

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON FRIDAY, 4 JULY 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 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

Special - 6 June 2003

RECOMMENDATION

That the minutes of the Special Meeting of the Tenders Subcommittee held on Friday, 6 June 2003, as circulated, be taken as read and now be confirmed.



4 CONTRACT PK03601B - FLAIL MOWING 2003/2004

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract PK03601B - Flail Mowing 2003/2004.

BACKGROUND

This contract replaces the existing flail mowing maintenance contract, due to expire on 30 June 2003.

SCOPE OF WORK

This maintenance contract provides for the control of roadside vegetation by flail mowing within Waitakere City. Flail mowing is carried out on scheduled roads citywide on a six-monthly cyclic basis, each cycle covering 333.9km of road length.

Two options were tendered for - Option 1 allows for a contract completion date of 30 June 2004 (12 months) and Option 2 for a contract completion date of 30 June 2005 (24 months).

TENDERS RECEIVED

Tenders were publicly advertised with three sets of documents being uplifted. Two tenders were received by the closing date of 29 April 2003. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE OPTION 1 (excl. GST)	TENDER PRICE OPTION 2 (excl. GST)
Serco Group NZ Ltd	Wellington	105,484.12	207,195.80
City Care Ltd	Christchurch	130,748.37	260,664.74
Pre-tender contract estimate		104,867.64	209,235.27

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 Tables 2A and 2B below:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract PK03601B Option 1
									Total Weights
	Weights	5	5	8	5	5	2	70	100
Tenderer	Tender Sum	Grades							INDEX
Serco Group New Zealand Ltd	\$105,484.12	70	75	73	60	78	80	61	64
City Care	\$130,748.37	80	75	63	70	75	80	39	49
Med.n Tender Price	\$118,116.25								

Table 2A - Summary of Tender Evaluation (Option 1)

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract PK03601B Option 2
									Total Weights
	Weights	5	5	8	5	5	2	70	100
Tenderer	Tender Sum	Grades							INDEX
Serco Group New Zealand Ltd	\$207,195.80	70	75	73	60	78	80	61	65
City Care	\$260,664.74	80	75	63	70	75	80	39	49
Med.n Tender Price	\$233,930.27								

Table 2B - Summary of Tender Evaluation (Option 2)

A comparison of the weighted attribute indices in Table 2A and Table 2B demonstrates that Serco Group NZ Limited ranked higher in both options. They also have the lower tender for both options.

An evaluation of their submitted rates indicates a 1.8% cost savings for a 24-month contract over a 12-month contract (\$3,772 over 24 months). There would be further savings in professional services fees in the order of \$3,800 as a result of the contract not requiring re-tendering in 12 months time. The total savings are approximately \$7,572 over 24 months.

Furthermore, this contract requires a reasonable amount of on-going ecological knowledge to be acquired due to the sensitive nature of mowing in the Waitakere ranges. A longer-term contract gains significant advantages in this respect.

It is recommended that Council proceed with the 24-month contract (option 2) to secure the rates of Option 2 for the longer period.

TAGS, ERRORS OR OMISSIONS

The Tender submitted by Serco Group NZ Limited for option 2 contained a \$500 addition error in the tender sum. This error was addressed without altering the tender sum. There were no tags or omissions in either tender.

CREDIT CHECK

A credit check dated 2 May 2003 revealed Serco Group NZ Limited has a high risk of paying in a severely delinquent manner (90+ days past terms). However, there has been no debt recovery action recorded in the past three years. This slowness of payment can be the result of disputes over invoices, merchandise etc and does not imply a cash-flow problem. The credit check reveals no other adverse information and in view of the very substantial financial backing of the company, is considered to be of no concern.

SUMMARY

The results of the tender evaluation as summarised in Table 2A and 2B shows that the tender submitted by Serco Group NZ Limited achieved the higher index in both options. This Tenderer is also the lower priced tender for both options.

Serco Group NZ Limited is a subsidiary of Serco Group Pty Limited, which is based in Australia. The ultimate parent company is Serco Group Plc of the United Kingdom, which is a worldwide organisation.

Serco Group NZ Limited is also the incumbent contractor. They have been operating the current contract since July 1999 and have performed to Council's expectations with no cause for concern.

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 - (Serco Group NZ Limited-option 2)	\$207,195.80
Contingency	\$ 5,000.00
Professional Services & Supervision	\$ 22,000.00

Total Job Cost	\$234,195.80

SOURCE OF FUNDING

Budget description (from Ann Plan line item) 2003/2004 Annual Plan	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Rural Flail Mowing- subsidised	\$60,000	\$0	\$60,000	\$0
Urban Flail Mowing- subsidised	\$55,000	\$0	\$ 55,000	\$0
Roadside Vegetation Control	\$156,740	\$154,640	\$2,100	\$0
Subtotal			\$117,100	
2004/2005 Annual Plan			\$117,100	
Total:			\$234,200	

RECOMMENDATIONS

1. That the information be received.
2. That the tender for Option 2 (24 month contract) from Serco Group NZ Limited for Contract PK03601B - Flail Mowing 2003/2004 in the sum of \$207,195.80 plus \$25,899.48 GST, totalling \$233,095.28 be accepted.
3. That approval be given to committing \$117,100 plus GST of \$14,638 totalling \$131,738 against the Annual Plan for the 2003/2004 financial year.

4. That approval be given to committing \$117,100 plus GST of \$14,638 totalling \$131,738 against the Annual Plan for the 2004/2005 financial year.
5. That authority to enter into Contract PK03601B - Flail Mowing 2003/2004 on behalf of Council be delegated to the Director of City Services.

Report prepared by: Chris Ferkins, Landscape Community Projects Co-ordinator.



5 CONTRACT FOR READING OF WATER METERS

PURPOSE OF THE REPORT

The purpose of this report is to seek permission to tender for a two-year contract, with options for extension, for the reading of water meters in the City.

BACKGROUND

It is necessary for the water meters in Waitakere City to be read on a regular basis in order that the consumers may be billed for their water consumption.

The City presently has almost 61,000 water meters. Most of the meters are for domestic consumers, which are read twice a year on a 6-monthly cycle. The meters of the large consumers, together with Council meters and school meters, are read at either bi-monthly or monthly intervals.

The contract will also include provisions for undertaking special meter readings and delivery of any special notices.

The current contract for reading water meters commenced in 2001 and is due to expire on 30 September 2003.

ISSUES

When tendering for a contract that will be longer than one year, contractors should be able to factor in savings that could be gained from the following:

- certainty of having long-term work and income stream;
- better utilisation and commitment of resources; and
- better planning of the firm's activities.

It is expected that contractors will then pass on the savings to Council and to the community in the form of lower prices. Additionally, the Council should be able to benefit from:

- lower administration costs;
- continuity of contract; and
- consistency of service.

In order to ensure that the successful contractor continues to perform throughout the duration of the contract, key performance indicators (KPIs) will be incorporated into the proposed contract. Should the contractor not meet expected performance targets, early termination provisions will be available to Council in the proposed contract.

RESOURCES

Letting a two-year contract would involve committing future years' budgets. The estimated budget provisions required are:

Financial Year	Estimated Budget Required
2003/2004	\$120,000.00
2004/2005	\$165,000.00
2005/2006	\$42,000.00

These costs are funded by water rates.

CONCLUSION

The ability to tender and to let a two-year contract should result in Council being able to achieve cost savings and to offer a better level of service to customers.

RECOMMENDATIONS

1. That the information be received.
2. That approval be given to tender for a two-year contract, with options for extension, for the reading of water meters in Waitakere City.

Report prepared by: Tony Miguel, Group Manager, Asset Management.



6 URBAN SUSTAINABILITY ENGINEERING CODE OF PRACTICE

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to accept funding of \$170,000 from the Sustainable Management Fund to prepare the Urban Sustainability Code of Practice and to enter into a three year contract to deliver this project.

BACKGROUND

The Council lodged an expression of interest with the Sustainable Management Fund to seek funding for the development of the Urban Sustainability Code of Practice.

The Sustainable Management Fund has approved funding for the project, but it is necessary for Council to enter into the contract for this project.

As the project requires a three year commitment from Council, as well as financial contributions, approval by the Tenders Sub Committee is required before the contract can be entered into.

STRATEGIC CONTEXT

The Council's Long Term Community Plan includes various objectives to demonstrate sustainable best practice and has identified the need to ensure that Council provides clear guidelines to key stakeholders such as developers, planners, engineers, architects and property owners.

Specifically, under the Three Waters Platform the Council has included in its work programme to integrate the Sustainable Code of Practice for water and all land use planning.

ISSUES

At present Council specifies the standards for land development and engineering through the Code of Practice for City Infrastructure and Land Development. This is primarily an engineering based approach that does not represent Council's objectives.

Although there has been a great deal of philosophical debate on sustainability New Zealand needs to make real progress towards sustainable development. In the urban context, one of the major barriers is that decision makers, developers, and design practitioners do not have the decision support tools for the adequate implementation of innovative technical solutions that lead to sustainability in urban development.

Other shortcomings include:

- detail on practical outcomes to achieve sustainable management;
- lack of knowledge and awareness of sustainability issues;
- lack of tools to assess cumulative effects and evaluate cost/benefit in terms of social, cultural, economic and environmental outcomes;
- need to develop new approaches to urban form that will lead to sustainability in urban development;
- need to establish linkages between resource and land use planning, infrastructure, transportation, the water cycle, waste, the energy cycle, and building design and construction;
- lack of agreed definitions, indicators, techniques and design parameters for urban sustainability;
- need to implement, prove and monitor technologies that progress urban communities towards sustainability;

SCOPE OF THE URBAN SUSTAINABILITY GENERAL CODE OF PRACTICE

The purpose of this project is to develop an interactive Code of Practice for sustainable urban engineering, with the objective of having the Code of Practice accepted as best practice throughout the country. The Code of Practice will be provided as a user-friendly toolbox system that includes linkages to models.

It will improve sustainable management by raising awareness and understanding of sustainability issues by providing practitioners and decision-makers with appropriate tools, and by ensuring cost-effective sustainable urban development.

The toolbox provides a framework for decision-making based on analysis at four stages at macro and micro levels as follows:

1. May be considered and the performance standards (environmental, social, cultural and economic) required.
2. At macro and micro levels, neighbourhood or community land use, amenity and infrastructure planning. Typically this would be used for resource consents.
3. Site specific planning, such as land use and subdivision consents.
4. Building planning, at the building consent stage to enable designs to consider the building life cycle, energy, waste and infrastructure.

At each of the stages, the toolbox will analyse and set out sustainability criteria to establish cumulative effects and best practice solutions, taking into account the study components of the toolbox defined below.

The toolbox will include all land use activities: - urban design form and development, air, impact on the water cycle, waste, energy, infrastructure, transport and parks. Iwi input will be sought. The project will enable the impact of the ecological footprint of urban development to be modelled and the measures (both soft and hard) that can be implemented to minimise the footprint. The outcomes include evaluation of quadruple bottom line indicators and using the Code of Practice can be used to achieve improvements to these indicators.

A key outcome is to ensure dissemination of the project, involvement and acceptance by stakeholders. This will be achieved by informing users by providing workshops, publications and conference presentations. The project will deliver (by 30 June 2006) systems with a graphical user interface, based on a modular approach. It is proposed to make the modules available to stakeholders progressively, so as to achieve uptake. The project will also develop information technology interfaces.

Benchmarking of the outputs will be achieved by reference to Territorial Authorities, Regional Councils, developers, designers, architects, engineers, surveyors; urban, resource and strategic planners; iwi, economists and the community.

Benefits:

The benefits of this project are as follows:

- practitioners are provided with interactive user friendly tools;
- reduced RMA compliance costs for developers and Councils and the community;
- at least 20% reduction in the true cost of infrastructure;
- development which is in harmony with the natural landscape and provides cohesive communities;
- promoting integrated transportation, rather than car-dependant development.

efficient use of resources (energy, water, waste reduction, recycling);
development that supports economic growth while protecting the environment and achieving iwi and cultural values.

CONSULTATION

Consultation has been carried out with a number of stakeholders to establish interest, support and uptake for the project consultation. These include the following:

- Landcare Research Limited;
- National Institute for Water and Atmospheric Science (NIWA);
- North Shore City Council;
- Papakura District Council;
- Parliamentary Commissioner for the Environment;
- Fraser Thomas Limited;
- Institute of Professional Engineers of New Zealand (IPENZ);
- Auckland University;
- Kapiti District Council;
- Manukau Water;
- Meritec;
- Metrowater;
- Nelson City Council;
- New Zealand Planning Institute;
- New Zealand Water and Wastes Association;
- Rodney District Council;
- Southland District Council;
- Wellington Regional Council.

The parties who have been consulted are supportive of the project and would like to be involved at various stages. Support offered includes linkages and funding from current work programmes, participation in the Steering Group, assistance with publication, promotion and information dissemination and endorsements by professional institutions. The support has been evaluated as a contribution in kind to the project and is included in the project funding.

As part of the approval of the project, the Sustainable Management Fund requires an inclusive process of all the stakeholders, including dissemination of information through workshops, website and consultation meetings.

RESOURCES

The total cost of the project is estimated to be \$1,400,000, made up as follows:

Funding Source	Amount	Scope
Sustainable Management Fund	\$170,000	Co-ordination of the programme, project management, communication, website
Modelling and Planning Projects in the Three Waters and Roads	\$910,000	As part of the Council's work programme for the next three years, with a focus on planning for NORSCA, Road Corridor Studies and assessment of water and wastewater services
Contributions in kind	\$320,000	Inputs from partner organisations, through research programmes and providing staff time and resources
TOTAL	\$1,400,000	

Council's share of the cost over the next three years will not be additional to current work programmes as it is proposed to utilise existing programmes to develop the technical detail for the Urban Sustainability Code of Practice. For example, the details for the roading component of the project will be developed through the Council's corridor studies, which will evaluate traditional traffic engineering against a multimodal approach; similarly details for wastewater reuse and recycling will be developed through Council's wastewater planning programme.

CONCLUSION

The Urban Sustainability Code of Practice provides a unique opportunity for Council to push out its sustainability programme into the mainstream of engineering, developing and building practice.

The funding offer from the Sustainable Management Fund will enable Council to co-ordinate the current land use and infrastructure planning programmes and engage stakeholders in the process of developing the Code of Practice and thereby achieve buy in.

RECOMMENDATIONS

1. That the information be received.
2. That the offer from the Sustainable Management Fund of \$170,000 for the Urban Sustainability Code of Practice be accepted.
3. That authority be given to enter into a three year contract with the Sustainable Management Fund for this project, at no additional cost to Council.
4. That the Group Manager Asset Management be delegated authority to execute the relevant documents.

Report prepared by: Tony Miguel, Group Manager Asset Management.

