

NOTICE OF MEETING

TENDERS SUBCOMMITTEE

I hereby give notice that an Ordinary Meeting will be held on:-

DATE: **Wednesday 27 March 2002** **TIME:** **4.00 pm**

VENUE: **Civic Centre, 6 Waipareira Avenue, Lincoln, Waitakere City**

to consider the business as set out herein and to take any necessary action connected therewith.

22 March 2002

Sharon Simiona
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8820

MEMBERSHIP:

Councillors JM Clews, QSO, JP (Chairperson)
 GB Presland (Deputy Chairperson)

Chief Executive

Director: City Services

Director: Corporate & Civic Services

Director: Strategic Projects

Director: Strategic Group

Director: Finance

Director: City Enterprises

Maori Issues Manager

Mayor, Bob Harvey, QSO, JP (ex officio)

Deputy Mayor, CA Stone (ex officio)

(Quorum 4 members)

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(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON WEDNESDAY, 27 MARCH 2002,
COMMENCING AT 4.00 PM.**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) and (7A) of the Local Government Official Information Act 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 item is a minor matter; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting; and
- (iii) the Committee resolves to deal with the item.

No resolution, decision, or recommendation may be made in respect of the item except to refer the item to a subsequent meeting for further discussion.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFIRMATION OF MINUTES

Ordinary - 15 March 2002

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 15 March 2002, as circulated, be taken as read and now be confirmed.



4 CONTRACT TA 010111 VERONICA/WARD STREET LINK

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract TA010111 Veronica/Ward Street Link Construction.

BACKGROUND

This project forms part of the strategic roading network improvements planned for the New Lynn shopping centre area. This has been approved through the Annual Plan for 2001/2002 financial year. Transfund subsidy for this project has been approved.

SCOPE OF WORK

This project is for the construction of a new roading link across the railway line linking Veronica and Ward streets. This is a joint contract with Ecowater. The work includes the following:

- formation of the new road;
- new access to affected properties;
- new footpath and pedestrian facilities;
- new on road parking facilities;
- new pedestrian barrier protection near the RSA building;
- provision of ducting for utility services;
- creation of a roundabout at the intersection of Totara Avenue and Veronica Street;
- minor landscaping;
- mitigation measures for private properties;
- installation of stormwater pollution mitigation from the new road stormwater surface runoff;
- replacement of an existing failed stormwater line;
- informing effected property owners of construction activities and programming of the construction tasks;
- Tranzrail are designing and prefabricating barrier arms and signal poles for the road link across the railway line. These will be installed by them during the construction phase.

The contract is expected to be completed by the end of June 2002.

TENDERS RECEIVED

Tenders were publicly advertised with six sets of documents being uplifted. Two tenders were received by the closing date of 26 February 2002. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Arrow Civil	Auckland	\$553,121.50
Auckland Civil	North Shore	\$591,016.90
Pre-tender contract estimate		\$496,477.50

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

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.

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

Tender Evaluation	Attributes	Exper	Track Record	Tech Skills	Re-source	Management	Method	Price	Total Weight
Tenderer	Weight	5	3	2	2	8	10	70	100
	Tender Sum	Grades							Index
Arrow Civil	\$553,121.50	75	65	75	60	80	70	53	59
Auckland Civil	\$591,016.90	60	80	60	60	65	50	47	51
Median Tender Price	\$572,069.20								

Table 2 - Summary of Tender Evaluation

The Pre-tender contract estimate for this contract is 11% less than the tender price. Referees for both tenderers identified Contract Management and Quality Assurance as a critical component to ensure that the contract is completed on time and to a high standard.

TAGS, ERRORS OR OMISSIONS

The successful tender has not identified any tags, errors or omissions in the tender documents.

CREDIT CHECK

A credit check on Arrow Civil has been requested.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Arrow Civil achieved the highest index of 59. This tender is also the lowest priced tender. Additional resourcing for Quality Assurance checks has been included for this project as this was identified in a critical component.

Arrow Civil is an experienced contractor. They have undertaken similar work for Waitakere City Council and completed these to an acceptable standard.

As part of City Services vision "Quality, Health and Safety are not negotiable" all contractors have had this focus reinforced through this tender statement, contract documents and the subsequent pre-start meeting.

JOB COSTS

Excl. GST

Tender sum - Arrow Civil Limited	\$553,121.50
Contingency	\$ 47,158.00
Engineering & Supervision	\$ 58,279.00
Tranzrail	\$140,000.00
Property	\$ 20,000.00
Total Job Cost	<u>\$818,558.50</u>

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to this Project	Unallocated Balance
Roading Component Veronica-Ward	75-9810-35040	\$619,000	Nil	\$619,000	Nil
Minor Safety	75-9810-24480	\$250,000	\$245,426.50	\$4,573.50	Nil
Stormwater Component Storm Water Capital	85-9815-6000	\$4.5 million	\$1.6 million	\$194,985	\$2.7 million
				Total	\$818,558.50

RECOMMENDATIONS

1. That the information be received.
2. That subject to a satisfactory credit check the tender from Arrow Civil for Contract TA010111 Veronica/ Ward Street Link Construction in the sum of \$553,121.50 plus \$69,140.19 GST, totalling \$622,261.69 be accepted.
3. That authority to enter into Contract TA010111 Veronica/ Ward Street Link Construction on behalf of Council be delegated to Director: City Services.

Report prepared by: Reg Cuthers, Transportation Engineer Asset Development.



5 CONTRACT NO. 01EWC081 - 40 VIEW ROAD STORMWATER

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract No. 01EWC081 - 40 View Road Stormwater.

BACKGROUND

The properties between Nos. 40 and 50 View Road, Henderson, frequently experience flooding whenever there is a significant rainfall. The existing stormwater system in the area is substandard, lacking in capacity and in very poor condition. The upstream area at James Laurie Road has no stormwater reticulation.

SCOPE OF WORK

A new pipeline varying in size from 225 mm to 600 mm diameter in size together with manholes and inlets will be installed from No. 1 Lavelle Road through to No. 50 View Road. The total length of the pipeline is 164 metres.

The alignment of the pipeline has been designed to minimise disruption to private property while still locating the drainage within an existing gully feature. The installation technique will be standard open cut and backfill, and all disturbed ground will be fully reinstated upon completion.

TENDERS RECEIVED

Tenders were publicly advertised with six sets of documents being uplifted. Four tenders were received by the closing date of 22 January 2002. These are summarised in Table 1 below.

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Entire Drainage Limited	PO Box 417, Kumeu	\$78,814.00
Civil Construction Group Limited	PO Box 46 009, Herne Bay	\$117,405.00
H & H Contractors Limited	PO Box 15 084, New Lynn	\$119,645.00
C.D.S Contractors Limited	33 Anvil Road, Silverdale	\$244,420.00
Pre-tender contract estimate		\$117,000.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

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 No. 01EWC081
									Total Weights
Weights		15	15	10	5	10	10	35	100
Tenderer	Tender Sum	Grades							INDEX
Entire Drainage Limited	Disqualified	0	0	0	0	0	0		D/Q
Civil Construction Group. Limited	\$117,405.00	70	65	65	65	65	65	51	61
H&H Contractors Limited	\$119,645.00	75	60	65	60	65	70	49	60
C.D.S Contractors Limited	Disqualified		30			30	0		D/Q
Median Tender Price	\$118,525.00								

Table 2 - Summary of Tender Evaluation

Scores for the non-price attributes were determined on the basis of information provided in the tenders and on recent experience with the contractors.

The tender from Entire Drainage Limited did not provide any attribute information at all. The tender from CDS Contractors Limited did not provide a methodology for the works and provided only very limited information on track record and management skills. Consequently, both tenders failed to achieve a grade greater than 35 for one or more of the non-price attributes and were awarded a "fail" under those attributes. Therefore both tenders were excluded from further consideration.

Civil Construction Group Limited has recently completed several drainage contracts for the Council. These contracts have been carried out satisfactorily.

H & H Contractors Limited (H & H) are a well established drainage contracting company operating since the 1950's.

TAGS, ERRORS OR OMISSIONS

There were no tags in the tender from Civil Construction Group Limited. The H & H tender contained 12 tags. These tags have been assessed and found to be acceptable. Most of the tags consist of H & H clarifying the basis of their tender, and none have any associated cost that need to be considered in the tender evaluation process.

There were no errors or omissions in either of the conforming tenders.

CREDIT CHECK

A credit check carried out on Civil Construction Group Limited on 14 December 2001 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Civil Construction Group Limited achieved the highest overall index of 61. This is also the lowest conforming tender. It is considered that Civil Construction Group Limited have the necessary skills and resources to complete the work satisfactorily.

JOB COSTS

Excl. GST

Tender sum - Civil Construction Group Limited	\$117,405.00
Contingency	\$ 11,740.50
Engineering & Supervision	<u>\$ 6,020.00</u>
Total Job Cost	\$135,165.50

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Stormwater Capital	85-9815-6000	\$4,522,000	\$1,288,134	\$135,166	\$3,098,700

RECOMMENDATIONS

1. That the information be received.
2. That the tender from Civil Construction Group Limited for Contract No. 01EWC081 - 40 View Road Stormwater in the sum of \$117,405.00 plus \$14,675.63 GST, totalling \$132,080.63 be accepted.
3. That the contract be awarded to other than the lowest priced tender, because the lowest priced tender failed to achieve a grade greater than 35 for one or more of the attributes and was awarded a "fail" under those attributes and is therefore excluded from further consideration.
4. That the Acting Business Unit Manager : EcoWater be delegated the authority to enter into this contract on behalf of the Council.

Report prepared by: Parkin Low, Contracts Manager, EcoWater.



6 CONTRACT NO. 01EWC062 - HENDERSON AQUATIC CENTRE CARPARK STORMWATER QUALITY PROJECT

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract No. 01EWC062 – Henderson Aquatic Centre Carpark Stormwater Quality Project.

BACKGROUND

As a part of the overall strategy for the Henderson Creek catchment, the Council has proposed to treat the stormwater runoff from all the main car parks in the Henderson town centre prior to discharging them into the Opanuku and Oratia Streams. This strategy is supported by Infrastructure Auckland, who have contributed funding toward this project.

SCOPE OF WORK

The scope of work in this contract includes supplying and installing a system of two sand filter units, and the associated collection pipes. The sand filter system includes the internal pipe systems and the inlet and outlet chambers.

TENDERS RECEIVED

Tenders were publicly advertised with six sets of documents being uplifted. Six tenders were received by the closing date of 19 February 2002. These are summarised in Table 1 below.

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Peter T Davies Limited	27 Ridge Road, Browns Bay	\$81,290.00
Civil Construction Group Ltd	PO Box 46 009, Herne Bay, Auckland	\$102,475.00
Stonedale Civil Ltd	358 Gelling Road, Hunua	\$103,270.00
Auckland Civil Ltd	PO Box 100 441, North Shore Mail Centre	\$117,755.00
Hughes Civil Ltd	222 Old Titirangi Road, Titirangi	\$144,450.00
Kirrane & Malone Ltd	92 Konini Road, Titirangi	\$162,125.00
Pre-tender contract estimate		\$105,950.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

The tender from Peter T Davies Limited was adjudged to be non-complying because the water quality system proposed in the tender is not approved by the Auckland Regional Council as specified in the tender document. Therefore this tender was disqualified and removed from further evaluation.

The tender from Kirrane & Malone Limited did not provide any of the required attribute information. Consequently all of the non-price attributes for this tender were scored zeros, which constitute "fails". Therefore, this tender was also disqualified and was not included in the price evaluation.

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 No. 01EWC062
									Total Weights
Weights	10	10	5	5	10	10	50	100	
Tenderer	Tender Sum	Grades							INDEX
Civil Construction Group Ltd	\$102,474.00	70	65	70	65	65	65	57	62
Stonedale Civil Ltd	\$103,270.00	75	65	75	70	65	70	57	63
Auckland Civil Ltd	\$117,755.00	70	60	75	65	65	60	43	54
Hughes Civil Ltd	\$144,450.00	70	60	70	65	60	60	19	41
Kirrane & Malone Ltd	D/Q	0	0	0	0	0	0		Disqualified
Median Tender Price	\$110,512.50								

Table 2 - Summary of Tender Evaluation

Scores for the non-price attributes were determined on the basis of information provided in the tenders and on recent experience with the contractors. The referees provided by the two lowest conforming tenderers were also contacted and interviewed.

TAGS, ERRORS OR OMISSIONS

They were no tags, errors or omissions in any of the conforming tenders.

CREDIT CHECK

A credit check carried out on Stonedale Civil Limited on 4 March 2002 did not reveal any adverse results.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Stonedale Civil Limited achieved the highest overall index of 63. This is the second lowest conforming tender, being \$795.00 higher than the lowest conforming tender.

It is considered that Stonedale Civil Limited has the necessary skills and resources to complete the work satisfactorily.

JOB COSTS

	<u>Excl. GST</u>
Tender sum - Stonedale Civil Limited	\$103,270.00
Contingency	\$ 10,000.00
Engineering & Supervision	<u>\$ 7,700.00</u>
Total Job Cost	\$120,970.00

SOURCE OF FUNDING

Contract Description	Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Henderson Aquatic Centre	Stormwater Capital	85-9815-6000	\$4, 522,000	\$2,027,608	\$120,790	\$2,373,602

RECOMMENDATIONS

1. That the information be received.
2. That the tender from Stonedale Civil Limited for Contract No. 01EWC062 - Henderson Aquatic Centre Carpark Stormwater Quality Project in the sum of \$103,270.00 plus \$12,908.75 GST, totalling \$116,178.75 be accepted.
3. That the contract be awarded to other than the lowest priced tender, because 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.

4. That the Acting Business Unit Manager : EcoWater be delegated the authority to enter into this contract on behalf of the Council.

Report prepared by: Parkin Low, Contracts Manager, EcoWater.



7 CONTRACT NO. 01EWC061 - ALDERMAN DRIVE CARPARK STORMWATER QUALITY PROJECT

PURPOSE OF THE REPORT

The purpose of this report is to inform the Tenders Subcommittee of the evaluation and award of Contract No. 061 - Alderman Drive Carpark Stormwater Quality Project, as the contract, which has a value of \$93,910.00 excluding GST, was awarded to other than the lowest priced tenderer.

SCOPE OF WORK

The scope of work in this contract includes supplying and installing a system of two sand filter units, and the associated collection pipes. The sand filter system includes the internal pipe systems and the inlet and outlet chambers.

TENDERS RECEIVED

Tenders were publicly advertised with six sets of documents being uplifted. Six tenders were received by the closing date of 19 February 2002. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Peter T Davies Ltd	27 Ridge Road, Browns Bay	\$74,771.00
Civil Construction Group Ltd	PO Box 46 009, Herne Bay	\$93,319.00
Stonedale Civil Ltd	358 Gelling Road, Hunua	\$93,910.00
Auckland Civil Ltd	PO Box 100 441, North Shore Mail Centre	\$101,699.00
Hughes Civil Ltd	222 Old Titirangi Road, Titirangi	\$128,150.00
Kirrane & Malone Ltd	92 Konini Road, Titirangi	\$134,655.00
Pre-tender contract estimate		\$89,690.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

The tender from Peter T Davies Limited was adjudged to be non-complying because the water quality system proposed in the tender is not approved by the Auckland Regional Council as specified in the tender document. Therefore this tender was disqualified and removed from further evaluation.

The tender from Kirrane & Malone Limited did not provide any of the required attribute information. Consequently all of the non-price attributes for this tender were scored zeros, which constitute “fails”. Therefore, this tender was also disqualified and was not included in the price evaluation.

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

Tender Evaluation	Attributes	Exper.	Track	Tech.	Resour.	Manag.	Method.	Price	Contract No. 01EWC061
			Record	Skill		Skill			Total Weights
	Weights	10	10	5	5	10	10	50	100
Tenderer	Tender Sum	Grades							INDEX
Civil Construction Group Ltd	\$93,319.00	70	65	70	65	65	65	55	61
Stonedale Civil Ltd	\$93,910.00	75	65	75	70	65	70	54	62
Auckland Civil Ltd	\$101,699.00	70	60	75	65	65	60	46	56
Hughes Civil Ltd	\$128,150.00	70	60	70	65	60	60	19	41
Kirrane & Malone Ltd	D/Q	0	0	0	0	0	0		Disqualified
Median Tender Price	\$97,804.50								

Table 2 - Summary of Tender Evaluation

Scores for the non-price attributes were determined on the basis of information provided in the tenders and on recent experience with the contractors. The referees provided by the two lowest conforming tenderers were also contacted and interviewed.

TAGS, ERRORS OR OMISSIONS

There were no tags or omissions in any of the conforming tenders.

The tender of Civil Construction Group Limited had an arithmetic error in the tender total that overstated the tender price by a small amount. When contacted and advised of the error, Civil Construction Group Limited confirmed their tender price. There were no errors in any of the other conforming tenders.

SUMMARY AND CONCLUSIONS

The results of the tender evaluation as summarised in Table 2 showed that the tender submitted by Stonedale Civil Limited achieved the highest overall index of 62. This was the second lowest conforming tender, being \$591.00 higher than the lowest conforming tender. It was considered that Stonedale Civil Limited has the necessary skills and resources to complete the work satisfactorily.

Therefore, because 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, the contract was awarded to Stonedale Civil Limited in the sum of \$93,910.00 plus \$11,738.75 GST, totalling \$105,648.75.

RECOMMENDATION

That the information be received.

Report prepared by: Parkin Low, Contracts Manager, EcoWater.



8 CONTRACT NO. 01EWC099 – GLEN MARINE PARADE WASTEWATER UPGRADE

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract No. 01EWC099 - Glen Marine Parade Wastewater Upgrade.

BACKGROUND

The existing public wastewater reticulation network in Waitakere City is being progressively upgraded at various localities as part of the Council's infrastructure upgrade and maintenance programme. Within this context, the drainage network in the Glen Marine Parade/Beazley Avenue neighbourhood has been identified as requiring immediate upgrading due to its poor condition and insufficient capacity. The upgrading involves the construction of a new public line.

These works are a part of the Council's Wastewater Renewal Programme in the 2001/2002 Annual Budget.

SCOPE OF WORK

The work to be carried out under this contract includes wastewater drainage works and the reinstatement of the residential properties, carriageway and road reserve areas affected by the works. The drainage works comprise the installation of approximately 622 metres of 315 mm diameter PE80 SDR17 polyethylene pipe involving the use of trenchless techniques. As an option, open trenching for a part of this new drain will be permitted, and would involve replacing the PE80 pipe with 332 metres of 315 mm diameter UPVC SN16 pipe. The tenderer is free to choose his preferred construction technique, and in order to accommodate this choice, two pricing schedules were provided in the tender, namely an Option A for construction using fully trenchless techniques, and an Option B for construction using a combination of trenchless and open trenching techniques.

TENDERS RECEIVED

The contract was publicly advertised on 12 December 2001, with nine sets of the tender documents being uplifted. Four tenders were received by the closing date of 15 January 2002. They are summarised below in Tables 1A and 1B.

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Civil Construction Group Limited	PO Box 46009 Herne Bay North Shore City	\$304,415.00
Coastal Digger Services Limited	33 Anvil Road Silverdale Auckland	\$436,674.03
Techscape Limited	PO Box 320909 North Harbour North shore City	\$928,889.16
Pre-tender contract estimate		\$343,475.00

Table 1A - Summary of Tender Prices for Option A

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Techscape Limited	PO Box 320909 North Harbour North shore City	\$746,034.86
Pre-tender contract estimate		\$411,875.00

Table 1B - Summary of Tender Prices for Option B

Since tenderers were free to choose which methodology option they would tender for, and because both options produce the same desired end result, the tenders for both options may be evaluated together. Techscape Limited was the only tenderer to tender for both options, which will be evaluated as two individual tenders.

Prior to tendering, it was expected that construction using a mix of trenchless and open cut methods (Option B) would cost more, and this is generally borne out by the fact that all but one of the tenders received have been for Option A (presumably the lower priced option for each tenderer). However, the tenders from Techscape Limited have gone against this trend. On a closer examination, it was found that this is due to unusually high prices for trenchless construction tendered by Techscape Limited.

During the tender evaluation period, Civil Construction Group Limited advised in writing that they wished to withdraw their tender due to the withdrawal of their drilling subcontractor. Since the drilling works comprise a substantial part of the contract works and this tenderer would not be able to complete the works using their own resources only, the tender withdrawal was accepted.

TENDER EVALUATION

Tenders were evaluated generally in accordance with the "Weighted Attributes Method" contained in Transfund New Zealand's "Manual of Competitive Pricing Procedures" and in accordance with the conditions of tendering.

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.

In this contract the value of these Provisional Sums was \$1,500.00 for each of the options.

Furthermore, the Schedule of Prices for Option A contained items to price for an alternative to trenchless construction (as an emergency measure, to be used in situations where the trenchless method is unsuccessful) which has the effect of doubling up the cost of a part of the construction. In order to fairly compare the tenders for Option A with those of Option B, Schedule Items nos. 3100 to 3130 would have to be deducted from the tenders of Coastal Digger Services Limited and Techscape Limited. The amount deducted from each of these tenders for evaluation purposes is as follows:

Coastal Digger Services Limited	\$6,300.00
Techscape Limited	\$13,413.60

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

Tender Evaluation	Attributes	Exper.	Track	Tech.	Resour.	Manag.	Method.	Price	Contract No. 01EWC099
			Record	Skill		Skill			Total Weights
	Weights	10	10	7	10	6	7	50	100
Tenderer	Tender Sum	Grades							INDEX
Coastal Digger Services Limited	\$428,874.03	70	70	80	80	70	65	92	83
Techscape Limited (Option B)	\$744,534.86	80	75	80	80	55	75	50	63
Techscape Limited (Option A)	\$913,975.56	80	75	80	80	55	75	27	51
Median Tender Price	\$744,534.86								

Table 2 - Summary of Tender Evaluation

The non-price attribute scores given to the tenderers are based on information provided in the tenders and on commonly accepted industry reputation.

All the tenderers failed to submit specific trenchless technology information as required by the tender documents and were subsequently approached regarding this omission and asked to supply this missing information. Nevertheless, all tenderers *did* provide general methodologies, with various levels of relevant detail. The relevance of this information is reflected in the attributes scores given.

Both Coastal Digger Services Limited and Techscape Limited have a significant amount of experience with the use of trenchless technology utilising their own resources. The experience of Coastal Digger Services Limited is mainly in the installation of utilities ducts, stormwater drains and watermains, and lesser experience in sewer works. Their most recent work with Waitakere City Council was a watermain contract in Huia Road in 2001. Techscape Limited was able to indicate recent trenchless works involving sewer networks and the use of the polyethylene material specified. Techscape Limited has also undertaken many recent contracts for the Council.

One Notice to Tenderers was issued to provide the tenderers with a page of the standard specifications for wastewater that had inadvertently been left out of the original tender documents. Both tenderers acknowledged receiving this Notice.

TAGS, ERRORS & OMISSIONS

The tender of Coastal Digger Services Limited did not contain any tags.

The tender of Techscape Limited contained a tag relating to the use of alternative microtunnelling machinery and pipe material in the event of difficulty in maintaining the necessary pipe grades at the interface between hard and soft materials. The effect of this tag would be to increase the cost of trenchless pipework installation in each of Techscape Limited's tendered options. However, this effect was not assessed any further, nor was the matter taken up with the tenderer, as the clarification of the tag would not have any effect on the outcome of the tender evaluation due to the tender price of Techscape Limited being significantly higher than the lowest priced conforming tender.

CREDIT CHECK

A credit check on Coastal Digger Services Limited dated 4 March 2002 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Coastal Digger Services Limited achieved the highest overall index of 83. This tender is also the lowest priced tender remaining after the withdrawal of one tenderer.

Coastal Digger Services Limited is considered to have the necessary experience, capability and resources to carry out the contract satisfactorily.

JOB COSTS

	<u>Excl. GST</u>
Tender sum - Coastal Digger Services Limited	\$436,674.03
Contingency (10%)	\$43,667.40
Engineering & Supervision	\$11,250.00

Total Job Cost	\$491,591.43

SOURCE OF FUNDING

Budget description (from Ann Plan line item)	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Wastewater Capital	85-9812-60000	\$1,195,000	\$145,842	\$491,591	\$557,566

RECOMMENDATIONS

1. That the information be received.
2. That the tender from Coastal Digger Services Limited for Contract No. 01EWC099 - Glen Marine Parade Wastewater Upgrade in the sum of \$436,674.03 plus \$54,584.25 GST, totalling \$491,258.28 be accepted.
3. That the Acting Business Unit Manager : EcoWater be delegated the authority to enter into this contract on behalf of the Council.

Report prepared by: Parkin Low, Contracts Manager, EcoWater.



9 CONTRACT NO. 01EWC068 - TOTARA AVENUE CULVERT

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract No. 01EWC068 - Totara Avenue Culvert.

BACKGROUND

Problems have been identified with the existing stormwater system serving the properties on the south-eastern side of Totara Avenue, New Lynn. During times of heavy rainfall, the basement carparks of Nos. 3, 5 and 21 Totara Avenue flood.

SCOPE OF WORK

In order to direct flows away from the affected area, a new pipeline will be installed to an existing culvert adjacent to No. 3096 Great North Road. This new stormwater drain is designed to alleviate the flooding at the rear of the affected properties as well as providing a drainage system for future development.

The new pipeline varies in size from 225 mm to 900 mm diameter and its length totals 165 metres. The alignment of the new pipeline has been designed to allow for future development on the Cambridge Clothing Property on Great North Road and to avoid a large protected pohutukawa tree.

TENDERS RECEIVED

Tenders were publicly advertised with six sets of documents being uplifted. Two tenders were received by the closing date of 22 January 2002. These are summarised in Table 1 below.

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Civil Construction Group Limited	PO Box 46 009, Herne Bay	\$166,546.00
H&H Contractors Limited	PO Box 15 084, New Lynn	\$174,223.00
Pre-tender contract estimate		\$146,000.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

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 No. 01EWC068
									Total Weights
	Weights	15	15	10	5	10	10	35	100
Tenderer	Tender Sum	Grades							INDEX
Civil Construction Group Limited	\$166,546.00	70	65	65	65	65	65	52	61
H&H Contractors Limited	\$174,223.00	75	60	65	65	65	70	48	60
Median Tender Price	\$170,384.50								

Table 2 - Summary of Tender Evaluation

Scores for the non-price attributes were determined on the basis of information provided in the tenders and on recent experience with the contractors.

Civil Construction Group Limited has recently completed several drainage contracts for the Council. These contracts have been carried out satisfactorily.

H & H Contractors Limited (H & H) are a well established drainage contracting company operating since the 1950's.

TAGS, ERRORS OR OMISSIONS

There were no tags in the tender from Civil Construction Group Limited. H & H had 11 tags associated with this tender. The tags have been assessed and were found to be acceptable. Most of the tags consist of H & H clarifying the basis of their tender, and none have any associated cost that need to be considered in the tender evaluation process.

There were no errors or omissions in either of the tenders received.

CREDIT CHECK

A credit check carried out on Civil Construction Group Limited on 14 December 2001 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Civil Construction Group Limited achieved the highest overall index of 61. This is also the lowest tender. It is considered that Civil Construction Group Limited have the necessary skills and resources to complete the work satisfactorily.

JOB COSTS

	<u>Excl. GST</u>
Tender sum - Civil Construction Group Limited	\$166,546.00
Contingency	\$16,654.60
Engineering & Supervision	<u>\$7,700.00</u>
Total Job Cost	\$190,900.60

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Stormwater Capital	85-9815-6000	\$4,522,000	\$1,423,300	\$190,901	\$2,907,799

RECOMMENDATIONS

1. That the information be received.
2. That the tender from Civil Construction Group Limited for Contract No. 01EWC068 - Totara Avenue Culvert in the sum of \$166,546.00 plus \$20,818.25 GST, totalling \$187,364.25 be accepted.
3. That the Acting Business Unit Manager : EcoWater be delegated the authority to enter into this contract on behalf of the Council.

Report prepared by: Parkin Low, Contracts Manager, EcoWater.



10 SOLID WASTE COLLECTION CONTRACTS

INTRODUCTION

The purpose of this report is to recommend that:

- Council extend the term of the kerbside refuse and recycling collection contracts (currently held by Onyx NZ Limited) for twelve months;
- Council extend the term of the contract for the manufacture, supply and distribution of official Council refuse bags (currently held by Chequer Packaging Limited) for twelve months;
- Council extend the term of the kerbside inorganic collection contract (currently held by Onyx NZ Limited) for twelve months, with provision to vary terms to allow for a move to one collection per year.

The proposed extensions exceed the delegations to the officers, and the authority for the Contract Manager to exercise the relevant clauses in these contracts is sought.

BACKGROUND

Council's current kerbside waste collection contracts were put in place at the commencement of the user charge (pre-paid rubbish bags) refuse collection scheme. The contracts cover:

- The collection from each Rateable Property of pre-paid rubbish bags and recyclables on a weekly basis, and the collection from each Residential Rateable Property of inorganics on a six-monthly basis. The contracts were awarded to Onyx NZ Limited for the period from 1 July 1999 to 30 June 2002.
- The manufacture, supply and distribution of official Council refuse bags. The contract was awarded to Chequer Packaging Limited for the period from 1 July 1999 to 30 June 2002.

Both sets of contracts with Onyx NZ Limited and Chequer Packaging Limited have extension clauses allowing the current terms and conditions to be extended (at Council's sole discretion through the Contract Manager) for a maximum possible period of twelve months through to 30 June 2003.

Council has recently resolved to consult on a reduction in the frequency of inorganic collections from two collections per year to one. In order to ensure that Council may respond to the outcome of this consultation, appropriate variation clauses must be provided for.

STRATEGIC CONTEXT

The user charge refuse collection scheme operates under Council's current statutory Waste Management Plan and is administered by way of Council Bylaw No. 30 1999 (Refuse Placement and Collection). Council's stated objectives are to reduce the volume of waste to landfill, and the current scheme has significantly reduced the volume of kerbside waste being collected and increased the level of recycling.

Central Government has also issued a New Zealand Waste Strategy, with key targets relating to:

- Re-using and recycling high volume wastes (garden waste, sewage sludge and building / demolition wastes);
- Minimising and managing hazardous wastes;
- Upgrading waste disposal facilities (for example, closing sub-standard landfills and wastewater treatment plants);
- Charging waste generators the true environmental cost of treatment and disposal (charging the true cost of landfill).

Council will need to position itself to respond to these drivers, particularly in the area of "separation at source" and use of landfill.

ISSUES

A key initiative being examined is the operation of a kerbside organic collection (kitchen and green waste), with the organic matter being composted at Council's Refuse Transfer Station. The variation to the current resource consent is currently being sought from the Auckland Regional Council to permit the composting of kitchenwaste on site, thereby allowing a trial of kerbside organic collections to be undertaken.

Should Council determine that it wishes to adopt kerbside collection of organics, sufficient flexibility must be retained in Council's contractual position to allow for the necessary changes. As such, it would not be appropriate at this time to tender longer-term contracts on the current collection basis. Further, a twelve month contract would affect the ability of potential tenderers to compete with the incumbent (potential tenderers need to recover set up costs, and the shorter the duration of the contract the higher the rate of recovery).

Kerbside Refuse & Recycling Collections and the Manufacture, Supply and Distribution of Official Council Refuse Bags

In order to provide Council with flexibility to trial kerbside organic collections, it is proposed that Council's options to extend the current contracts with Onyx NZ Limited be exercised for the kerbside refuse and recycling collections for the maximum term of twelve months (through to 30 June 2003).

Further, and for the same reasons, it is proposed that Council's option to extend the current contract with Chequer Packaging Limited be exercised for the manufacture, supply and distribution of the official Council refuse bags for the maximum term of twelve months (through to 30 June 2003) subject to the performance measure for distribution being re-negotiated to the satisfaction of the Chief Executive.

Council is unlikely to be disadvantaged by this as the current contract costs were set in 1999 and rate increases are anticipated as tenderers pass on inflationary impacts. Further:

- By extending the term of the current contracts, Council continues to enjoy the 1999 terms and conditions;
- The success of user charging in the reduction of volumes will affect the per tonne contract rates that tenderers will calculate to cover their fixed costs (that is, tenderers will look to increase the per tonne contract rates to recover their costs over the term of the contract based on assumed volumes, which are now substantially lower than those assumed at the outset of the current contract);
- Two of the major industry participants have advised in writing that they would not tender for any contract term of less than five years;
- The performance of the incumbents has met the performance standards set within the respective contracts.

Kerbside Inorganic Collections

Council provides residents with two rates-funded inorganic collections per year. Waitakere City is one of the few councils to continue to provide rates-funded inorganic collections. General kerbside inorganic collections are also a source of issues for Council, as scavenging tends to create litter management, loitering and city image problems.

Council has recently resolved to consult on a reduction in the frequency of inorganic collections (from 2 to 1 per annum). As the outcome of consultation will not be finalised until July 2002, Council must be provided contractual flexibility. Provision exists under the existing contract to extend the current terms and conditions for twelve months. By negotiating a variation to the contract in terms of the frequency of collections only (to be exercised at Council's sole discretion via its Contract Manager), Council may respond to either outcome from the consultation process (reduction or status quo). Council is unlikely to be disadvantaged by this for the same reasons as indicated for the refuse contracts.

Further Extension Options

Council may require additional time beyond 30 June 2003 to determine the nature of its future solid waste services. In the event that the additional time is a relatively short period, further extensions of the current contracts may be appropriate. This will be an issue of continuity of service rather than one of pricing.

As any such further extensions are not currently provided for under the existing contracts, appropriate terms will need to be negotiated, and this should occur as soon as possible to ensure that Council is not left in a position of having "reducing options" as the contractual term expires.

It is emphasised that Council cannot expect to enjoy 1999 contract rates as it will with the recommended twelve month extension enforced under the contractual terms. Initial indications are for a 15% increase in the per-tonne price of kerbside refuse collection. Officers will negotiate the best terms possible and no commitment will be provided for any further extensions (this exercise will be solely to provide Council with an option should it be required), and will not preclude testing the market should this be preferred.

CONCLUSION

The extension of the current kerbside collection contracts with Onyx NZ Limited and Chequer Packaging Limited is necessary to position Council for new solid waste initiatives.

Council is most unlikely to get more favourable terms by tendering the suite of solid waste kerbside collection contracts for a one or even two year period.

Budgetary provision exists in the proposed Draft 2002/2003 Annual Budget for the costs of kerbside refuse and recyclables collection and for kerbside inorganics collection, on the basis indicated.

RECOMMENDATIONS

1. That the information be received.
2. That the Director: City Enterprises be authorised to extend the term of Contract 63050-01&-02 (Manufacture, Supply and Distribution of Official Council Refuse Bags Contract) to 30 June 2003.
3. That the Director: City Enterprises be authorised to extend the term of Contract 63050-03 (Refuse and Recyclables Collection Contract) to 30 June 2003.
4. That the Director: City Enterprises be authorised to extend the term of Contract 63050-04 (Inorganic Refuse Collection Contract) to 30 June 2003 on the basis that a variation be provided for a reduction in the number of collections in the 2002/2003 Annual Plan year from two to one, to be exercised at Council's sole discretion via its Contract Manager.
5. That the Director: City Enterprises be authorised to negotiate additional twelve-month extension clauses (through to 30 June 2004) for contracts 63050-01&-02 (Manufacture, Supply and Distribution of Official Council Refuse Bags Contract) and 63050-03 (Refuse and Recyclables Collection Contract) on the best terms possible.

Report prepared by: Jon Roscoe, Manager: Solid Waste Business Unit.

