

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON FRIDAY, 31 MAY 2002,
COMMENCING AT 9.00 AM.**

TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE NO.</u>
1	APOLOGIES	1
2	URGENT BUSINESS	1
3	CONFIRMATION OF MINUTES	1
4	LEASE AGREEMENT FOR CAFÉ OPERATION IN THE AQUATIC CENTRE	2
5	CONTRACT PK20101.1 PHYSICAL WORKS - TREE MAINTENANCE AND PLANTING, PARKS, RESERVES AND STREETSCAPES	4
6	LANDFILLING OF RESIDUAL WASTE FROM COUNCIL'S REFUSE TRANSFER STATION	6
	PROCEDURAL MOTION TO EXCLUDE THE PUBLIC	6

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON FRIDAY, 31 MAY 2002,
COMMENCING AT 9.00 AM.**

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 - 17 May 2002

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 17 May 2002, as circulated, be taken as read and now be confirmed.



4 LEASE AGREEMENT FOR CAFÉ OPERATION IN THE AQUATIC CENTRE

PURPOSE OF THE REPORT

The purpose of this report is to seek the Tenders Subcommittee's approval for the establishment of a Lease Agreement with a contract term of up to ten years for the operation of a Café at the new Aquatic Centre, and further to approve a two stage tendering process with a publicly advertised Registration of Interest (ROI) to develop a shortlist of applicants for subsequent invited tenders.

BACKGROUND

A feature of the new upgraded Aquatic Centre is a café that will serve a range of "health style" and convenience foods and drinks.

This café is required to complement the focus of the Aquatic Centre services to the community, which will be targeting all age groups through structured and casual activity.

The intention is to let the café space in an uncompleted state, i.e. without serving counters, stoves, extractors, etc. This would require the successful Café Lease Operator to establish full kitchen, display and servery facilities. It is envisaged that this would require a substantial financial outlay.

ISSUES

Issue 1 - Ten year Lease Agreement

It is proposed to establish a Café Operation Lease Agreement with a minimum initial term of up to ten years. The actual term of the lease, while expected to be not more than ten years initially, may include right of renewal provisions based on a three, five or ten year initial term, followed by renewal periods of one, three or five years. The reasons for this approach are:

- the successful operator will be investing a minimum of \$60,000 to fit out the café and will require security of tenure to recoup that initial outlay;
- security of tenure will provide a degree of confidence and commitment that a short-term arrangement may not. Performance and quality issues can be covered off in the final lease agreement document to ensure the City has the ability to terminate the lease agreement if necessary;
- longer tenure with a good operator will allow a partnership approach to develop and add value through 'ownership' of the venue and better involvement in promotional opportunities and venue functions. Right of renewal provisions will further contribute to this.

Issue 2 - Registration of Interest

It is proposed to let the tender in a two-stage process by firstly having a Registration of Interest, and secondly a Tender to selected registrants.

The rationale for this process is that Council can fully explore the suitability and pre-qualify registrants before entering into tender. The Registration of Interest process will be used to identify caterers who are committed to the values of supplying quality food and service, as the café is an important part of the marketing and promotion plans for the new Aquatic Centre. The Registration of Interest will allow Council to focus on establishing a lease agreement with an operator that offers food consistent with the overall concept of the facility as a destination.

The Registration of Interest will also seek feedback from prospective caterers on issues such as:

- whether a ten-year lease term is appropriate, or if other variants such as five + five, or three + three + three year terms with right of renewal provisions would be more suitable;
- methods to settle purchase of equipment (buy back arrangements) at the end of the lease term or following early termination;
- processes for dealing with disputes of quality, menu variety, compatibility with the Centre's policies, or maintenance of the leased space;
- issues surrounding assignment of the lease to other caterers.

Issue 3 - Tender Process

Subsequent to receipt of the Registrations Of Interest, the selection of potential operators for inclusion in an invited tender process will be reported back to the Tenders Subcommittee, where a recommendation to proceed with some but not all registrants from the Registration of Interest process will be made. The standard tender process will then be undertaken, and issues raised by the Registrations Of Interest will be addressed within the tender documentation.

CONCLUSION

The cafeteria in the new Aquatic Centre is an important part of the marketing strategy of the complex, and the caterer will need to have complementary values, image, and menu options to help grow the overall admissions to the Centre. A Registration of Interest process will assist Council in eliminating unsuitable applicants and help supply information to be included in the tender document.

A lease agreement term of up to ten years is required in order for the winning tenderer to recoup the cost of fit out and establishment, and to build up a partnership with the Aquatic Centre Management.

RECOMMENDATIONS

1. That the information be received.
2. That the Café Lease Agreement for catering in the Aquatic Centre be let through a two stage process, firstly by a publicly advertised Registration of Interest to develop a short list, followed by tender to the short listed registrants - subject to Tenders Subcommittee approval of the selection of tenderers.
3. That a Café Lease Agreement term of up to ten years with right of renewal provisions be approved for the Aquatic Centre Café Operation Lease.

Report prepared by: Doug Guthrie, Manager: Aquatic and Recreation Centre.



5 CONTRACT PK20101.1 PHYSICAL WORKS - TREE MAINTENANCE AND PLANTING, PARKS, RESERVES AND STREETSCAPES

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract PK20101.1 - Tree Maintenance and Planting, Parks, Reserves and Streetscapes for the 2002/2003 financial year.

BACKGROUND

This contract forms part of the Council's Parks Operational Programme as provided for in the 2002/2003 Annual Plan.

SCOPE OF WORK

The scope of works includes the response maintenance, planned maintenance and planting of trees within Waitakere City's Parks, Reserves and Streetscapes. The scope also includes tree trimming for carriageway clearance.

TENDERS RECEIVED

Tenders were publicly advertised with seven sets of documents being uplifted. Two tenders were received by the closing date 15 April 2002. All tenders that were received exceeded the pre-tender contract estimate and the available budget. All tenders were therefore rejected and the tenderers were re-invited to tender with a modified scope of works. The tenders closed on 7 May 2002. These are summarised in Table 1:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Asplundh Tree Expert (NZ) Limited	Auckland	\$611,720.00
Treescape Limited	Auckland	\$668,750.00
Pre-Tender Contract Estimate		\$610,000.00

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 Number PK20101.1
									Total Weights
	Weights	5	10	10	5	10	10	50	100
Tenderer	Tender Sum	Grades							INDEX
Asplundh Tree Expert (NZ) Ltd	\$611,720.00	60	55	60	60	60	55	54	56
Treescape Ltd	\$668,750.00	60	50	65	75	60	55	46	53
Med.n Tender Price	\$640,235.00								

Table 2 - Summary of Tender Evaluation

Asplundh Tree Expert (NZ) Limited are a professional arboricultural company that specialise in all forms of arboriculture. Asplundh Tree Expert (NZ) Limited operate the most advanced selection of specialist plant. The company undertakes tree maintenance and planting for Auckland City, North Shore City and Manukau City Councils and is currently engaged by Waitakere City Council to undertake all responsive tree maintenance works. The company has proven ability to undertake large scale tree maintenance and planting projects and are a nation wide company. The tender was assessed and evaluated on the basis of their past performance and on information contained within the tender submissions. External and internal reference checks were obtained to ensure consistency in evaluation scores across City Services.

TAGS, ERRORS OR OMISSIONS

There were no tags, errors or omissions in the tenders submitted by Asplundh Tree Expert (NZ) Limited.

CREDIT CHECK

A credit check on Asplundh Tree Expert (NZ) Limited has been requested.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Asplundh Tree Expert (NZ) Limited achieved the highest index of 56. This tender is also the lowest priced tender.

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

JOB COSTS

	<u>Excl. GST</u>
Tender sum - Asplundh Tree Expert (NZ) Limited	\$611,720.00
Contingency	\$ 58,690.00
Total Job Cost	<u>\$670,410.00</u>

SOURCE OF FUNDING

Budget Description (from the 2002/2003 Draft Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Parks Tree Removal	TBA	140,000.00	0	140,000.00	0
Parks Arboricultural Activities	TBA	92,660.00	0	92,660.00	0
Street Tree Removal	TBA	93,000.00	0	93,000.00	0
Street Tree Maintenance	TBA	204,750.00	0	204,750.00	0
Street Tree Renewals	TBA	15,000.00	0	15,000.00	0
Vegetation Control Residential Streets	TBA	44,000.00	0	44,000.00	0
Vegetation Control Community Centres	TBA	6,000.00	0	6,000.00	0
Street Trees (New)	TBA	50,000.00	0	50,000.00	0
Community Amenity Streamside Planting	TBA	25,000.00	0	25,000.00	0
Total				670,410.00	

RECOMMENDATIONS

1. That the information be received.
2. That subject to a satisfactory credit check the tender from Asplundh Tree Expert (NZ) Limited for Contract PK020101.1 - Tree Maintenance and Planting, Parks, Reserves and Streetscapes in the sum of \$611,720.00 plus 76,465.00 GST, totalling \$688,185.00 be accepted.
3. The commitment to the 2002/2003 financial year totalling \$688,185.00 for the tender from Asplundh Tree Expert (NZ) Limited for Contract PK020101.1 - Tree Maintenance and Planting, Parks, Reserves and Streetscapes be approved.
4. That authority to enter into Contract PK020101.1 - Tree Maintenance and Planting, Parks, Reserves and Streetscapes on behalf of Council be delegated to the Director: City Services.

Report prepared by: Roscoe Webb, Parks Project Manager, Arboriculture and Quality Assurance.



6 LANDFILLING OF RESIDUAL WASTE FROM COUNCIL'S REFUSE TRANSFER STATION

This item will be considered in the Confidential Supplement of the agenda, and has been circulated to members separately with this agenda.

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following part of the proceedings of this meeting. The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of the matter to be considered	Reason for passing this resolution in relation to the matter	Ground(s) under section 48(1) for the passing of this resolution
Landfill of Residual Waste from Council's Refuse Transfer Station	The withholding of information is necessary in order to: enable the local authority holding the information to carry on, without prejudice or disadvantage, commercial negotiations.	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7(2)(h) of that Act which would be prejudiced by the holding of the following part of the proceedings of the meeting in public as follows:

- *The matter contains specific contract pricing pertaining to the Landfill of Residual Waste from the Refuse Transfer Station.*

