



NOTICE OF MEETING

TENDERS SUBCOMMITTEE

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

DATE: **Friday** **10 October 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.

Sharon Simiona

3 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)

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

(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, 10 OCTOBER 2003,
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	TELECOMMUNICATIONS CONTRACT - DATA SERVICES (IM03087D)	2
5	TELECOMMUNICATIONS CONTRACT - VOICE SERVICES (IM03087B) AND MOBILE SERVICES (IM03087C)	4

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON FRIDAY, 10 OCTOBER 2003,
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 - 26 September 2003

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 26 September 2003, as circulated, be taken as read and now be confirmed.



4 TELECOMMUNICATIONS CONTRACT - DATA SERVICES (IM03087D)

PURPOSE OF THE REPORT

The purpose of this report is to seek the Tenders Subcommittee's approval and authority to enter into a contract with Telecom New Zealand Limited to be Council's data services provider through to 31 October 2006.

BACKGROUND

For the last six years, Council has operated a WAN (Wide Area Network) over lines leased from Telecom, utilizing the Telecom DDS (Digital Data Services) Network, which is one of a number of different networking technologies offered by Telecom. This network is used to connect Council's remote sites (including the branch Libraries) back to the campus network, and also provides connections to business partners such as Techscape, Datacom & Jade.

Telecom have recently announced the discontinuation of the DDS network, and this, along with changes in Council's business requirements driving the need for more bandwidth, prompted a review of Council's WAN technology requirements, the results of which were incorporated in the selective Request For Proposal issued as agreed by Tenders Subcommittee on 27 June 2003.

ISSUES

A tender was issued and responses received from two telecommunication vendors. The tariffs offered by these vendors have been applied to Council's proposed data infrastructure however TelstraClear failed to provide a complete solution addressing the overall data networking requirements of Council, for both Corporate and Traffic Control WANS, and therefore we are unable to provide a comparative cost figure. The following table below shows ratings against non-price attributes as a benchmarking comparison only.

Tender Evaluation	Attributes	Technology	Quality of Proposal	Account Billing	Account Mgmt	Cost of Change	Contract Compliance	Commitment to Partnership	Price	Contract Number IM03087D
										Total Weights
	Weights	17	3	6	6	6	6	3	53	100
Tenderer	Tender Sum	Grades								INDEX
Telecom NZ Ltd	\$707,400	95	100	90	90	100	100	100	50	65
TelstraClear NZ Ltd	Insufficient info	95	90	90	90	98	90	95	FAIL	FAIL
Med.n Tender Price	\$707,400									

The key differences between the two proposals based on the non-price attributes are:

- **Quality of Proposal** - Telecom New Zealand Limited provided a comprehensive proposal with a complete solution for the Council's overall data network including low speed analogue lines, which is used to control traffic lights throughout the City. TelstraClear failed to provide a network solution for Council's traffic light control and Jetstream access for some remote sites;
- **Cost of Change** - At present Telecom New Zealand Limited is the incumbent supplier and therefore the cost of changing will be less than going to new supplier.

- **Contract Compliance** - TelstraClear was unable to provide a complete network solution and therefore the proposal was incomplete and did not meet Council's contract compliance.
- **Commitment to Partnership** - From the two proposals, Telecom has provided a total data network solution over the next three years and proposed a migration path that waives normal installation costs and any capital outlay associated with upgrading a significant proportion of the communications hardware required to migrate to Telecom's Next Generation Network (NGN) platform, where as TelstraClear has only provided a partial solution.

RESOURCES

It's anticipated that Council's annual spend for the new data services will be in the order of \$235,800 for which provision has been made in the 2003/2004 Annual Plan and the subsequent Long Term Council Community Plan.

Cost Centre	Estimated Costs		Budget	
15-1810-16000-254 and other various cost centres	2003/2004	\$157,200	2003/1004	\$216,349
15-1810-16000-250			2003/2004	\$ 20,400
Total		\$157,200		\$236,749

CONCLUSION

As Telstra-Clear failed to provide a complete solution addressing the overall data networking requirements of Council, and based on the comparative scoring of the non-price attributes above, it is therefore recommended that Telecom New Zealand Limited continue as preferred supplier for Council's Data Services.

RECOMMENDATIONS

1. That the information be received.
2. That Telecom New Zealand Limited be awarded a three-year preferred supplier contract for Council's data services through to 31 October 2006.
3. That the Director: Corporate & Civic Services be delegated authority to enter into the preferred supplier contract with Telecom New Zealand Limited on behalf of Council.

Report prepared by: Sandra Boyes, Administration Team Leader, Information Management.



5 TELECOMMUNICATIONS CONTRACT - VOICE SERVICES (IM03087B) AND MOBILE SERVICES (IM03087C)

PURPOSE OF THE REPORT

The purpose of this report is to seek the Tenders Subcommittee's approval and authority to:

- enter into a contract with Telecom New Zealand Limited to be Council's voice services provider through to 31 October 2006;
- extend the current Mobile Services contract with Telecom New Zealand Limited until 30 November 2003 while finalising the tender evaluation and field test results.

BACKGROUND

On the 27 June 2003, the subcommittee granted approval for a selective tender to be undertaken for Council's voice and mobile services. This was as a result of recent benchmarking and reviews by utility consultants, which indicated it would be in the Council's best interest to test the market for its telecommunication services by issuing a selective tender.

ISSUES

Voice Services

A selective tender was issued and responses received from four telecommunication vendors. CallPlus Limited and USC Limited did not submit proposals for line rentals and their proposals for call charges were incomplete and therefore were not evaluated further. The tariffs offered by the remaining two vendors have been applied to Council's current landline infrastructure (line rentals) and a typical month's telephone usage (calls) for comparison. The following table reflects the comparative results;

Tender Evaluation	Attributes	Technology	Quality of Proposal	Account Billing	Account Mgmt	Cost of Change	Contract Compliance	Commitment to Partnership	Price	Contract Number IM03087B
										Total Weights
	Weights	5.5	3	5.5	5.5	5	5.5	3	67	100
Tenderer	Tender Sum	Grades								INDEX
Telecom NZ Ltd	\$1,017,900.00	95	100	90	90	100	100	100	53	62
TelstraClear NZ Ltd	\$1,079,712.00	95	100	90	90	98	100	100	47	58
Med.n Tender Price	\$1,048,806.00									

The only difference between the two proposals based on the non-price attributes is the Cost of Change. Telecom New Zealand Limited is the incumbent supplier and there would be a marginal cost for changing suppliers.

Mobile Services

The evaluation of the mobile tender responses is still in progress including field-testing which is required to gauge the level of mobile coverage within the Waitakere region. This is currently underway and will continue until 17 October 2003, with the intention of completing the full mobile services evaluation by 31 October 2003. It will therefore be recommended that the current mobile services contract be extended to 30 November 2003.

RESOURCES

It's anticipated that Council's annual spend for the new voice services will be in the order of \$340,000 for which provision has been made in the 2003/2004 Annual Plan and the subsequent Long Term Council Community Plan.

Cost Centre	Estimated Costs		Budget	
15-1810-16000-228 and other various cost centres	2003/2004	\$226,200	2003/2004	\$538,360
Total		\$226,200		\$538,380

CONCLUSION

Based on the evaluation results it is recommended that Telecom New Zealand Limited be awarded the three-year preferred supplier contract for Council's voice services.

RECOMMENDATIONS

1. That the information be received.
2. That Telecom New Zealand Limited be awarded a three-year preferred supplier contract for Council's voice services through to 31 October 2006.
3. That the current Mobile Services contract with Telecom New Zealand Limited be extended until 30 November 2003 while finalising the tender evaluation and field test results for coverage.
4. That the Director: Corporate & Civic Services be delegated authority to enter into the preferred supplier contract with Telecom New Zealand Limited on behalf of Council.

Report prepared by: Sandra Boyes, Administration Team Leader, Information Management.

