

NOTICE OF SPECIAL MEETING

TENDERS SUBCOMMITTEE

I hereby give notice that pursuant to Standing Order 14.1(b)(i) a Special Meeting of the Tenders Subcommittee will be held on:-

DATE: **Friday** **21 March 2003** **TIME:** **9.00 am**

VENUE: **Civic Centre, 6 Waipareira Avenue, Lincoln, Waitakere City**

to consider:

- Contract No. IM02044c - Replacement of High Volume Photocopiers;
- Contract SP02503A Civic Future Implementation: Henderson Library and UNITEC Facilities - Architectural Design Services;
- Contract SP02503B Civic Future Implementation: Henderson Library and UNITEC Facilities - Project Management Services;
- Contract SP02503E Civic Future Implementation: Henderson Library and UNITEC Facilities - Quantity Surveying Services;

and to take any necessary action connected therewith.

18 March 2003



N Delamere
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: 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 A SPECIAL MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON FRIDAY, 21 MARCH 2003,
COMMENCING AT 9.00 AM.**

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**AGENDA FOR A SPECIAL MEETING OF THE TENDERS SUBCOMMITTEE
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WAITAKERE CITY, ON FRIDAY, 21 MARCH 2003,
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1 APOLOGIES



2 CONTRACT NO. IM02044C - REPLACEMENT OF HIGH VOLUME PHOTOCOPIERS

PURPOSE OF THE REPORT

This report seeks approval to award a contract for the Replacement of High Volume Copiers for Council's Print Room.

BACKGROUND

The Information Management Operations department manages the lifecycle and replacement schedules for photocopiers throughout Council. The current contract with Fuji-Xerox for the Print Room high volume copiers expires on 7 April 2003, and a two stage Request for Information / Request for Proposal (hereafter RFI/RFP) process has been undertaken in order to evaluate and recommend a supplier to enter into a new contractual relationship with, for the next three years.

In addition to the usual weighted attributes analysis detailed below, the RFP was structured to allow evaluation of whether it would be a more cost effective solution for Council to purchase the equipment outright, as opposed to entering into a more conventional lease arrangement. In order to evaluate these options objectively, all contract costs are expressed as a three-year total cost of ownership, based on current usage volumes.

The initial open RFI was called for in three categories being:

1. Departmental Photocopiers (Contract IM02044B).
2. High Volume Photocopiers (Contract IM02044C).
3. Large Format Photocopiers (Contract IM02044D).

Based on an evaluation of the responses received, a short list of vendors was drawn up, and an RFP was issued and responses requested from those vendors only, for the categories above.

Contracts 1) and 3) above were awarded in December 2002, but operational considerations, and the need for a more in-depth evaluation process for the Print Room meant it is only now possible to make recommendations in respect of contract IM02044C.

RFP RESPONSES RECEIVED

Valid RFP Responses were received from four firms per Table 1.

| Reseller | Office |
|--------------------------|--|
| Minolta NZ Limited | 34 Vestey Drive, Mt Wellington. |
| Ricoh | 60 Stanley St, Parnell. |
| U-Bix Document Solutions | Cnr Khyber Pass Rd & Nugent St, Grafton. |
| Fuji-Xerox NZ Limited | Hargreaves St, Ponsonby |

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".

Given the specialist nature of the Print Room and the equipment needed to ensure it is able to deliver the needs of the organisation, Council secured the services of Imaging Resources Limited., an independent company normally specialising in provision of comparative data about products across the Printer and Copier market to the vendor community.

The personnel deployed by Imaging Resources Limited have a good understanding of the overall requirements Council makes on the Print Room through being involved in the RFI/RPF process throughout, and also through prior consulting engagements with Council in relation to its Network Printer Fleet.

Imaging Resources Limited played key roles in helping set the technical evaluation criteria, and subsequently in the evaluation process. They have helped secure a solution which although not the least expensive offered, does represent an estimated three year savings of \$77,000 over the current arrangements. The solution provides Council with all new equipment, a much wider range of capabilities (including colour scanning and printing), and is optimised for throughput given the current and medium term forecast usage figures. For reference, the current estimated three year spend were Council to elect to roll the existing contract, is \$472,100. The evaluation results are presented in Table 2, below.

| | Attributes | Relevant Experience & Track Record | Technical Skills and Appropriate Resources | Reference Checking | Compliance with Terms | Compliance with Specification | Risk Analysis | TCO | Contract Number IM02044C |
|--------------------|-------------|------------------------------------|--|--------------------|-----------------------|-------------------------------|---------------|-----|--------------------------|
| | | | | | | | | | Total Weights |
| | Weights | 5 | 5 | 10 | 10 | 25 | 15 | 30 | 100 |
| | Project Sum | Grade | | | | | | | INDEX |
| Xerox | \$395,200 | 80 | 79 | 64 | 96 | 83 | 73 | 23 | 62.5 |
| Minolta | \$295,860 | 63 | 61 | 64 | 97 | 79 | Fail | 55 | Fail |
| Ricoh | \$325,253 | 55 | 48 | 50 | 84 | 70 | Fail | 45 | Fail |
| U-Bix | \$222,011 | 77 | 80 | 73 | 89 | Fail | Fail | 79 | Fail |
| Med.n Tender Price | \$310,557 | | | | | | | | |

Table 2 - Evaluation matrix for Contract IM02044C

In addition to the evaluation criteria above, all proposals were evaluated, in consultation with Council's Funds Accountant, to establish whether leasing the equipment on an operational lease basis, or buying the equipment outright, would result in the lowest Total Cost of Ownership to council over the life of the contract.

In every case, entering into an operational lease proved to be the most cost effective course. All project sums listed above are therefore based on a lease arrangement, with ongoing copy costs (click charges), which are incorporated into the figures above, being based on current usage levels.

It should be noted that as usage patterns will necessarily change over time, actual costs incurred will vary.

RISK ASSESSMENT

From Table 2, above, it will be noted that three of the vendors were failed on risk related issues. It is therefore important to document the rationale for this decision.

Council has a low tolerance to risk in the Print Room area. The following factors were considered:

- The legislative requirements and timeframes relating to agenda and minute publication is of paramount importance to the legal validity of Council's processes, and necessitates a high level of reliability and productivity.
- Xerox, being the incumbent supplier is inherently a low risk choice, as their solution is an evolution of the one currently employed. It is therefore a low technology risk, and more significantly, minimizes the need for staff retraining, which has proven to be an issue in this particular area in the recent past. This is an area of risk requiring careful management due to the need for productivity to remain at the required levels during the transition period.
- Tests between the Print Room and the new network attached Xerox copiers currently being deployed have confirmed the capability of being able to scan from floor copiers to the Print Room for remote submission of print jobs. A project to identify methods to improve workflows and efficiencies available from this new capability is being investigated. Technical testing of other platforms has not been able to be undertaken, and although hypothetically possible, is unlikely to offer the degree of integration possible through a single vendor solution.
- The *Velocity* 'Front End' Solution offered by both second and third place vendors was judged to be of a high risk nature, as neither vendor could provide a complete reference site using this product (which takes care of the scanning, formatting, job building and management including routing the job to one of three print engines). It appears on paper to match the capabilities of the current Xerox product and proposed replacement, but its very recent release to the Asia Pacific market leaves it very much at the leading edge. There are currently no leading installations in New Zealand using this product, and very few in Australia. This, coupled with uncertainty about the readiness of the vendor's local support organisation to effectively support the new product, adds further to the high level of risk.

These factors all contributed to the low 'Risk' score received by three of the vendors, and resulting 'Fail' scores.

Subsequent discussions by those involved in the process have re-examined the issues, and all express their confidence in the evaluation outcome.

An independent check of the mathematical consistency of the evaluation model was also undertaken, with no areas of concern highlighted.

JOB COSTS

Expected job costs are as follows:

| | | |
|----------------------------------|---------------|------------------|
| Contract IM02044C | | \$392,400 |
| Internal labour costs (Training) | | \$ 2,800 |
| Total | Ex GST | \$395,200 |

SOURCE OF FINANCE

Funding for this equipment will be through existing unit photocopier lease and copy charge operational budgets, for the current and subsequent three annual pan periods.

| | Codes | Allocation to this Contract |
|----------------------------|-------------------|-----------------------------|
| Copier Lease Costs | 15-1820-11400-124 | \$266,580 |
| Copy Charges | 15-1820-11400-120 | \$125,820 |
| Internal labour (Training) | 15-1810-16000-001 | \$ 2,800 |

RECOMMENDATIONS

1. That the information be received.
2. That the contract be awarded to other than the lowest price tender due to the requirement to evaluate against a number of non-price attributes in addition to price, and the fact that the lowest price tendered was not the highest scoring tender under this evaluation method.
3. That a three-year contract for the supply of High Volume Photocopiers be awarded to Fuji-Xerox NZ Limited. The contract commitments in each financial year are anticipated as being as follows:
 - a) in the sum of \$21,800.00 plus \$2,725.00 GST, totalling \$24,525.00, for the 2002/2003 financial year.
 - b) in the sum of \$130,800.00 plus \$16,350.00 GST, totalling \$147,150.00 for the 2003/2004 financial year.
 - c) in the sum of \$130,800.00 plus \$16,350.00 GST, totalling \$147,150.00 for the 2004/2005 financial year.
 - d) in the sum of \$109,000.00 plus \$13,625.00 GST, totalling \$122,625.00 for the 2005/2006 financial year.

With the contracted sums being subject to change based on:

- change in equipment numbers and types due to changing business requirements;
- changes in usage patterns;
- changes in service charges, as allowed for within the contract.

4. That the Director: Corporate & Civic Services be delegated authority to enter into the contract on behalf of Council.

Report prepared by: Simon Leigh, Operations Manager: Information Management, and John Johnson, Manager: Information Management.



3 **CONTRACT SP02503A CIVIC FUTURE IMPLEMENTATION: HENDERSON LIBRARY AND UNITEC FACILITIES - ARCHITECTURAL DESIGN SERVICES**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract SP02503A Civic Future Implementation: Henderson Library & UNITEC Facilities - Architectural Design Services.

BACKGROUND

This contract forms part of Council's Civic Future project.

\$1,600,000 was approved for the preliminary design stage of the Civic Future project in the 2002/2003 Annual Plan, with the remainder to be considered in the 2003/2004 Annual Plan.

At the Council meeting on 18 December 2002 a shortlist of five registered tenderers was approved from a publicly advertised registration of interest for invitation to tender for architectural design services for the Henderson Library and UNITEC Facilities project. Tenders were subsequently received from the five short listed tenderers and the evaluation of these tenders is reported herein.

SCOPE OF WORK

To provide architectural design services for the design and construction of a new public library and CAB in Henderson and new office and teaching facilities for UNITEC's Waitakere campus including the integrated development of the surrounding site at Trading Place, Henderson. The proposed work includes:

- architectural design of the new buildings incorporating functional art, sustainable design elements and value management;
- landscape design of the surrounding site including a civic square;
- design of an access lane, on-site parking facilities including a car parking building.

TENDERS RECEIVED

Tenders were invited from the five tenderers selected from the recent registration of interest. Five tenders were received by the closing date of 11 February 2003. These are summarised in Table 1 below:

| TENDERER | REG OFFICE | TENDER PRICE (excl. GST) |
|---|-------------------|-------------------------------------|
| Jasmax Ltd | Auckland | \$1,814,707 |
| Peddle Thorp Architects and Pete Bossley Architects Ltd Joint Venture | Auckland | \$1,956,510 |
| Architecture Warren & Mahoney | Auckland | \$2,125,000 |
| Architectus/Athfield Architects Ltd | Auckland | \$2,183,503 |
| Craig Craig Moller | Auckland | \$2,600,000 |
| Pre-tender contract estimate | | \$2,000,000 |

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 | Relev. | Manag. | Tech. | Design | Sub- | Track | Team | Price | Contract Number |
|--|-----------------|--------|---------|--------|--------|----------|--------|---------|-------|-----------------|
| | | Exper. | Systems | Skills | Skills | consult. | Record | Collab. | | SP02503.A |
| | Weights | 5 | 5 | 10 | 20 | 10 | 15 | 15 | 20 | Total Weights |
| Tenderer | Tender Sum | Grades | | | | | | | | INDEX |
| Architectus / Athfield | \$2,183,503.00 | 84 | 85 | 87 | 88 | 85 | 88 | 89 | 63 | 82 |
| Architecture Warren & Mahoney | \$2,125,000.00 | 84 | 80 | 84 | 85 | 84 | 80 | 88 | 65 | 80 |
| JASMAX Ltd | \$1,814,707.00 | 76 | 80 | 78 | 78 | 78 | 78 | 67 | 77 | 76 |
| Peddle Thorp / Pete Bossley Architects | \$1,956,510.00 | 69 | 70 | 76 | 81 | 75 | 73 | 68 | 72 | 74 |
| Craig Craig Moller | \$2,600,000.00 | 76 | 74 | 77 | 79 | 80 | 75 | 77 | 46 | 71 |
| Pre tender contract estimate | \$ 2,000,000.00 | | | | | | | | | |

Table 2 - Summary of Tender Evaluation

A specified target budget was indicated to the tenderers, which includes estimated architectural design fees, sub-consultant's fees and the estimated value of the physical works contract. The pre-tender contract estimate is based on the estimate provided by the independent quantity surveyor for this project and is approximately 8% of the estimated value of the physical works contract. The tender prices received range between 6.7% and 9.7% of the estimated value of the physical works contract for this project, with three prices below the pre-tender contract estimate and two above.

This estimate is consistent with the New Zealand Institute of Architects guide to the Architect's charges and the Institute of Professional Engineers of New Zealand and Association of Consulting Engineers of New Zealand guides to engineering fees. The architectural and engineering fees for a project of this nature would be expected to range between 7% and 9% of the budget.

The Weighted Attributes Method of tender evaluation was used to evaluate these tenders, which is Waitakere City Council's primary method of evaluation. This evaluation takes into account non-priced attributes which will impact on the contract and they were given weightings consistent with achieving the objectives of the design brief. Although Transfund New Zealand subsidies do not apply for this project, their requirement of applying no more than 20% weighting on price was followed and this is in line with other similar Council projects. For this reason the price attribute does not dominate the non-priced attributes and this is reflected in the indices and scores.

The submissions were separately scored by a team of five evaluators and the average mean score was used in Table 2 above. A thirty-minute interview was held with each tenderer during the tender evaluation period to assess the team collaboration attribute.

The tender received from Architectus/Athfield attained the highest index of 82 which is two points higher than the next highest from Architecture Warren & Mahoney at 80. The tender price submitted by Architectus Auckland / Athfield Architects represents 8.8% of the estimated value of the physical works contract and is slightly higher than the pre-tender contract estimate, but within the expected architectural services fee range of 7-9%. This tender has been benchmarked against other recent tenders received for Waitakere City Council projects and compares favourably. As an example, the Architectural Services tender for the Glen Eden library project came in at 9.8% of the specified target budget and the design services fee for the Sports Trust project was 8.8% of the budget. Architectus / Athfield Architects are considered to be one of New Zealand's top architectural firms and Architectus have undertaken projects with Waitakere City Council in the past namely, the New Lynn Community Centre and the Bethells Fire Station. Both these projects were successfully completed on time and within budget.

The tender price submitted by JASMAX is 6.7% of the estimated value of the physical works contract and falls substantially below the pre-tender estimate. JASMAX have scored third highest at 76 based on the submission and interview evaluation process.

The tenders submitted by Peddle Thorp & Pete Bossley and Craig Craig Moller are within the estimated architectural services fee range however the overall indices are the lowest of the group.

TAGS, ERRORS OR OMISSIONS

The tender from Architectus/Athfield Architects contained a tag to the effect that the fee for landscape design was a provisional sum which could not be confirmed in the tender as the Landscape Architect was overseas at the time of tender. This tag has subsequently been removed by Architectus/Athfield Architects who have confirmed their fee as a lump sum including landscape design.

Other minor tags have either been removed or have no financial impact on the tender.

The tender by Architecture Warren & Mahoney offered a 5% discount on the price if both the Civic Centre project and the Henderson Library/UNITEC project were awarded simultaneously to them. A sensitivity analysis was conducted on the indices with allowance for the offered discount, which did not alter the scoring order.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Architectus/Athfield Architects achieved the highest index of 82. This tender is the fourth-lowest priced tender.

The architectural brief is explicit on the level of design service required for this project and the pre-tender estimate of fees is considered a reasonable assessment of the cost of the required services. The brief is also explicit on the non-price attributes that are considered essential for the successful delivery of the project objectives. The evaluation team are confident that the tender submitted by Architectus/Athfield Architects has been fairly scored and is the tender most likely to achieve the project objectives.

As part of City Services vision "Quality and Health and Safety is not negotiable" all consultants 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

In accordance with Council's agreement with UNITEC, the costs of this contract will be shared on a pro-rata basis. This pro-rata cost determination will initially be made on an estimated basis with a final assessment of the percentage split determined on completion of the design. The design is to be undertaken in stages with the Preliminary Design as the first stage. Both Waitakere City Council and UNITEC must agree on the Preliminary Design before the consultant may proceed further and should either party be unable to reach agreement on the Preliminary Design, an opt-out clause at this stage has been provided in the contract. In such event, the contract may be terminated and the amount payable will be that shown below for Preliminary Design.

| Job Costs (excl. GST) | Total | <u>WCC share</u> | <u>UNITEC share</u> |
|-------------------------------------|---------------------------|----------------------------|------------------------------|
| Tender sum - (Architectus/Athfield) | | | |
| Preliminary design | \$ 260,339 | \$130,169.50 | \$ 130,169.50 |
| Balance of contract | <u>\$1,923,164</u> | <u>\$769,265.60</u> | <u>\$1,153,898.40</u> |
| Total contract value | <u>\$2,183,503</u> | \$899,435.10 | \$1,284,067.90 |
| Contingency (10%) | <u>\$ 218,000</u> | <u>\$ 89,799.21</u> | <u>\$ 128,200.79</u> |
| Total Job Cost | <u>\$2,401,503</u> | \$ 989,234.31 | \$1,412,268.69 |

SOURCE OF FUNDING (WCC Share)

| Budget Description (from Annual Budget line item) | Codes | Budget | Committed to Other Contracts | Allocation to This Contract | Unallocated Balance |
|--|---------------|---------------|-------------------------------------|------------------------------------|----------------------------|
| Civic Future Accommodation Review (02/03) | 75-9210-46490 | \$1,600,000 | \$660,000 | \$260,000.00 | \$680,000 |
| Civic Future (03/04, 04/05, 05/06) | TBA | \$ TBA | \$ TBA | \$729,234.31 | \$ TBA |
| | | | | \$989,234.31 | |

APPROVAL BY UNITEC

In accordance with Waitakere City Council's agreement with UNITEC, both Waitakere City Council and UNITEC are required to approve the recommendations of this report before the recommendations are actioned. While UNITEC has approved the report in principle, UNITEC's Finance and Development Committees will be asked to confirm their approval of this report at their meetings on 24 March 2003. The recommendations of this report are therefore made with this provision.

RECOMMENDATIONS

1. That the information be received
2. That subject to approval by UNITEC, the tender from Architectus/Athfield Architects for contract SP02503A Civic Future Implementation: Henderson Library and UNITEC Facilities - Architectural Design Services in the sum of \$2,183,503.00 plus \$272,937.88 GST, totalling \$2,456,440.88, be accepted.

3. That subject to approval by UNITEC, the tender for Contract SP02503A Civic Future Implementation: Henderson Library and UNITEC Facilities - Architectural Design Services be awarded to other than the lowest priced tender, because the weighted attributes tender evaluation method requires the tendering authority to enter into a contract only with the tender that scores the highest overall index.
4. That subject to approval by UNITEC, the commitment to the 2003/2004, 2004/2005 & 2005/2006 financial years for Contract SP02503A Civic Future Implementation: Henderson Library and UNITEC Facilities - Architectural Design Services totalling \$729,234.31 plus GST be approved.
5. That subject to approval by UNITEC, authority to negotiate with the highest ranked tenderer regarding nominated sub-consultants, price components and other minor contractual matters be delegated to Director: City Services and Director: Corporate & Civic Services.
6. That subject to approval by UNITEC, authority to enter into Contract SP02503A Civic Future Implementation: Henderson Library and UNITEC Facilities - Architectural Design Services on behalf of Council be delegated to Director: City Services.

Report prepared by: John Schermbucker, Special Projects Engineer.



4 **CONTRACT SP02503B CIVIC FUTURE IMPLEMENTATION: HENDERSON LIBRARY AND UNITEC FACILITIES - PROJECT MANAGEMENT SERVICES**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract SP02503B Civic Future Implementation: Henderson Library & UNITEC Facilities - Project Management Services.

BACKGROUND

This contract forms part of Council's Civic Future project.

\$1,600,000 was approved for the preliminary design stage of the Civic Future project in the 2002/2003 Annual Plan, with the remainder to be considered in the 2003/2004 Annual Plan.

Due to the critical and specialist nature of this work, and as a key requirement of UNITEC, it was considered appropriate to use the invited tenderer procurement method and invite selected tenders who have a proven track record to tender for this work.

SCOPE OF WORK

The primary objective of the appointment of the Project Manager to the Henderson Library and UNITEC Facilities project is to ensure that a cost-effective solution is achieved which satisfies the requirements of both Waitakere City Council and UNITEC. The project manager will focus on actioning this within the allocated budget and in a matter that is effective, economical, environmentally sound, sustainable, with broad community acceptance and to the timeline specified.

The Project Manager will provide single-point responsibility for the satisfactory delivery of the project outcomes and shall assist with the appointment of other consultants and contractors by preparing all documentation, advertising, processing responses, preparing reports and correspondence.

The Project Manager shall manage the relocation and occupation of the new facility by both Client parties.

While this contract is with Waitakere City Council, the project manager will report to the joint UNITEC/Waitakere City Council Project Control Group.

TENDERS RECEIVED

Tenders were invited from selected tenderers with four sets of documents being uplifted. Three tenders were received by the closing date of 11 February 2003. These are summarised in Table 1 below:

| TENDERER | REG OFFICE | TENDER PRICE (excl. GST) |
|-------------------------------------|------------|--------------------------|
| Styles Project Management | Auckland | Did not submit |
| Octa Associates Ltd | Auckland | \$356,500 |
| Integrating Architecture Ltd | Auckland | \$459,000 |
| Carson Group (Akl) Ltd | Auckland | \$794,000 |
| Pre-tender contract estimate | | \$400,000 |

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 Skills | Man-agement | Method | Price | Total Weight |
|-------------------------------------|-------------------|-----------|--------------|-------------|-------------|-----------|-----------|--------------|
| Tenderer | Weight | 20 | 20 | 10 | 20 | 15 | 15 | 100 |
| | Tender Sum Grades | | | | | | | Index |
| Octa Associates Ltd | \$356,500 | 84 | 80 | 86 | 83 | 80 | 61 | 79 |
| Carson Group (Akl) Ltd | \$794,000 | 86 | 84 | 84 | 86 | 86 | -49 | 65 |
| Integrating Architecture Ltd | \$459,000 | 53 | 53 | 55 | 54 | 53 | 35 | 51 |
| Pre-tender contract estimate | \$400,000 | | | | | | | |

Table 2 - Summary of Tender Evaluation

Project Management fees for a project of this size are expected to be in the range of 1-2% of the project budget, Octa Associates Limited and Integrating Architecture Limited fall within this range, with Carson Group (Akl) Limited higher.

A thirty-minute tender clarification meeting was held with each tender during the tender evaluation period to clarify aspects of their tender submissions.

Although Integrating Architecture Limited came highly recommended as a project manager and hence were invited to tender for this contract, they received only average scores as they have only limited relevant experience on projects of a similar size and nature as the Civic Future project and the described management skills and proposed methodology was not considered to be adequate to ensure the successful completion of this project.

TAGS, ERRORS OR OMISSIONS

There were no tags, errors or omissions in the tender submitted by Octa Associates Limited.

Integrating Architecture included a tag that the costs of printing plans had not been included in their tender sum, but as the resolution of this would not have affected the tender ranking, it was not considered further.

Carson Group (Akl) Limited included a tag that an additional \$30,000 would be claimed at the end of the preliminary design stage if the project was cancelled at this time and that the project management of the fitout had not been allowed for, but as the resolution of these issues would not have affected the tender ranking, it was not considered further.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by OCTA Associates Limited achieved the highest index of 79. This tender is also the lowest priced tender.

OCTA Associates Limited are one of New Zealand's leading project management companies and have extensive experience in managing complex projects, including similar sized projects such as the ASB Advanced Technology Centre, the Mangere East Library Development and the Christian Healthcare Trust facilities.

Ray Bryant, the Director and manager of OCTA Associates Limited's Auckland office, who is the nominated project manager for this project, successfully provided project management services during the concept planning stage for the New Lynn Community Centre and Massey Library for Waitakere City Council.

As part of City Services vision "Quality and Health and Safety is not negotiable" all consultants 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

In accordance with Council's agreement with UNITEC, the costs of this contract will be shared on a pro-rata basis. This pro-rata cost determination will initially be made on an estimated basis with a final assessment of the percentage split determined on completion of the design. The design is to be undertaken in stages with the Preliminary Design as the first stage. Both Waitakere City Council and UNITEC must agree on the Preliminary Design before the consultant may proceed further and should either party be unable to reach agreement on the Preliminary Design, an opt-out clause at this stage has been provided in the contract. In such event, the contract may be terminated and the amount payable will be that shown below for Preliminary Design.

| Job Costs (excl. GST) | <u>Total</u> | <u>WCC share</u> | <u>UNITEC share</u> |
|---|-------------------------|-------------------------|----------------------------|
| Tender sum - (OCTA Associates Limited.) | | | |
| Preliminary design | \$ 42,500 | \$ 21,250 | \$ 21,250 |
| Balance of contract | <u>\$314,000</u> | <u>\$125,600</u> | <u>\$188,400</u> |
| Total contract value | <u>\$356,500</u> | \$146,850 | \$209,650 |
| Contingency (15%) | <u>\$ 53,474</u> | <u>\$ 22,027</u> | <u>\$ 31,447</u> |
| Total Job Cost | <u>\$409,974</u> | \$168,877 | \$241,097 |

SOURCE OF FUNDING (WCC share)

| Budget Description (from Annual Budget line item) | Codes | Budget | Committed to Other Projects | Allocation to This Project | Unallocated Balance |
|--|---------------|---------------|------------------------------------|-----------------------------------|----------------------------|
| Civic Future Accommodation Review | 75-9210-46490 | \$1,600,000 | \$1,091,820 | \$168,877 | \$339,303 |

APPROVAL BY UNITEC

In accordance with Waitakere City Council's agreement with UNITEC, both Waitakere City Council and UNITEC are required to approve the recommendations of this report before the recommendations are actioned. While UNITEC has approved the report in principle, UNITEC's Finance and Development Committees will be asked to confirm their approval of this report at their meetings on 24 March 2003. The recommendations of this report are therefore made with this provision.

RECOMMENDATIONS

1. That the information be received
2. That subject to approval by UNITEC, the tender from OCTA Associates Limited for Contract SP02503B Civic Future Implementation: Henderson Library & UNITEC Facilities - Project Management Services in the sum of \$356,500 plus \$44,562.50 GST, totalling \$401,062.50 be accepted subject to Ray Briant being the specified consultant and that this be reflected in the contract.
3. That subject to approval by UNITEC, authority to enter into Contract SP02503B Civic Future Implementation: Henderson Library & UNITEC Facilities - Project Management Services on behalf of Council be delegated to the Director: City Services.

Report prepared by: John Schermbrucker, Special Projects Engineer.



5 **CONTRACT SP02503E - CIVIC FUTURE IMPLEMENTATION: HENDERSON LIBRARY AND UNITEC FACILITIES - QUANTITY SURVEYING SERVICES**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract SP02503E Civic Future Implementation: Henderson Library & UNITEC Facilities - Quantity Surveying Services.

BACKGROUND

This contract forms part of Council's Civic Future project.

\$1,600,000 was approved for the preliminary design stage of the Civic Future project in the 2002/2003 Annual Plan, with the remainder to be considered in the 2003/2004 Annual Plan.

SCOPE OF WORK

An independent Quantity Surveyor will be engaged and will report directly to the Client to ensure that the development is completed within the approved project budget. This model of budget control has been successfully applied by Council on a number of projects and is in line with current best practice.

The Quantity Surveyor will be responsible for providing Quantity Surveying services for the project and the scope of work includes:

- review of Preliminary design to establish anticipated costs of construction and conformance with the Specified Target Budget (STB);
- review of Developed Design to establish conformance with the STB;
- review of Detailed Design to establish conformance with the STB;
- preparation of schedules of quantities;
- review and confirm value of all variations;
- assist the Project Manager with any value-engineering exercises conducted.

The contract is from March 2003 until project completion in 2006.

TENDERS RECEIVED

A tender was invited from one selected tender in accordance with Clause 3.4 of Waitakere City Council's draft Procurement Manual that states when the preferred supplier method of procurement can be used. One tender was received by the closing date of 4/2/2003. This is summarised in Table 1 below:

| TENDERER | REG OFFICE | TENDER PRICE (excl. GST) |
|--------------------------------------|---------------------|-------------------------------------|
| Andrew Millard of Rawlinsons Limited | Newmarket, Auckland | \$376,000 |
| Pre-tender contract estimate | | \$360,000 |

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Lowest Price Conforming Tender Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

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

| Tenderer | Relevant Exper. | Track Record | Tech. Skills | Resources | Manage .Skills | Method | Lowest Price Conforming Tender |
|--------------------------------------|-----------------|--------------|--------------|-----------|----------------|--------|--------------------------------|
| Andrew Millard of Rawlinsons Limited | Pass | Pass | Pass | Pass | Pass | Pass | \$376,000 |

Table 2 - Summary of Tender Evaluation

The tender sum represents 1.3% of the specified target budget. The tender price has been bench marked against other similar projects and compares favourably.

TAGS, ERRORS OR OMISSIONS

There were no tags, errors or omissions in the tender submission.

SUMMARY

The lowest priced tender was submitted by Rawlinsons Limited. This tender has achieved a pass in all the non-price attributes and therefore is recommended for award.

Due to the critical and specialist nature of this work it was considered appropriate to use the preferred supplier method of procurement and invite Rawlinsons Limited to tender for this work as there are few consultants who have the necessary experience and proven track record to undertake this work.

Andrew Millard, one of the Principals of Rawlinsons Limited, was involved in the initial cost planning and budgeting for the Civic Future Accommodation Review project and was therefore invited to tender for the next stage of the project. He is already familiar with the project ensuring a cost and time efficient continuity in the approach taken to date.

Andrew Millard has successfully provided independent quantity surveying services for the Massey Library, New Lynn Community Centre and Waitakere Sports Centre Projects. He has recently been appointed as the Quantity Surveyor to the Glen Eden Library project.

As part of City Services vision "Quality and Health and Safety is not negotiable" all consultants 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

In accordance with Council's agreement with UNITEC, the costs of this contract will be shared on a pro-rata basis. This pro-rata cost determination will initially be made on an estimated basis with a final assessment of the percentage split determined on completion of the design. The design is to be undertaken in stages with the Preliminary Design as the first stage. Both Waitakere City Council and UNITEC must agree on the Preliminary Design before the consultant may proceed further and should either party be unable to reach agreement on the Preliminary Design, an opt-out clause at this stage has been provided in the contract. In such event, the contract may be terminated and the amount payable will be that shown below for Preliminary Design.

| Job Costs (excl. GST) | <u>Total</u> | <u>WCC share</u> | <u>UNITEC share</u> |
|-----------------------------------|-------------------------|-------------------------|----------------------------|
| Tender sum - (Rawlinsons Limited) | | | |
| Preliminary design | \$ 58,000 | \$ 29,000 | \$ 29,000 |
| Balance of contract | <u>\$318,000</u> | <u>\$127,200</u> | <u>\$190,800</u> |
| Total contract value | <u>\$376,000</u> | \$156,200 | \$219,800 |
| Contingency (10%) | <u>\$ 37,600</u> | <u>\$ 15,620</u> | <u>\$ 21,980</u> |
| Total Job Cost | <u>\$413,600</u> | \$171,820 | \$241,780 |

SOURCE OF FUNDING (WCC share)

| Budget Description (from Annual Budget line item) | Codes | Budget | Committed to Other Projects | Allocation to This Project | Unallocated Balance |
|--|---------------|---------------|------------------------------------|-----------------------------------|----------------------------|
| Civic Future Accommodation Review | 75-9210-46490 | \$1,600,000 | \$920,000 | \$171,820 | \$508,180 |

APPROVAL BY UNITEC

In accordance with Waitakere City Council's agreement with UNITEC, both Waitakere City Council and UNITEC are required to approve the recommendations of this report before the recommendations are actioned. While UNITEC has approved the report in principle, UNITEC's Finance and Development Committees will be asked to confirm their approval of this report at their meetings on 24 March 2003. The recommendations of this report are therefore made with this provision.

RECOMMENDATIONS

1. That the information be received.
2. That subject to approval by UNITEC, the tender from Rawlinsons Limited for Contract SP02503E Civic Future Implementation: Henderson Library & UNITEC Facilities - Quantity Surveying Services in the sum of \$376,000 plus \$47,000 GST, totalling \$423,000, be accepted subject to Andrew Millard being the specified consultant and that this be reflected in the contract.
3. That subject to approval by UNITEC, authority to enter into Contract SP02503E Civic Future Implementation: Henderson Library & UNITEC Facilities - Quantity Surveying Services on behalf of Council be delegated to Director: City Services.

Report prepared by: John Schermbrucker, Special Projects Engineer.

