

NOTICE OF MEETING

TENDERS SUBCOMMITTEE

I hereby give notice that an Ordinary Meeting of the Tenders Subcommittee will be held on:-

DATE: **Friday** **1 August 2003** **TIME:** **9.00 am**

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.



25 July 2003

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: Strategy & Development
Director: Quality Assurance
Director: Finance
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 FRIDAY, 1 AUGUST 2003, COMMENCING AT 9.00 AM**

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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 Subcommittee 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 - 18 July 2003
Extraordinary - 23 July 2003

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 18 July 2003 and the Extraordinary Meeting held on Wednesday, 23 July 2003, as circulated, be taken as read and now be confirmed.



4 **CONTRACT NO. EW02600C – WATER SUPPLY, WASTEWATER AND STORMWATER DRAINAGE FACILITIES TERM MAINTENANCE CONTRACT 2002/2003 AND 2003/2004**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to increase the scope of contract no. EW02600C to include water supply asset assessment, related valve and hydrant repair work, water quality flushing point installation work, and additional watermain flushing.

BACKGROUND

A proposal for this contract was reported to the Tenders Subcommittee on 21 June 2002, and the Subcommittee resolved as follows:

- “1. *That the negotiated Contract EW02600C - Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract 2002/2003 and 2003/2004 with Techscape Limited be accepted for the sum of \$6,408,856 plus GST of \$801,107 totalling \$7,209,963.*
2. *That no tender be called for the Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract for the following reasons:*
 - *Known performance in service delivery;*
 - *Known quality of work;*
 - *Familiarity with the Waitakere City network;*
 - *Close working relationship;*
 - *Shared technology platforms;*
 - *Cost savings to Council*
3. *That the commitment of funds for the Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract EW02600C for the 2002/2003 financial year of \$3.2 million and for the 2003/2004 financial year of \$3.2 million be approved.*
4. *That any extension of the Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract for 2004-2005 be referred back to the Tenders Subcommittee for approval prior to 30 June 2004.*
5. *That authority to enter into the Water Supply, Wastewater and Stormwater Drainage Facilities Team Maintenance Contract on behalf of Council be delegated to the Acting Manager: EcoWater Business Unit.*
6. *That the contract no longer be reported to the Finance and Operational Performance Committee in terms of resolution number 910/2002 as the form, term and scope of the contract now fall within the delegated authority of the Tenders Subcommittee.”*

2109/2002

It was reported to the Tenders Subcommittee that the negotiated contract included cost savings compared to previous years, on the proviso that Council would consider additional asset inspection and maintenance programmes in due course.

ADDITIONAL SCOPE

During 2002/2003 a trial project was implemented to identify additional maintenance required on the water supply network to take into account the increased age of the assets and new Drinking Water Standards. Consequently, a number of issues have been identified and additional scope of maintenance is proposed as follows:

- updating the GIS plans which were digitised from the old as-built drawings have never been validated on site;
- additional valve and hydrant maintenance, as for many years routine maintenance has been limited to minor cleaning and painting work, and many of the valves and hydrants have not been exercised;
- condition rating of assets to optimise future upgrading requirements, including minor repairs to extend the life of the assets; and
- the pressure zoning work carried out in 1996 to 1999 has resulted in some water quality issues at the interfaces of zone boundaries.

Accordingly, Techscape Limited has submitted a proposal to include water supply asset assessment work, flushing point installation work, and valve and hydrant repair work. The total value of this work for 2003/2004 is as follows: water supply asset assessment work (\$147,000), flushing point installation work (\$87,500), and valve and hydrant repair work (\$173,400), a total of \$407,900 excluding GST. The water quality programmed flushing works included in their proposal is already incorporated in the Maintenance Contract. The assessment work is a continuation of work carried out by Techscape in the New Lynn Supply Zone over the last 18 months.

The budget is for operating and carrying out a condition rating of over 8,000 valves and hydrants in over half of the reticulated area of the city, and also checking and updating the GIS as-built records of the assets. The repair work in 2003/2004 is to carry out fault repairs identified in the 2002/2003-assessment work. The flushing point installation work is a staged programme to improve water quality near the boundaries of the water supply zones.

RESOURCES

Budget for the work proposed in 2003/2004 is included in the approved Annual Plan for 2003/2004. The required budgets for the proposal are to be funded as follows:

Source of Funding

Budget description (from Annual Plan line item)	Project SFL Code	Budget Amount	Committed to other projects	Allocation to this project	Unallocated balance
Network Inspection Programme (Asset Assessments Priority 1& 2)	85-7515-25400	147,600.00		147,000.00	600.00
Valves and Hydrant Replacement					Nil
Valve and Hydrant Routine Maintenance (Repairs Identified 02/03)	85-9855-63560 85-7540-26780	150,000.00 153,000.00	27,000	150,000.00 23,400.00	102,600.00
Drinking Water Quality Improvements (Installation of Critical Flushing Points)	85-9821-41720	185,000.00		87,500.00	97,500.00
Total		635,600.00	27,000	407,900.00	200,700.00

The scope of work for 2004/2005 will be defined leading up to the preparation of the 2004/2005 Annual Plan. Based on a preliminary assessment it is estimated that the scope of the Maintenance Contract will need to be increased by \$800,000, and this will be included in the contract renegotiation prior to 30 June 2004. Funding has been provided in the 2003/2004 Annual Plan and Long Term Council Community Plan for the additional work required.

RECOMMENDATIONS

1. That the information be received.
2. That the Group Manager: Asset Management be delegated authority to increase the scope of Contract No. EW02600C Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract 2002/2003 and 2003/2004 by \$407,900 excluding GST, as a variation to this Contract.
3. That consideration be given in any contract extension beyond 2003/2004 to increasing the scope of the contract to include additional asset maintenance and inspection programmes.

Report prepared by: Richard Taylor, Asset and Network Manager.



5 REGISTRATION OF INTEREST - GLEN EDEN LIBRARY CONSTRUCTION

PURPOSE OF THE REPORT

This report informs the Tenders Subcommittee of the shortlist of Registrants for the Glen Eden Library Construction contract.

BACKGROUND

A Registration of Interest from prospective tenderers, for the construction of the Glen Eden Library was called for by way of two insertions in the New Zealand Herald.

The reasons for using the Registration of Interest process for this project are:

- this is a large-scale project with high costs (over \$ 50,000);
- project has high importance to Council;
- pre-selecting specialists to ensure a high level of performance during the works and competitive bids during the tender phase.

The Registration of Interest process is being carried out in accordance with the Council's Procurement Manual. The evaluation of respondents will be generally in accordance with the Transit NZ Weighted attributes method, with tenderers for construction being drawn from the highest ranked respondents.

REGISTRATIONS RECEIVED

Six Registrations of Interest were received by the closing date of 8 July 2003:

Registrant	Reg. Office
Canam Construction Limited	Henderson
E.P.Maddren & Sons Limited	Kumeu
Hawkins Construction Limited	Manukau
JAL Developments Limited	Howick
Mainworks Mainzeal	Auckland
Savory Construction Limited	Mt Wellington

Table 1 - Summary of Registrants

REGISTRANT EVALUATION

Registrants were evaluated generally in accordance with the "Weighted Attributes Method" contained in Transit New Zealand's "Manual of Competitive Pricing Procedures" using Council's standard attributes for tender evaluation.

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

Registration of Interest Evaluation	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	ROI No. SP02501D
	20	20	20	20	20	Total Weights 100
Registrants	Grades					INDEX
Canam Construction Ltd.	75	70	70	70	65	70
Hawkins Construction Ltd.	75	70	70	70	65	70
Mainworks Mainzeal	75	70	70	70	65	70
E.P.Maddren & Sons Ltd.	70	70	70	70	65	69
Savory Construction Ltd.	70	65	65	70	65	67
JAL Developments Ltd.						Non-conforming

Table 2 - Summary of Registration of Interest Evaluation

The evaluation was carried out by reviewing the documentation provided, phone conversations with a number of referees and a check of the contractor's health and safety record.

SUMMARY

The Registration of Interest document for this process specified the information required and the format of the registrant's submissions. This document also identified that only the highest ranked registrants would be invited to tender for the project.

The Registration of Interest from JAL Developments Limited did not contain the requested information and in accordance with the Registration of Interest document their submission has been deemed non-conforming.

An accepted industry standard of up to five invited tenderers is deemed appropriate for a contract of this magnitude and encourages serious and competitive tenders. Based on the normal scoring ranges, a grade of 65 represents an “above-average” score. The five highest ranked registrants all have scores of more than 65 and therefore are well experienced and capable of carrying out this project in a competent manner. Therefore it is recommended the five top scoring registrants be invited to tender for this project.

From table 2 above, the five highest ranked registrants are:

- Canam Construction Limited;
- Hawkins Construction Limited;
- Mainworks Mainzeal;
- E.P.Maddren & Sons Limited;
- Savory Construction Limited.

The actual tenders will be evaluated using the weighted attributes method, which will take into account nominated personnel, proposed sub-contractors and other specific contract attributes such as methodology and price.

RECOMMENDATIONS

1. That the information be received.
2. That the five top scoring registrants:
 - Canam Construction Limited;
 - Hawkins Construction Limited;
 - Mainworks Mainzeal;
 - E.P.Maddren & Sons Limited;
 - Savory Construction Limited;

be invited to tender for the Glen Eden Library construction contract.

Report prepared by: John Schermbucker, Special Projects Engineer.



6 PREFERRED SUPPLIER AGREEMENT FOR COUNCIL'S IT INFRASTRUCTURE - CONTRACT NO. IM02062A

PURPOSE OF THE REPORT

This report seeks approval of the Tenders Subcommittee to award the contract to establish a preferred supplier relationship for the supply of:

- intel based computer server hardware;
- associated professional and engineering services as required to support the Microsoft Windows environment;
- Microsoft software licensing under the G2003 contract through a Microsoft certified 'Large Account Reseller' (LAR);
- design and deployment of Microsoft Active Directory Services as a precursor to upgrading to the current generation of Microsoft Operating systems.

Additionally, the report also seeks approval to enter into a contractual relationship with Microsoft Corporation directly, as is required in order to be able to access the licensing program fulfilled by the preferred supplier, on behalf of Microsoft.

BACKGROUND

The current Microsoft Windows operating environment within the Council computer network is due to be updated, due to changing business requirements not able to be supported under the existing Windows NT4.0 platform, which has been in place since late 1999. Additionally from 1 July 2003, Microsoft has started on a 12 month program of planned withdrawal of support for NT4.0, which is now two major revisions behind the current Windows version.

Recent developments in both "Thin Client" or 'Server Based Computing', typified by the Citrix 'Metaframe' platform, as is currently used by Council for remote access, and the Open Source software movement as popularised by the GNU/Linux platform, prompted a strategic review of Council's computing platforms prior to a decision to upgrade the Windows platform. The outcome of this review confirmed the decision to upgrade the Windows platform was the most appropriate course of action, in terms of business risk, functionality and Total Cost of Ownership (TCO).

As a result of this review, and consequent decision to upgrade the Windows platform, a Request for Proposal (RFP) was issued to selected resellers covering the areas germane to this upgrade program, specifically covering the areas referenced above.

The standard IT industry process for supplying hardware is for a manufacturer (e.g. Hewlett Packard, IBM, Compaq) to offer discount to its large volume customers. The manufacturer however does not sell direct to customers, rather they go through the route of offering that discount to a Reseller, who then acts as broker to supply the customer with the goods. This is where the Request for Proposal (RFP) for supply normally adds value to Council, as the percentage mark up of Suppliers, Distributors and the Reseller is minimised by the competitive process.

The hardware and software components of the Request For Proposal have been set up to award the pricing model of the reseller rather than a lump sum price for supply of same. In this way Council contracts for an agreed discount rate over the life of the contract, whilst maintaining the flexibility to change volumes and models of server platforms and other items as required.

Similarly, the engineering and professional services components of the RFP seek to establish agreed unit rates and price escalation provisions, whilst maintaining the flexibility to engage services on an as required basis.

In terms of the Microsoft licensing aspects of the contract, there are two contractual relationships to consider.

- one with the reseller, as is covered under the contract awarded to the Reseller resulting from the Request For Proposal process, and which appoints an agency to resell Microsoft licenses to Council;
- the second contractual relationship is with Microsoft Corporation itself. This is covered separately under the G2003 heading below, and is followed by a recommendation that Council enter into the G2003 program with Microsoft Corporation in addition to appointing a reseller to act as Microsoft's agent in fulfilling the contract.

Contract values put forward are estimated based on historical spend, and known future plans, and will be subject to change in line with changing business and technical requirements as they evolve over the life of the contracts.

RESPONSES RECEIVED

Responses were received from the invited five firms per Table 1.

Reseller	Office
ATL Systems NZ Ltd	128 Khyber Pass Rd, Auckland.
Computerland / Ceritas NZ Ltd	104 - 106 Customs St. West, Auckland.
Datacom Systems Ltd	106 Vincent St, Auckland.
Eagle Technology Group Ltd	Epsom Stand, Alexandra Park, Greenlane
Fujitsu NZ Ltd	117 Khyber Pass Rd, Auckland.

Table 1 - Summary of Respondents

PROPOSAL EVALUATION

Proposals were evaluated generally in accordance with the " Weighted Attributes Price Method " contained in Transfund New Zealand's "Manual of Competitive Pricing Procedures".

The evaluation methodology and process has been as follows:

1. All responses were evaluated for price and attributes.
2. The top three responses were identified for further evaluation involving reference checking against existing customers with similar profiles to Council in terms of the nature of the relationship and size of organisation, with preference given to other TLA or Government customers where appropriate.
3. Final allocation of scores and ranking.

Table 2, below, summarises the final scores arrived at from the evaluation process:

	Attributes	Relevant Experience & Track Record	Technical Skills and Appropriate Resources	Contract Terms	Specification	TCO	Contract Number IM02062A
							Total Weights
	Weights	22.5	22.5	7.5	7.5	40	100
	Project Sum	Grade					INDEX
ATL	\$1,605,072	76%	63%	76%	75%	45%	60.5
Computerland	\$1,478,289	61%	58%	42%	75%	54%	56.9
Datacom	\$1,532,853	57%	69%	38%	75%	50%	56.8
Eagle	\$1,721,616	FAIL	59%	47%	75%	40%	FAIL
Fujitsu	FAIL	FAIL	FAIL	36%	75%	FAIL	FAIL
Med.n Price	\$1,532,853						

Table 2 - Summary of evaluation scores

Risk Assessment

Issues involved in moving away from the present preferred suppliers have been considered in the evaluation.

Reference checking feedback has been used to further refine scoring on non-price attributes, reducing the reliance on respondent's own claims in relation to service delivery and technical competence.

TAGS, ERRORS OR OMISSIONS

Fujitsu NZ Limited failed to supply a price for the Microsoft Active Directory design and deployment section of the Request For Proposal. This omission, along with sub 35% scores on two of the non-price attributes caused their response to be excluded from further evaluation.

Although a compliant response, Eagle Technology was also excluded from further evaluation, due to a 'fail' (<35%) score for a non-price attribute.

SUMMARY

Based on the evaluation results it will be recommended that ATL be awarded the contract.

MICROSOFT G2003 AGREEMENT

Background

Council currently purchases desktop computer and file server operating systems and application software from the Microsoft Corporation. For the past four years (to 30 June 2003), this software has been acquired under Microsoft's 'G2000' Agreement, which concluded on 30 June 2003.

The replacement agreement, branded 'G2003', has been developed specifically to meet the needs of New Zealand central and local government and associated agencies, and is priced based on the collective purchasing power of these organisations. The terms of the agreement were negotiated with Microsoft by a team headed by the Department of Internal Affairs, with representation from a number of Central and Local Government agencies. The new agreement offers significantly lower unit costs than its predecessor for renewing customers, and has been subject to an in-depth legal review commissioned by the negotiation team.

The pricing is based on a fixed annual cost of \$288 per desktop or laptop computer for the provision of core software, including the 'Windows' operating system, 'Office' desktop applications (tool-set), and 'Client Access Licenses' enabling user access to server based systems. In addition, there is provision to purchase low volume applications, server products and software development tools, on an individual basis in a similar manner to that currently managed under the existing 'G2000' agreement.

Under the terms of the proposed 'G2003' agreement, government agencies have until 30 September 2003 to exercise their right to enter into this agreement effective 1 July 2003.

G2003 Agreement Details

Microsoft Corporation has furnished a standard contract as per the negotiated terms and conditions. Key points are:

- the contract is for three years. Council may terminate the agreement upon giving 60 days notice to Microsoft of intention to terminate, and would continue to own in perpetuity any licenses held at termination date;
- administration of the relationship will be managed by the IM Operations Manager, in conjunction with the nominated large account reseller, who has particular expertise in the detail of the contract;
- the contract allows Council to run its choice of Operating System, Office products and Development Tools, and incorporates the cost of upgrades over the life of the contract.

Statutory Requirements and Council's Delegations

Given the requirement to contract directly with Microsoft in order to access the G2003 agreement, and that this is in effect a sole supplier situation, notwithstanding the fact that the role of 'Large Account Reseller' (in whose favour the purchase orders are made out to) is established through a competitive process, it is important to ensure the requirements of Council's procurement policy are complied with regard to a non-tender situation.

On this basis it will be recommended that the subcommittee approve the Microsoft G2003 Agreement without going to tender, in accordance with the provisions of Council's procurement policy, noting that in order to satisfy the requirements of policy, the reasons for not going to tender are required to be recorded in writing.

JOB COSTS

Using the unadjusted proposal rates and unit prices, costs in each contract subsection are anticipated as being as follows:

Category	Period	Amount	
Microsoft Licensing	2003/2004	\$298,727	
Microsoft Licensing	2004/2005	\$313,664	
Microsoft Licensing	2005/2006	\$329,347	
Professional and Engineering Services	2003/2004	\$208,362	
Professional and Engineering Services	2004/2005	\$ 34,727	
Professional and Engineering Services	2005/2006	\$104,181	
Active Directory Design & Deployment	2003/2004	\$ 68,600	
Server Hardware	2003/2004	\$ 82,488	
Server Hardware	2004/2005	\$ 82,488	
Server Hardware	2005/2006	\$ 82,488	
		\$1,605,072	Ex GST

These projected commitments are as used to calculate the contract value in the RFP evaluation, and are based on **anticipated usage**. These are drawn from a number of sources including historical spend for 2002/2003, Budget figures for 2003/2004, and projections for the term of the contract for Microsoft licensing costs and planned Infrastructure upgrades identified in the IM Infrastructure upgrade programme.

SOURCE OF FINANCE

Funding for this contract is provided for in the 2003/2004 Annual Plan year, with funding for subsequent years, provided for in the Long Term Council Community Plan.

Sources of funds for the 2003/2004 year are as follows:

	Codes	Budget - Amount	Allocation to this Contract
Microsoft Licensing	15-1810-16000-108	\$300,000	\$298,727
Hardware & Services	75-9516-95000-999	\$375,000	\$359,450

Note: Hardware and Services are funded from the IM Capital Budget, with individual project budget codes generated as required.

RECOMMENDATIONS

1. That the information be received.
2. That in accordance with Council's Procurement Policy, approval be given to enter into the Microsoft G2003 Agreement without going to competitive tender on the basis that Microsoft Corporation is the only acceptable provider of the required comprehensive solution to Council's software licensing requirements.
3. That, subject to a satisfactory credit check, ATL Systems Limited be awarded the three-year preferred supplier contract (Contract No. IM02062A) for the supply of:
 - intel based computer server hardware;
 - associated professional and engineering services as required to support the Microsoft Windows environment;
 - Microsoft software licensing under the G2003 contract through a Microsoft certified 'Large Account Reseller' (LAR);
 - design and deployment of Microsoft Active Directory Services.
4. That subject to changes arising for the following reasons:
 - change in exchange rate;
 - model superseded and manufacturer's price lower or higher than for base model;
 - variation in number of units purchased;
 - change in scope of anticipated projects;

costs in each contract subsection be committed in the Annual Plans for 2003/2004, 2004/2005 and 2005/2006 (noting that provision has been made for this expenditure in the Long Term Council Community Plan for 2004/2005 and 2005/2006) and authorised to be expended as follows:

Category	Period	Amount	
Microsoft Licensing	2003/2004	\$298,727	
Microsoft Licensing	2004/2005	\$313,664	
Microsoft Licensing	2005/2006	\$329,347	
Professional and Engineering Services	2003/2004	\$208,362	
Professional and Engineering Services	2004/2005	\$ 34,727	
Professional and Engineering Services	2005/2006	\$104,181	
Active Directory Design & Deployment	2003/2004	\$ 68,600	
Server Hardware	2003/2004	\$ 82,488	
Server Hardware	2004/2005	\$ 82,488	
Server Hardware	2005/2006	\$ 82,488	
Total		\$1,605,072	Ex GST

5. That the Director: Corporate & Civic Services be delegated authority to enter into the preferred supplier contract with ATL Systems Limited and the Microsoft G2003 Agreement on behalf of Council.

Report prepared by: Simon Leigh, IM Infrastructure Project Manager.



7 **CONTRACT NO. RM02505A MASSEY LIBRARY PHOTOVOLTAIC PANELS - DESIGN & BUILD**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract No. RM 02505A Massey Library Photovoltaic Panels, Design & Build.

BACKGROUND

Early in July 2001 Waitakere City Council funded a feasibility study to investigate incorporating a Solar Power System into the Stage 2 development of the Massey Library and Leisure Centre. It was intended that the photovoltaic panels would generate electricity to off-set a defined load, for example lighting in the library, of approximately 8kW during peak periods.

In conjunction with a professional involved in the solar power industry, Carl Emerson, the Council and associated engineers developed a concept design. Considerations included installing solar product in keeping with the genre of the building, matching the system output to a definable library load, and maximizing visibility of performance by public display and website.

Council approached the United Network Shareholders Society for external funding for the project. It was on the basis that the photovoltaic panels on Massey Library would demonstrate renewable energy generation, which would have an educational focus rather than being commercially viable at this time (with an estimated 25 year payback period). The United Network Shareholders Society granted \$166,000.00 excluding GST funding for the project.

A Registration of Interest from prospective tenderers, to design and build the Massey Library Photovoltaic Panels was called for by way of advertisement in the New Zealand Herald on 20 November 2002. Six Registrations of Interest were received with five being approved by the Tenders Subcommittee to be invited to tender on 21 February 2003.

The tender process was carried out in accordance with the Waitakere City Council's Procurement Manual. The evaluation of respondents is generally in accordance with the Transit NZ Weighted Attributes Method.

SCOPE OF WORK

The scope of the project includes the design, supply of all labour, materials, plant and equipment, installation, testing and commissioning of a complete photovoltaic system. The completed system is to provide a fully operational, reliable and maintainable system with a peak rated array of 8 kW.

TENDERS RECEIVED

Tenders were invited from selected tenderers with five sets of documents being uplifted. Four tenders were received by the closing date of 8 July 2003. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Alphatron Pacific Ltd	10/36 Willam Pickering Drive, North Harbour Industrial Estate	\$156,445.00
Reid Technology Ltd	3-5 Auburn Street, Takapuna	\$162,500.00
Solar Energy Solutions Ltd	13 Rangimaarie Crescent, Snells Beach	\$164,132.00
BP Solar Pty Ltd (Australia) tender 1	2 Australia Avenue, Homebush Bay, New South Wales, Australia	\$165,000.00
BP Solar Pty Ltd (Australia) tender 2	2 Australia Avenue, Homebush Bay, New South Wales, Australia	\$175,000.00
Pre-tender contract estimate	Fixed price	\$165,000.00

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".

BP Solar Pty Ltd submitted two tenders, which differed in their proposal for the visual display and educational elements of the project. These have been treated as tags to their two tenders.

As the objective of the project was to gain the maximum amount of electricity generated for the funding provided by United Networks Shareholders Society, the price of the contract was stated as fixed at \$165,000 excluding GST in the tender document. Therefore price did not form part of the tender evaluation process. It was not anticipated that the tenderers would submit different prices, as they were required to provide the best possible system, complying with the specifications for a fixed price of \$165,000 (ex GST).

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 SP02505A
		Weights	15	15	15	15	15	25	Total Weights
Tenderer	Tender Sum	Grades							INDEX
Reid Technology		60	60	60	60	65	71		64
BP Solar (Australia)–Basic		50	60	60	55	60	67		60
BP Solar (Australia)–Enhanced		50	60	60	55	60	68		60
Solar Energy Solutions		50	45	50	45	50	49		48
Alphatron Pacific Ltd		45	40	40	40	45	61		47
Engineers Estimate (Fixed Price)	\$165,000.00								

Table 2 - Summary of Tender Evaluation

A pre-meeting was held with the invited tenders on 5 June 2003 to outline the specifications of the project and a site visit to Massey Leisure Centre and Library was held on the 23 June 2003.

The tender evaluation process was conducted by a team consisting of Michelle Dawson (Waitakere City Council), Franc Coles (Engenuity Consultants Ltd), Neil Brumfit (Account Manager Genesis Energy) and Mike Janus (Genesis Energy). Franc Coles provided the expertise for electrical engineering and infrastructure knowledge of Massey Leisure Centre and Library and Mike Janus provided the technical photovoltaic knowledge to the tender evaluation team.

The evaluation team were unanimous in their assessment of each of the tenders and the results are included in the evaluation table 2.

TAGS, ERRORS OR OMISSIONS

BP Solar submitted two tenders with tags. The tags were with respect to the visual display and educational elements of the project. These tags have been taken into account in the evaluation grades.

CREDIT CHECK

A credit check on Reid Technology Limited has been requested.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Reid Technology Limited achieved the highest index of 64.

Reid Technology Limited is an experienced design and build contractor in this field of work and has completed several similar projects in a competent and satisfactory manner. The photovoltaic system proposed by Reid Technology Limited is from BP Solar, which is a recognised leader in this technology.

As part of City Services vision "Quality and Health and Safety is 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.

JOB COSTS

	<u>EXCL. GST</u>
Tender sum - (Reid Technology Limited)	\$162,500
Contingency	\$ 12,500
Engineering & Supervision	\$ 10,000
Building Consent, Insurance & Misc	\$ 11,000

Total Job Cost	\$196,000

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Massey Photo voltaic	75 9710 46630	\$30,000	Nil	\$30,000	Nil

Grant from United Networks
Shareholders Society Inc \$166,000
Total available funds \$196,000

RECOMMENDATIONS

1. That the information be received.
2. That subject to a satisfactory credit check the tender from Reid Technology Limited for Contract No. RM 02505A Massey Library Photovoltaic Panels - Design & Build in the sum of \$162,500 plus \$20,312.50 GST, totalling \$182,812.50 be accepted.
3. That authority to enter into Contract No. RM 02505A Massey Library Photovoltaic Panels - Design & Build on behalf of Council be delegated to the Director: City Services.

Report prepared by: Suresh Nagaiya, Special Projects Engineer.

