



## NOTICE OF MEETING

# TENDERS SUBCOMMITTEE

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

**DATE:**        **Friday**                    **7 November 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.

31 October 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, 7 NOVEMBER 2003, COMMENCING AT 9.00 AM**

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**TABLE OF CONTENTS**

<b><u>ITEM</u></b>		<b><u>PAGE NO.</u></b>
1	<b>APOLOGIES</b>	<b>1</b>
2	<b>URGENT BUSINESS</b>	<b>1</b>
3	<b>CONFIRMATION OF MINUTES</b>	<b>1</b>
4	<b>CONTRACT NO. EW03 649C - SEL PEACOCK DRIVE STORMWATER PROJECT</b>	<b>2</b>
5	<b>CONTRACT NO: TA 03525C - KONINI ROAD KERB AND FOOTPATH</b>	<b>4</b>
6	<b>CONTRACT NO. EW03 650C - TRIANGLE AND LOWTHERHURST WASTEWATER UPGRADE</b>	<b>7</b>
7	<b>CONTRACT IM02062B - CONCERNS EXPRESSED BY UNSUCCESSFUL TENDERER</b>	<b>10</b>

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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 - 24 October 2003

**RECOMMENDATION**

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 24 October 2003, as circulated, be taken as read and now be confirmed.



4 **CONTRACT NO. EW03 649C - SEL PEACOCK DRIVE STORMWATER PROJECT**

**PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW03 649C - Sel Peacock Drive Stormwater Project.

**BACKGROUND**

The treatment of stormwater runoff from the main car parks of the Henderson Town Centre prior to discharge into the Opanuku or Oratia Streams is part of the overall strategy for the Henderson Creek catchment. This strategy is well received by Infrastructure Auckland who is contributing towards this project.

**SCOPE OF WORK**

The scope of work includes supplying and installing a system of three sand filter units, a "downstream defender" (an hydrodynamic vortex separator to intercept rubbish) and the associated collection pipework. The sand filter system includes the internal piping system and outlet chamber.

**TENDERS RECEIVED**

Tenders were publicly advertised with four sets of documents being uplifted. Two tenders were received by the closing date of 30 September 2003. These are summarised in Table 1 below:

<b>TENDERER</b>	<b>REG OFFICE</b>	<b>TENDER PRICE (excl. GST)</b>
Civil Construction Group Ltd	PO Box 46009, Herne Bay	\$260,930.00
Stonedale Civil Contractors Ltd	358 Geiling Road, Hunua	\$346,955. 50
<b>Pre-tender contract estimate</b>		<b>\$272,650.00</b>

**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. Skill	Resour.	Manag Skill	Method	Price	Contract No. EW03 649C
									Total Weights
	Weights	10	10	5	5	10	10	50	100
Tenderer	Tender Sum	Grades							INDEX
Civil Construction Group Ltd	\$260,930.00	75	70	70	70	70	65	64	67
Stonedale Civil Contractors Ltd	\$346,955.50	70	75	75	70	70	65	36	53
<b>Median Tender Price</b>	<b>\$303,942.75</b>								

**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 and Stonedale Civil Contractors Limited have both carried out similar works for Council in the previous year, during which time each demonstrated that it has the necessary skills and resources to carry out the works satisfactorily.

#### **TAGS, ERRORS OR OMISSIONS**

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

#### **CREDIT CHECK**

A credit check dated 5 September 2003 on Civil Construction Group Limited 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 67. This tender is also the lowest priced tender.

It is considered that Civil Construction Group Limited has the necessary expertise and resources to complete this contract satisfactorily.

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 - Civil Construction Group Limited	\$260,930.00
Contingency	\$ 26,093.00
Engineering & Supervision	\$ 8,800.00
	-----
Total Job Cost	\$295,823.00

## SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Stormwater Upgrades	85-9815-60000-999	\$2,878,682	\$1,123,065	\$260,930	\$1,494,687

## RECOMMENDATIONS

1. That the information be received.
2. That the tender from Civil Construction Group Limited for Contract No. EW03 649C - Sel Peacock Drive Stormwater Project in the sum of \$260,930.00 plus \$32,616.25 GST, totalling \$293,546.25 be accepted.
3. That authority to enter into Contract No. EW03 649C - Sel Peacock Drive Stormwater Project on behalf of Council be delegated to the Group Manager: Asset Management.

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



## 5 CONTRACT NO: TA 03525C - KONINI ROAD KERB AND FOOTPATH

### PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA 03525C - Konini Road Kerb and Footpath.

### BACKGROUND

Council has an ongoing programme of new footpath construction and extending road drainage control systems. This section of Konini Rd has been the subject of numerous complaints of flooding from the road and repeated requests to complete the missing section of footpath from Kaurilands Road to No. 29 Konini Road. This contract addresses these issues.

### SCOPE OF WORK

This contract is for the construction of 220 metres of road widening, kerb and footpath construction. The work includes the following:-

- site clearance;
- earthworks;
- new drainage construction;
- subsoil drain installation;
- retaining wall construction;
- construction of new kerb and channel;
- construction of new concrete footpath;
- road reshaping and sealing with asphaltic concrete;
- topsoil and grassing.

## TENDERS RECEIVED

Tenders were publicly advertised with four sets of documents being uplifted. Four tenders were received by the closing date of 16 September 2003. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Kirrane and Malone Ltd	Titirangi	\$ 155,820.00
M. Keoghan Contractors Ltd	Mangere	\$ 159,071.00
Auckland Civil Ltd	North Shore	\$ 208,256.00
Fulton Hogan Ltd	North Harbour	\$ 213,698.00
<b>Pre-tender contract estimate</b>		<b>\$ 149,000.00</b>

Table 1 - Summary of Tender Prices

## TENDER EVALUATION

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

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. For this contract the value of Provisional Sums is \$1000.00.

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 TA03525C
									Total Weights
	Weights	10	10	5	5	5	5	60	100
Tenderer	Tender Sum	Grades							INDEX
M.Keoghan Contractors Ltd	\$158,071.00	75	85	75	70	80	65	63	69
Auckland Civil Ltd	\$207,256.00	80	85	80	80	80	70	37	54
Fulton Hogan Ltd	\$212,698.00	80	70	80	80	70	80	34	51
Kirrane and Malone Ltd		50	50	0	50	0	0	65	Disqualified
<b>Med.n Tender Price</b>	<b>\$182,663.50</b>								

Table 2 - Summary of Tender Evaluation

Kirrane and Malone submitted a tender that included no information on subcontractors or plant available. They also submitted no information on Technical Skills, Management Skills or Methodology resulting in an inability to evaluate the tender, thus making it non conforming. This tender was therefore excluded from the evaluation process.

M Keoghan Contractors Limited has completed several contracts for Council over the past two years. These have included two kerb, channel and footpath renewal projects and five retaining wall contracts. All contracts were carried out to a very good standard and the company are well regarded by Council staff for work quality and management skills.

Auckland Civil Limited and Fulton Hogan Limited have also carried out work for Waitakere City recently and both are well-respected contractors.

### TAGS, ERRORS OR OMISSIONS

M Keoghan Contractors Limited made a minor error in one their rates. They have confirmed in writing that their submitted tender price will stand and provided a corrected rate for the item. There were no other tags or omissions in any of the tenders received.

### CREDIT CHECK

A credit check revealed no adverse information.

### SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by M Keoghan Contractors Limited achieved the highest index of 69.

M Keoghan Contractors Limited have proven to be capable contractors who work to a high quality and with good communication and management.

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

#### EXCL. GST

Tender sum - M Keoghan Contractors Limited	\$159,071.00
Contingency	\$ 10,000.00
Engineering & Supervision	\$ 15,000.00
Disbursements	\$ 1,200.00
	-----
Total Job Cost	\$185,271.00

### SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget (including carry - forwards)	Committed to Other Projects	Allocation to This Project	Unallocated Balance
New Footpath Construction	75-9814-30530	\$687,000	\$622,398	\$64,602	Nil
Road Drainage Extensions	75-9814-39270	\$250,000	\$179,944	\$70,056	Nil
Contribution to Subdividers	75-9814-30680	\$250,000	\$200,000	\$50,000	Nil
			<b>TOTAL</b>	<b>\$185,300</b>	

### **RECOMMENDATIONS**

1. That the information be received.
2. That the tender from M Keoghan Contractors Limited for Contract No. TA 03525C - Konini Rd Kerb and Footpath in the sum of \$159,071.00 plus \$19,883.88 GST, totalling \$178,954.88 be accepted.
3. That authority to enter into Contract No. TA03525C Konini Road Kerb and Footpath on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Reg Cuthers, Principal Transport Engineer.



## **6 CONTRACT NO. EW03 650C - TRIANGLE AND LOWTHERHURST WASTEWATER UPGRADE**

### **PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW03 650C - Triangle and Lowtherhurst Wastewater Upgrade.

### **BACKGROUND**

The present wastewater system in this area runs between an existing wastewater manhole within the road reserve in Triangle Road to an existing wastewater manhole within the public recreational reserve behind Lowtherhurst Road. The hydraulics of the present system are poor, causing under capacity of the system. However, with some re-grading and a slight increase in pipe diameter, a new system can be produced along the same alignment with sufficient capacity over its economic life.

### **SCOPE OF WORK**

The contract works generally comprise of the installation of approximately:

- 90 metres of 312 mm internal diameter concrete lined mild steel (CLMS) pipe bracketed to an existing twin boxed culvert below the north-western motorway;
- 85 metres of 355 mm OD PE 80 SDR17 (polyethylene) pipe beneath bush by directional drilling; and
- 220 metres of 355 mm ID reinforced concrete rubber-ring jointed (RCRRJ) pipe mainly through open grass reserve by open cut;

all with associated manholes and other structures.

## TENDERS RECEIVED

Tenders were publicly advertised with four sets of documents being uplifted. Two tenders were received by the closing date of 7 October 2003. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Pipeline and Civil Ltd	P O Box 70 042, Ranui	\$261,047.
K and P George Ltd	Private Bag 300 987, Albany	\$366,665.
<b>Pre-tender Contract Estimate</b>		<b>\$267,580.</b>

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.	Mana. Skill	Method.	Price	Contract No. EW03 650C
									Total Weights
	<b>Weights</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>70</b>	<b>100</b>
Tenderer	Tender Sum	Grades							INDEX
Pipeline and Civil Ltd	\$261,047.00	80	75	75	80	80	70	67	70
K and P George Ltd	\$366,665.75	70	65	65	60	60	70	33	43
<b>Median Tender Price</b>	<b>\$313,856.38</b>								

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 submission by Pipeline and Civil Limited is comprehensive and thorough and the tenderer has put substantial effort into it. This firm has satisfactorily completed several wastewater contracts for the Council previously. The sub-contractor proposed by Pipeline and Civil Limited for the drilling portion of the work is Harrison Drilling Limited, who is considered to have the necessary capability to carry out this minor portion of the contract work satisfactorily.

## TAGS, ERRORS OR OMISSIONS

The tender submitted by Pipeline and Civil Limited contained eight tags. When requested to withdraw these tags, the tenderer complied in writing by fax.

There were no tags in the tender submitted by K and P George Limited, nor were there any errors or omissions in either of the tenders.

**CREDIT CHECK**

A credit check on Civil and Pipeline Limited dated 13 October 2003 revealed no adverse information.

**SUMMARY**

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Pipeline and Civil Limited achieved the highest overall index of 70. This tender is also the lowest priced tender received.

It is considered that Pipeline and Civil Limited have both the expertise and resources to undertake this contract satisfactorily.

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 - Pipeline and Civil Limited	\$261,047.00
Contingency	\$ 26,000.00
Engineering & Supervision	\$ 16,795.00
	-----
<b>Total Job Cost</b>	<b>\$303,842.00</b>

**SOURCE OF FUNDING**

Budget	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Wastewater Upgrades	85-9812-60000-999	\$792,168	\$328,644	\$261,047	\$202,477

**RECOMMENDATIONS**

1. That the information be received.
2. That the tender from Pipeline and Civil Limited for Contract No. EW03 650C - Triangle and Lowtherhurst Wastewater Upgrade in the sum of \$261,047.00 plus \$32,630.88 GST, totalling \$293,677.88 be accepted.
3. That authority to enter into Contract No. EW03 650C - Triangle and Lowtherhurst Wastewater Upgrade on behalf of Council be delegated to the Group Manager: Asset Management.

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



7 **CONTRACT IM02062B - CONCERNS EXPRESSED BY UNSUCCESSFUL TENDERER**

**PURPOSE OF THE REPORT**

Councillor Clews requested a report come to the Tenders Subcommittee concerning the matters raised by the Manager, Business Development, DELL New Zealand Limited in relation to their unsuccessful tender for a Preferred Supplier Agreement for personal computers and associated hardware and software.

**BACKGROUND**

DELL's tender was one of eight tenders for a Preferred Supplier Agreement with Council for personal computers and associated hardware and software. DELL's tender was unsuccessful and in an email to Councillor Clews dated 11 September 2003 (one day prior to Tenders Subcommittee meeting to award the contract), DELL's Manager, Business Development queried the evaluation of DELL as contained in the meeting agenda. Councillor Clews was out of the country at the time of the meeting and unable to respond to DELL until 20 September.

Prior to all tenders being fully evaluated, DELL's Manager, Business Development openly admitted soliciting support from Council's Director: Finance in an email dated 7 July 2003 enclosing a copy of DELL's proposal. *"Andrew, I am emailing you a copy of our proposal purely with a view to soliciting visibility directly with Waitakere City's Financial Executive"*.

In response the Director: Finance advised DELL of his membership on the Tenders Subcommittee and that he had not opened the proposal.

On 20 August 2003 the Project Manager for the evaluation sought assurance from all tenderers if they were still happy to honour the terms of their respective proposals given the delay following the Tenders Subcommittee request for further information in support of the recommendations that were being made. DELL took this opportunity to email the Director: Finance and the Evaluation Team Project Manager stating they had uncovered further savings to their tender to Council, providing additional technical information on their products and the Company, and a comment *"Simon, we look forward to your favourable response"*.

Unfortunately the tender documents did not include the standard paragraph advising tenderers of the consequences of soliciting Councillor and Officer support for their tenders. Had this clause been present the Evaluation Team would have been justified in disqualifying the tender from further consideration.

I have written to DELL's Manager, Business Development outlining Council's procurement processes and the reasons for such processes, as well as providing additional information as to why the Evaluation Team allocated the respective scores to DELL's tender. The Manager, Information Management and the Evaluation Team Leader are more than happy to meet with DELL to further discuss the evaluation, but more importantly offer DELL the opportunity to better understand Council as an organisation and its specific requirements.

**ISSUES**

The main issue for my review has been whether DELL's proposal has in any way been disadvantaged through an inappropriate tender process, or inequitable and unfair treatment.

I have reviewed the rationale for selecting the particular non-price attributes and the respective weighting of the price and non-price attributes. I have also reviewed the correspondence between DELL and Council and interviewed the Director: Finance, the Manager: Information Management and the Project Team Leader.

### **CONCLUSION**

I am unaware of any information that would suggest unfair or inequitable treatment by the Evaluation Team in respect of DELL's tender. The selection and respective weighting of price and non-price attributes was determined before the evaluations were performed and the logic for selecting such criteria and weighting appears sound.

In accordance with Council's procedures for tender evaluation, the Evaluation Team would have been justified in declaring the tender non-conforming and ceasing to evaluate the tender further. The Evaluation Team concluded it was in Council's interest to further evaluate DELL's tender, although the absence of some requested information made the evaluation more difficult.

The Evaluation Team understand the importance of including a paragraph in any tender documents regarding the inappropriateness of soliciting Councillor and Officer support for tenders and the consequences related thereto.

### **RECOMMENDATION**

That the information be received.

Report prepared by: Robert Rudd, Director: Quality Assurance.

