeting on the 25 August 2010, as follows:

*“The Council resolved to:*

1. **Receive** the Waitakere Arts and Cultural Development Trust Tenure Agreement report.
2. **Approve**, subject to resolution 4 below, the lease between the Waitakere Arts and Cultural Development Trust and Waitakere City Council as attached at pages A38 to A54.
3. **Agree**, subject to resolution 4 below, that the Chief Executive Officer be given authority to finalise the lease between the Waitakere Arts and Cultural Development Trust and Waitakere City Council and have the lease as negotiated executed.

4. *Direct Council officers to work closely with the Waitakere Arts and Cultural Development Trust to facilitate the overall funding plan including the building of Pasifika centre and upgrading of the site and facilities within the approved budget.*
5. *Note that resolutions 2 and 3 above are subject to confirmation by the Auckland Transition Agency.”*

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2. The terms of the lease involve Council agreeing and undertaking a significant amount of deferred maintenance to enable the site to be handed over to WPACDT.
3. An independent review of the buildings, including structural components, and water infrastructure has been undertaken which provides an assessment of the components against determined condition ratings. This report focuses on the cost of remediation to upgrade those components identified as “poor to very poor” into a “moderate” or better state.
4. To accurately define the scope for the physical works contract(s), council intends to engage a consultant to manage the design and detail scoping of the physical works contract including the engagement and management of all sub-contractors.

#### DECISION MAKING

5. It is considered appropriate to seek approval to delegate authority to the Chief Executive Officer to enter into contracts with the consultant(s) and subcontractors given the imminence of transition on 1 November 2010 where reconstruction arrangements are planned to be in place to ensure hand-over to WPACDT.
6. The cost of remediation of building components is estimated at approximately \$740,000 and detailed in Table 1, below.
7. The cost of structural remediation against selected structures is estimated at approximately \$676,000 and detailed in Table 1 below. It is noted that the structural remediation of \$300,000 assigned to the Barrel Store is covered by a separate report, with funds provided through Arts budget.
8. It has been estimated that approximately \$300,000 is required to upgrade the stormwater and water supply infrastructure.
9. Table 1 sets out the Corban Estate Condition Assessment Summary, as follows:

Location	Components		Structural	Infrastructure
	Components Poor / Very Poor	Value to Remediate Poor / Very Poor	Value to remediate Structural defects	Storm, Waste and Water Supply
Grounds	14%	\$170,000		\$300,000
Cellar Building	12%	\$95,000		
Wine Shop	65%	\$4,200		
Homestead	3%	\$19,000		
Old Garage	6%	\$7,700		
Still Tower	47%	\$54,000	\$70,000	
Barrel Store	23%	\$12,000	\$300,000	
Sheds	52%	\$360,000	\$250,000	
Half-Round Barns	demolishing			
		\$721,900	\$620,000	\$300,000

Location	Components		Structural	Infrastructure
	Components Poor / Very Poor	Value to Remediate Poor / Very Poor	Value to remediate Structural defects	Storm, Waste and Water Supply
SUB TOTAL				\$1,641,900
LESS:				
Barrel Store Structural:	(funds allocated (Public Affairs))			\$300,000
<b>TOTAL:</b>				\$1,341,900
<b>Adjustment</b>				(\$1,900)
<b>Budget:</b>				\$1,340,000

**Table 1 Corban Estate Condition Assessment Summary**

### CONSULTATION

10. Consultation has been undertaken with Council's Arts Manager: Public Affairs, and the members of the CEAC, as future leasee.

### RESOURCES

11. The ability of Council to fund the renewal programme identified is based on the allocation of the surplus from the Annual Plan 2009/2010 now carried forward to the Annual Plan 2010/2011.

### IMPLEMENTATION ISSUES

12. There are no issues associated with implementation on the basis that the recommendation to delegate authority to the Chief Executive Officer is approved. Property Assets will provide internal, or contracted, project management resource to undertake the renewal works with consultancy and physical works contracted.

### AUCKLAND COUNCIL TRANSITION ISSUES

13. 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:** Mark Abbot, Acting Group Manager: Assets.



19 **CONTRACT NO. IM06174A - PREFERRED SUPPLIER AGREEMENT FOR COUNCIL'S MICROSOFT G2006 LICENSING - APPROVAL TO EXTEND**

**GLOSSARY**

Auckland Transition Agency

(ATA)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing to 30 June 2011.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing - Approval to Extend report.
2. **Approve** that, subject to a satisfactory credit check, Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing be extended in the sum of \$250,000.00 excluding GST for the period 1 August 2010 to 30 June 2011.
3. **Approve** the commitment of \$250,000.00 excluding GST from the Annual Plan 2010/2011 for Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing.
4. **Approve** that authority to extend Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing for the period 1 August 2010 to 30 June 2011 on behalf of the Council be delegated to the Group Manager: Information Management.

**BACKGROUND**

1. Council uses Microsoft products as part of Council's core computing infrastructure.
2. Auckland Council will also use Microsoft products as part of its core computing infrastructure.
3. As Microsoft does not deal directly with customers, a reseller needs to be appointed and as a result of a tender process in 2006, Fujitsu NZ Limited was awarded the tender as Council's appointed reseller.
4. Auckland Transitional Agency (ATA) has approved a new Auckland Council Microsoft Licensing Agreement which incorporates Council's existing Microsoft Licensing Agreement and has appointed Integral Axon as the new Microsoft reseller.
5. The Tenders Subcommittee approved the extension of Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing to Fujitsu NZ Limited at a Tenders Subcommittee meeting held on 23 April 2010 where it was resolved:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Contract No. IM06174A - Preferred Supplier Agreement for Council’s Microsoft G2006 Licensing April 2010 - Approval to Extend report.
2. **Approve** that the Contract No. IM06174A - Preferred Supplier Agreement for Council’s Microsoft G2006 Licensing as awarded to Fujitsu NZ Limited be extended in the sum of \$274,000.00 excluding GST for the period 1 November 2010 to 30 June 2011 subject to a satisfactory credit assessment.
3. **Approve** a further commitment of \$274,000.00 excluding GST to the 2010/2011 financial year for Contract No. IM06174A - Preferred Supplier Agreement for Council’s Microsoft G2006 Licensing.
4. **Approve** that authority to extend Contract No. IM06174A - Preferred Supplier Agreement for Council’s Microsoft G2006 Licensing for the period 1 November 2010 to 30 June 2011 on behalf of the Council be delegated to the Director: Corporate & Business Services.
5. **Note** that Contract No. IM06174A - Preferred Supplier Agreement for Council’s Microsoft G2006 Licensing has been approved by the Integrated Procurement Group letter dated 14 April 2010.”

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## DECISION MAKING

6. It is proposed that the Microsoft product licenses utilisation be accelerated where required across desktop computers and backend server environments to ensure the transition to Auckland Council’s new desktop and backend server environment is in place before 01 November 2010.
7. Auckland Council will be using a number of new applications that will require an expansion of the backend server environment. ATA have approved Council’s data centre to be Auckland Council’s backup data centre and will require additional backend server licenses.
8. Council’s data centre will also be hosting the InfoCouncil and HP Trim environment requiring additional Microsoft server licenses.
9. It is essential that the InfoCouncil and HP TRIM EDRMS Systems are up and running before day one of the Auckland Council.
10. 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:

Year 2007	Year 1 contract amount	\$430,000.00
Year 2008	Year 2 contract amount	\$470,000.00
Year 2009	Year 3 contract amount	\$510,000.00
Year 2010	Extension 1 (1 year)	\$430,000.00
Year 2011	Extension 2 (4 months)	\$156,000.00
Year 2011	Extension 3 (8 months)	\$274,000.00
Year 2011	Extension 4 (10 months)	\$250,000.00
		<b>\$2,246,000.00</b>

**Table 1 - Total accumulative amount**

11. Axon Limited has confirmed in writing that they are willing to carry out the contract for a further 10 months.

### CONTRACTOR'S PERFORMANCE

12. An evaluation of Microsoft NZ Limited'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;
  - They have developed a good working relationship with relevant Council staff;
  - They are a well resourced company; and
  - They respond quickly to customer complaints.

### CREDIT CHECK

13. A credit check on Axon Limited has been requested.

### JOB COSTS

14.	<b>excl. GST</b>
Contract sum (11 months) - Axon Limited	\$250,000.00
	-----
Total Job Cost	\$250,000.00

### SOURCE OF FUNDING

15. Source of funding for 2010/2011 is shown in Table 2 below:

Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Microsoft Licenses	1860 - 72100	\$750,000.00	\$430,000.0 0	\$250,000.00	\$70,000.00	
<b>Total</b>		\$750,000.00	\$430,000.0 0	\$250,000.00	\$70,000.00	

**Table 2 - Source of Funding**

### IMPLEMENTATION ISSUES

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

### AUCKLAND COUNCIL TRANSITION ISSUES

17. 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:** John Johnson, Group Manager: Information Management.



20 **CONTRACT NO. IM03094A - HP TRIM CONTRACT - APPROVAL TO EXTEND**

**GLOSSARY**

Electronic Data and Records Management System	(EDRMS)
Hewlett Packard	(HP)
Auckland Transition Agency	(ATA)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. IM03094A - HP TRIM Contract for 11 months, to 30 June 2011.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. IM03094A - HP TRIM Contract - Approval to Extend report.
2. **Approve** that, subject to a satisfactory credit check, Contract No. IM03094A - HP TRIM Contract as awarded to Hewlett Packard be extended in the sum of \$354,000.00 excluding GST for the period 1 August 2010 to 30 June 2011.
3. **Approve** the commitment of \$354,000.00 excluding GST from the Annual Plan 2010/2011 for Contract No. IM03094A - HP TRIM Contract.
4. **Approve** that authority to enter into Contract No. IM03094A - HP TRIM Contract on behalf of Council be delegated to the Group Manager: Information Management.

**BACKGROUND**

1. Council uses Hewlett Packard (HP) TRIM Electronic Data and Records Management System (EDRMS) products as part of Council's core computing business systems infrastructure for its ongoing electronic document and records management.
2. Council has an ongoing programme of work and budget provision for the roll out of its HP TRIM EDRMS and digitisation of property records.
3. The Tenders Subcommittee approved the award of Contract No. IM0309A - Preferred Supplier for Council's Electronic Document and Records Management System (EDRMS) and Related Services to Gen-i Limited at a Tenders Subcommittee meeting held on 29 August 2003 with the following recommendations:

"2. *That the Director: Corporate & Civic Services be delegated authority to enter into the preferred supplier contract with Gen-i Limited up to a value of \$1,267,824 to assist Council with the design, development and implementation of document and records management solutions.*

3. *That the Director: Corporate & Civic Services be delegated authority to enter into a contract with Gen-i Limited for the purchase of the TRIM electronic document and records management system subject to:*

- *confirmation by the Directors Group at the time that Council is ready to acquire and implement the product that this remains the preferred software solution; and*
- *confirmation by the Directors Group that key users having been given an opportunity to use TRIM and participate in*

*the development of the blueprint and no major implementation or operational issues have emerged.*

4. *That the Director: Corporate & Civic Services be delegated authority to enter into contracts to engage the services of BearingPoint and/or iKnow Limited from time to time to assist with aspects of the AIM Programme in which they have demonstrated their expertise without having to go to tender again for such assignments, provided that such engagements fit within the budget and work programme for the AIM Programme.”*

1768/2003

4. Gen-i's TRIM products were taken over by Tower Software and now HP has acquired Tower Software.
5. The ATA approved the use of Council's HP TRIM EDRMS environment as the interim Auckland Council EDRMS system for the next 2-3 years or until such time the Auckland Council establishes its future EDRMS Strategy.
6. ATA has approved a new enterprise license agreement with HP for the provision of all new HP TRIM licenses and ongoing support for Auckland Council.

#### DECISION MAKING

7. It is proposed that the HP TRIM EDRMS roll out programme of work be accelerated to ensure the transition to Auckland Council's HP TRIM EDRMS is in place before 1 November 2010.
8. Auckland Council will be using the InfoCouncil Agenda, Reports and Minute System for all of its Elected Representative Meetings and the HP TRIM EDRMS will be the document and record repository for the InfoCouncil system.
9. The Democracy Department of the Auckland Council is currently working on the structure of the Auckland Council, Local Boards. The first meeting of the Inaugural Council and Local Boards will be held early in the first month of the Auckland Council. All reports for Auckland Council, Local Boards and Council Controlled Organisations will need to use the new InfoCouncil and HP TRIM EDRMS System.
10. It is essential that the InfoCouncil and HP TRIM EDRMS Systems are up and running before day one of the Auckland Council.
11. 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:

Year 2003/2004	Original Contract Sum	\$1,614,700.00
Year 2004/2005	Paid as part of the original contract	\$00,000.00
Year 2005/2006		\$56,832.00
Year 2006/2007		\$64,797.00
Year 2007/2008		\$160,336.00
Year 2008/2009		85,833.00
Year 2009/2010		\$88,209.00
Year 2010/2011	Extension 1 (11 months)	\$354,000.00
	Total	\$2,424,707.00

**Table 1 - Total accumulative amount**

12. HP has confirmed in writing that they are willing to carry out the contract for a further 11 months.

## CONTRACTOR'S PERFORMANCE

13. An evaluation of HP performance to date contains the following features:
- During the course of the contractor relationship with the Council, there have been no performance related issues;
  - Confirmation that 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; and
  - They respond quickly to customer complaints.

## CREDIT CHECK

14. A credit check on HP has been requested.

## JOB COSTS

15.	<b>excl. GST</b>
Contract sum (11 months) - (HP)	\$354,000.00
	-----
Total Job Cost	\$354,000.00

## SOURCE OF FUNDING

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

Budget Description Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Core Business Systems	3IMIC-11- 001/10	\$1,100,000.00	\$600,000.00	\$354,000.00	\$146,000.00	
	<b>Total</b>	\$1,100,000.00	\$600,000.00	\$354,000.00	\$146,000.00	

**Table 2 - Source of Funding**

## IMPLEMENTATION ISSUES

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

## AUCKLAND COUNCIL TRANSITION ISSUES

18. 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:** John Johnson, Group Manger Information Management.

