

**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON FRIDAY, 9 JULY 2004,
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

Ordinary - 25 June 2004

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 25 June 2004, as circulated, be taken as read and now be confirmed.



4 **CONTRACT NO. IM03112A - INFORMIX DATABASE MAINTENANCE CONTRACT**

PURPOSE OF THE REPORT

This report seeks the Tenders Subcommittee's approval to accept a quotation from IBM New Zealand Limited, for Informix database software maintenance for the period 1 July 2004 to 30 June 2005, and to optionally extend this contract for a further twenty four months.

It is proposed that no tender will be held as IBM New Zealand Limited is the only software provider in the current New Zealand market that is able to supply this specific software product to Council.

BACKGROUND

Informix is the relational database platform within which Council's GEMS data resides. Council has had a software maintenance contract for the Informix database since the GEMS platform was implemented in 1997.

ISSUE

It has been determined that the tendering of Council's software maintenance requirements for the applicable product will not result in tenders being received from any party other than IBM New Zealand Limited, and that tendering would not result in a reduction of the contract price of \$81,326.34 plus GST.

Information Management anticipates needing to continue to keep this platform under maintenance until June 2006, in line with the GEMS replacement project currently under investigation, and hence also seeks approval to have a right of renewal to be able to extend this contract into the following Long Term Council Community Plan period.

This software maintenance and consulting service would be provided by Certus Consulting, who are a business partner of IBM New Zealand Limited.

RESOURCES

As a recurring maintenance cost, funding for this contract has been allowed for in the 2004/2005 Long Term Council Community Plan, under the Information Management Computer Maintenance budget.

CONCLUSION

On this basis it will be recommended that the Subcommittee approve the quotation from IBM New Zealand Limited without going to tender, in accordance with the provisions of Council's procurement policy, noting that in order to satisfy the requirements of policy, the reasons for not going to tender are required to be recorded in writing.

RECOMMENDATIONS

1. That the Contract No. IM03112A - Informix Database Maintenance Contract report be received.
2. That in accordance with Council's Procurement Policy, Contract IM03112A for the supply of Informix Software maintenance services for the 2004/2005 financial year, in the value of \$81,326.34 plus \$10,165.79 GST, totalling \$91,492.13, be awarded to IBM New Zealand Limited without going to competitive tender due to the fact that this is the only supplier that can offer this service.

3. That authority be given to allow for the renewal of the contract for the supply of Informix Software maintenance services for the 2005/2006 and 2006/2007 years, such renewal to be exercised subject to the Director: Corporate & Civic Services be satisfied with the performance of the supplier, and that funding commitments of \$81,326.34 be made against the 2005/2006 and 2006/2007 Annual Plans.
4. That the Director: Corporate & Civic Services be delegated authority to enter into the contract on behalf of Council.

Report prepared by: Mark Lovell, IM Technical Infrastructure Mana



5 NEW LYNN LIBRARY AND MEMORIAL SQUARE - REGISTRATION OF INTEREST - SELECTION OF TENDERERS

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to invite tenders for construction services for the new 'New Lynn library and Memorial Square' project.

BACKGROUND

At the City Development Committee meeting of 6 June 2004, Council passed the following resolution:

"That the Developed Design for the New Lynn Library, Citizens Advice Bureau, Service Centre and Memorial Square as presented be approved as the basis for detailed design and construction."

715/2004

In accordance with the direction received from Council, a registration of interest from prospective tenderers for construction services for the proposed New Lynn Library and Memorial Square was called for, by way of two insertions in the New Zealand Herald.

While Council has decided to use a negotiated tender process for the construction projects of late, it has been decided to proceed with the standard Council approach of using a Registration of Interest, followed by an invited tender process.

The reasons for using this process for this project are:

- Pre-selection of tenderers generally ensures a confidence in the quality of tenders;
- Whilst the difficulties of the tender process in the current construction market conditions have been documented elsewhere, it is believed that because of the relatively small to medium scale of this development and the number of contractors capable of executing such a project, there may be price and competition benefits in approaching the market through an invited tender process.

The registration of interest process was executed in accordance with the Council's Procurement Manual. The evaluation of respondents was in accordance with the Transit NZ weighted attributes method.

SCOPE OF WORK

The construction phase will see the construction of the library building, (containing the service centre and citizens advice bureau), and the completion of a high quality "Memorial Square."

The contractor will be responsible for all aspects of the construction phase, including programme, site management, health and safety management, environmental management, traffic management and liaison with all authorities.

The library building will consist of approximately 1000 square metres, with 700 square metres on the ground floor and 300 on the first floor. The structure of the building will consist of a sub floor plenum with pad foundations. The super structure is a steel frame with in situ concrete columns and art walls as support.

Memorial Square consists of a block paved area, complemented with planter units and an in-situ art wall. The project will form a new kerb line with McCrae way, complete with street lighting and a three metre covered walkway.

SUBMISSIONS RECEIVED

The Registration of Interest was publicly advertised with seven sets of documents being uplifted. Six submissions were received by the closing date of 15 June 2004. These are summarised in Table 1 below:

SUBMITTER	REG OFFICE
ASPEC	Auckland
Watts & Hughes	Auckland
Naylor Love	Manukau City
Bindon Construction	North Shore City
CANAM	Waitakere City
Hawkins	Dunedin

Table 1 - Summary of Submissions

SUBMISSION EVALUATION

In accordance with the conditions of the registration, submissions 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:

Submission Evaluation	Relevant Exper.	Track Record	Tech. Skill	Resources	Manag. Skill	Contract Number ST 02 018B
						Total Weights
	20	20	20	20	20	100
Submitter	Grades					INDEX
ASPEC	35					Disqualified
Watts & Hughes	78.3	78.3	76	75	78.3	77
Naylor Love	73.3	75	65	65	75	71
Bindon Construction	35					Disqualified
CANAM	80	80	76.6	75	78.3	78
Hawkins	83.3	78.3	73.3	75	76.6	77

* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

Table 2 - Summary of Submission Evaluation

The evaluation was carried out by the evaluation panel, comprising Council project managers the lead architect and project Quantity Surveyor.

Scores were placed on a score sheet as shown in table 2. Two submitters were deemed to be non-qualifying on the basis that they were not members of the Master Builders Association as required by the registration documents and eliminated from further consideration. These were:

- Bindon Construction;
- ASPEC construction.

The qualifying submitters were contacted by telephone in order to determine their commitment to the project. CANAM construction withdrew their submission at this point owing to current workloads and future potential projects.

Subsequent to all auditing of the written submissions and telephone calls to ascertain the degree of interest, it was concluded that the remaining three submitters were all equally well qualified to complete the project to the desired standards. Therefore, it is recommended that all three submitters be invited to Tender for the project.

RECOMMENDATIONS

1. That the New Lynn Library And Memorial Square - Registration Of Interest - Selection Of Tenderers report be received.
2. That the following registrants be invited to tender for the New Lynn Library and Memorial Square project, namely:
 - Hawkins;
 - Naylor Love;
 - Watts & Hughes.

Report prepared by: Mark Witherington, Project Manager, City Development Projects.



6 CONTRACT NO. SP02504A - WAITAKERE CENTRAL CIVIC CENTRE - ARCHITECTURAL DESIGN SERVICES: VARIATION OF CONTRACT

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award a contract variation for Contract No. SP02504A - Waitakere Central Civic Centre - Architectural Design Services.

BACKGROUND

This contract forms part of Council's Waitakere Central Civic Centre project.

At the Council meeting on 14 May 2004, Council resolved:

"That the scope changes to the Waitakere Central project design, including a serviced cafeteria within the building, as outlined in this report be incorporated into the Waitakere Central project and that the final developed design be approved.

That the net funding range required to meet the revised scope changes in the Waitakere Central project final developed design be incorporated into the final Annual Plan 2004/2005."

796/2004

In order to progress the detailed design in line with the revised scope changes, the architect was instructed to provide a fee proposal in variation to the contract to cover the additional design and construction monitoring fees associated with the revised scope changes.

SCOPE OF WORK

To provide architectural design services for the additional revised scope for design and construction of the new Civic Centre in Henderson. The additional proposed work includes:

- Architectural design of the revised scope of the new building incorporating functional art, sustainable design elements and value management;
- Landscape and traffic design of the surrounding site commensurate with the increased parking requirement and public space.

It is noted that all sub-consultants are appointed by Architectus and that their fee variation covers all disciplines.

VARIATION PRICE RECEIVED

In terms of the contract conditions, a provision is made for variations of the value of works designed by the Architect. Under these terms, increased value of works would result in a pro-rata adjustment of fees. However, Architectus advised that a linear extrapolation of the fees is not commensurate with their assessed quantum of increased work, which is substantially less in value.

The assessed quantum of work is less than half the value arrived at by pro rata extrapolation. Architectus have commendably offered to base the fee variation on the lesser, actual quantum calculation:

Preliminary Design Stage:	No change	Nil
Developed Design Stage:	5-6 weeks for design team	\$ 70,000.00
Detailed Design Stage:	Assessed 25% additional resources	\$ 240,000.00
Tender Stage:	No change under standard process	Nil
Contract administration:	Assessed additional resources	\$ 88,000.00
Post Construction Stage:	No change	Nil
Total contract variation value for increased scope changes:		\$398,000.00 excl. GST

VARIATION EVALUATION

The conditions of tender in the contract provide by default for pro-rata fee compensation based on the value of additional works. While not specifically stated, this clause is intended to cover minor adjustments of scope value change that are not otherwise pre-negotiated. Architectus have offered to base the fee variation on assessed actual costs, which result in a substantially lower cost. This variation will be a lump sum adjustment to their lump sum contract and the value is considered to be a fair reflection of the additional cost of the work.

SUMMARY

As a result of the revised scope changes presented to Council on 14 May 2004, the assessed value of the works increased with a net effect that design and construction administration costs increased in quantum commensurately with the additional work.

A contract variation price has been submitted by the architect to cover additional design fees for all disciplines and this price has been assessed as being a fair reflection of the value of additional work.

Commendably, Architectus have offered to base their variation fee on a lesser sum than would have been permitted in terms of the contract conditions. This approach generally reflects the collaborative and co-operative nature of Council's dealings with Architectus in general.

JOB COSTS

	<u>EXCL. GST</u>
Original tender sum - Architectural Design Services	\$2,160,710.00
Prior variations issued to date	\$ 9,800.00
This Variation value as provided above	\$ 398,000.00

Revised lump sum contract value	\$2,565,510.00

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Contracts	Allocation to This Variation	Unallocated Balance
Accommodation Review New Civic Centre	75-9120-46490	Net budget \$33m-\$35.5m.	\$balance	\$398,000	\$ Nil
TOTAL FUNDING:				\$398,000	

RECOMMENDATIONS

1. That the Contract No. SP02504A - Waitakere Central Civic Centre - Architectural Design Services: Variation Of Contract report be received.
2. That the variation price from Architectus for Contract No. SP02504A - Waitakere Central Civic Centre - Architectural Design Services in the sum of \$398,000.00 plus \$49,750.00 GST, totalling \$447,750.00, be accepted.
3. That authority to issue a contract variation in the value of \$398,000.00 excluding GST to Contract No. SP02504A - Waitakere Central Civic Centre - Architectural Design Services on behalf of Council be delegated to the Director: Corporate & Civic Services (Acting Project Sponsor).

Report prepared by: John Schermbrucker, Special Projects Manager.



7 CONTRACT NO. SP02504H - WAITAKERE CENTRAL CIVIC CENTRE - PROCUREMENT PROCESS FOR PHYSICAL WORKS CONTRACT

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to commence an alternative procurement process for Waitakere Central Civic Centre given the recent failure of the conventional tendering process to deliver acceptable tenders for Council's large scale construction projects.

BACKGROUND

This proposed contract will be for the construction of Council's new Waitakere Central Civic Centre project.

Council has recently experienced a failure of the conventional tender process to deliver competitive tenders for its larger construction projects. Most recently, the Waitakere Central Library and Unitec Campus tender process was closed with no acceptable tender. Prior to this the Glen Eden Library and the Trusts Stadium both failed to deliver tenders through the conventional process, and required significant negotiation.

At its meeting on 14 May 2004, Council resolved:

'That Council approve staff investigation of alternative contract procurement options for the Waitakere Central project in order to obtain best value for ratepayers/citizens funds, and that the Chief Executive be authorised to select the most appropriate procurement option.'

796/2004

At the same meeting but under cover of a different report, Council resolved:

"That the Chief Executive be authorised to use a negotiated contract procurement process in respect of the Waitakere Central Library and Unitec project on the condition that such a process is approved by the Legal Services Manager."

800/2004

The resulting negotiation process proposed for the Waitakere Central Library and Unitec project was subsequently approved by the Legal Services Manager and is now well progressed in its implementation. Staff have high expectations of achieving the desired outcome.

PROPOSED ALTERNATIVE PROCUREMENT PROCESS

A similar process for procurement by negotiated tendering as outlined above is proposed for procurement of a construction tender for the Waitakere Central Civic Centre project. Due to the complexity of the process and the requirement for specialised documentation, Carson Group has been appointed to manage the documentation and negotiation process. Carson Group, who are specialists in project management, have had previous involvement in the project during the establishment of the risk management plan and therefore are well versed in the project.

The proposed procurement process has been designed in collaboration with the consultant team comprising Council's project manager, Architectus (Architects and Lead Consultants), Carsons and Rawlinsons (Quantity Surveyors) who will make up the evaluation team for the process.

The proposed procurement process comprises the following stages:

- **Public Registration of Interest (ROI):** The purpose of this phase is to select, by a Weighted Attributes Method, a preferred tenderer for negotiation, as well as a back-up tenderer. The two highest scoring registrants may be interviewed, if deemed necessary by the evaluation team. During the registration process, the team will pro-actively discuss any issues with leading contractors to ensure confidence levels in the project are maintained and to encourage serious registrants.
- **ROI Evaluation:** Evaluation will be carried out by the team according to a negotiation process plan which will be developed along similar lines to that used in the Library and Unitec project and which will be approved by the Legal Services Manager. The intended result of this process is to select a preferred tenderer, with whom to negotiate an acceptable tender. A back-up tenderer will be nominated to standby in the event that the team determine that negotiations with the initially preferred tenderer have either failed, or are deemed unlikely to provide a tender acceptable to Council.

- Tenders Subcommittee ROI Approval: The evaluation team will report the outcome of the ROI process to Tenders Subcommittee for approval to proceed to negotiation with a Preferred Tenderer.
- Tender Negotiation: Full tender documentation will be provided to the preferred tenderer and the negotiation process will commence in as transparent a manner as possible. To this end, the Quantity Surveyor's cost plan will be provided to the Preferred Tenderer in order to identify the target costs towards which the process will be aimed. Regular meetings with the tenderer and the team will be held through the process to resolve any issues as they arise and apply ongoing value management opportunities as the process unfolds. The objective of this process is to deliver a tender acceptable to Council. This tender will be benchmarked against other similar market related tenders and a peer review will be carried out on the cost plan by an independent Quantity Surveyor who will not be otherwise involved in the negotiation process. The tender will be further benchmarked against the reviewed cost plan.
- Council Tender Approval: The evaluation team will use the results of the negotiation process and, in conjunction with the benchmarking exercises, the team will gauge whether a competitive tender has been achieved by drawing on its combined specialist experience in the industry. Upon the satisfaction of the team in this regard, a report will be presented to Council for approval to award the contract.

SUMMARY

At its meeting on 14 May 2004 Council resolved:

“That Council approve staff investigation of alternative contract procurement options for the Waitakere Central project in order to obtain best value for ratepayers/citizens funds, and that the Chief Executive be authorised to select the most appropriate procurement option.”

796/2004

Following a number of recent failures of the conventional tender process to deliver competitive tenders as a result of the buoyant construction market, an alternative procurement process has been proposed. The proposed process follows the process adopted for the Waitakere Central Library and Unitec project for negotiation of that tender.

To assist Council with the documentation and negotiation of the Physical works tender, Carson Group have been appointed to manage the process to negotiate a tender acceptable to Council.

This report recommends that the alternative tender procurement process be commenced.

RECOMMENDATIONS

1. That Contract No. SP02504H - Waitakere Central Civic Centre - Physical Works Procurement Process for Physical Works report be received.
2. That the tender procurement process recommended by the Chief Executive, namely, the negotiated process outlined in the agenda report be endorsed.
3. That approval be given for the Registration of Interest documents for the Waitakere Central (Civic Centre) project to be advertised and issued.

Report prepared by: John Schermbrucker, Special Projects Manager.



8 **CONTRACT NO. SP-02-504-I - WAITAKERE CENTRAL: DEMOLITION AT 2-6 HENDERSON VALLEY ROAD - STAGE ONE**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SP-02-504-I - Waitakere Central: Demolition at 2-6 Henderson Valley Road.

BACKGROUND

The buildings formerly comprising the Carter Holt Harvey Tissue Factory at 2 Henderson Valley Road are to be demolished to make way for the construction of Waitakere Central, the Waitakere City Council's new Civic Centre and associated development.

SCOPE OF WORK

The scope of work for this contract is for Stage One Demolition, and will involve the demolition of the bulk of the warehouses. The concrete slab is to be demolished, and removed from site, with footings remaining. All asbestos roofing is to be disposed of in accordance with OSH guidelines.

The site is to be left in a level condition, i.e. the ground is to be bulldozed to a smooth contour with no exposed holes, trenches, or mounds of earth.

Emphasis has been placed in the tender documents on the need to reuse and recycle as much of the demolition material as is possible.

The contract will leave an office block and some warehouses to the North of the site still remaining on land that has been transferred to Waitakere Properties Limited. The remaining buildings made useable again as part of this contract in order that Waitakere Properties can continue to derive income from them.

Two options have been given to tenderers as follows:

Concrete Slab Removal Option One:

- The concrete slab is to be demolished, and removed from site, with footings remaining;
- A 2,000 m² portion of the slab is to be left in South East Corner for hardstand (refer to drawings).

Concrete Slab Removal Option Two:

- The concrete slab is to be demolished, and removed from site, with footings remaining;
- A 2,000 m² portion of the slab is to be left in South East Corner for hardstand (refer to drawings);
- A portion of the concrete slab is to be crushed and stockpiled on-site providing 1,700 m³ of bulked volume for reuse during the main construction contract.

The physical constraints of the structure dictate that demolition is carried out in whole structural segments. This results in some portions of the demolition being in the Waitakere Properties Limited site (WPL), the cost of which Waitakere Properties Limited have undertaken to pay on a pro-rata basis. The cost of the pro-rata Waitakere City Council/Waitakere Properties Limited split is at present 73.40% to 26.6%; however, this may change slightly depending on the final subdivision that is agreed.

With regard to approval and acceptance of the contract, Waitakere Properties have advised that:

“The WPL Board do not wish to be involved in the tender process undertaken by WCC, nor that WPL be a party to the contract (unless WCC require this) and we will abide the decision of the Tenders Sub-Committee in the normal way.”

This allows Tenders Subcommittee to approve the contract and commit to expenditure on behalf of Waitakere Properties Limited.

TENDERS RECEIVED

Tenders were publicly advertised with six sets of documents being uplifted. Three tenders were received by the closing date of 29 June 2004. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (EXCL. GST)
Winston Jacobs Demolition Ltd - Option 1	254 James Fletcher Drive	\$ 345,800
Winston Jacobs Demolition Ltd - Option 2	254 James Fletcher Drive	\$ 315,300
Burrell Demolition Ltd - Option 1	PO Box 47-270 Ponsonby	No tender
Burrell Demolition Ltd - Option 2	PO Box 47-270 Ponsonby	\$ 387,000
Nikau Contractors Ltd - Option 1	355 Church St, Onehunga	\$ 504,404
Nikau Contractors Ltd - Option 2	355 Church St, Onehunga	\$ 451,299
Pre-tender contract estimate		\$ 408,720

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 of **Option 1** is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number SP-02-504-I
									Total Weights
	Weights	10	10	5	10	5	10	50	100
Tenderer	Tender Sum	Grades							INDEX
Winston Jacobs	\$345,800.00	80	75	70	70	65	75	69	71
Nikau Demolition	\$505,404.00	80	60	60	80	65	75	31	51
Med.n Tender Price	\$425,602.00								

Table 2 - Summary of Tender Evaluation - Option 1

A summary of the evaluation results of **Option 2** is shown in Table 3:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number SP-02-504-I
									Total Weights
	Weights	10	10	5	10	5	10	50	100
Tenderer	Tender Sum	Grades							INDEX
Winston Jacobs	\$315,300.00	80	75	70	70	65	75	69	71
Nikau Demolition	\$451,299.00	80	60	60	80	65	75	33	52
Burrell Demolition	\$387,000.00	45	45	45	45	45	45	50	48
Med.n Tender Price	\$387,000.00								

Table 3 - Summary of Tender Evaluation - Option 2

The tender from Burrell Demolition received low scores as they put in a very poor discussion on their statement of attributes. They were not failed on these attributes as they are known to Council having done work on The Trusts Stadium. However, no further information was requested from Burrell Demolition as Winston Jacobs Demolition are clearly in the lead in terms of price and attribute scoring.

Pre-letting discussions have been held with Winston Jacobs Demolition to remove the questions raised by tags. Negotiations in accordance with the tender documents have been carried out to determine methods of eliminating the risk for both parties associated with these tags.

TAGS, ERRORS OR OMISSIONS

Tags were identified in all three tenders as follows:

Winston Jacobs Demolition

- Allowance was only made for removal of concrete slab up to 150mm thickness.
 - test bores have been carried out on the concrete slab to determine the thickness, which ranged from 150mm to 200mm;
 - the extra concrete in the slab was calculated and a rate given to remove it resulting in a variation to the tender of an additional \$12,600 ex GST.
- The tenderer tagged that 40 working days (as specified in the tender document) are inadequate to complete the contract.
 - negotiations with the contractor have resulted in them specifying a starting date of 19 July 2004, with 50 working days to complete the contract. A working day is specified in the tender as Monday to Friday 7:00am to 7:00 pm;
 - this fits in with Council's work programme and is acceptable;
- Other minor tags were clarified at the meeting with no impact on the contract.

Burrell Demolition

- 10 weeks to complete the project.
 - this tag was not investigated as the tenderer was deemed out of contention.

As previously stated the statement of attributes from Burrell Demolition was very poor; they were not investigated as the tenderer was deemed out of contention.

Nikau Contractors

- 12 weeks required for contract.
- Query on footing removal.
 - this tag was not investigated as the tenderer was deemed out of contention.

CREDIT CHECK

A credit check dated 30 June 2004 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 3 shows that the tender submitted by Winston Jacobs Demolition achieved the highest index of 71. This tender is also the lowest priced tender.

Our discussions with Winston Jacobs have lead us to believe that the contractors are capable of undertaking the works, and are reliable, honest, and above all dependable from a Health and Safety view point.

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

Item	Total Cost	Waitakere City Council Cost 73.4%	Waitakere Properties Limited Cost 26.6%
Tender sum - Winston Jacob Demolition - Option 2	\$ 315,300.00	\$ 231,430.20	\$ 83,869.80
Variation for additional concrete demolition	\$ 12,600.00	\$ 9,248.40	\$ 3,351.60
Contingency	\$ 60,000.00	\$ 44,040.00	\$ 15,960.00
Total Job Costs	\$ 387,900.00	\$ 284,718.60	\$ 103,181.40

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Accommodation Review New Civic Centre	75-9120-46490-280	Net budget \$33 to \$35.5 m	Balance	\$284,719	Nil

RECOMMENDATIONS

1. That Contract No. SP-02-504-I - Waitakere Central: Demolition at 2-6 Henderson Valley Road - Stage One report be received.
2. That the tender from Winston Jacob Demolition for Contract SP-02-504-I - Waitakere Central: Demolition at 2 Henderson Valley Road in the sum of \$315,300 plus \$39,412.50 GST, totalling \$354,712.50, be accepted.

3. That a variation to the tender from Winston Jacob Demolition for Contract SP-02-504-I - Waitakere Central: Demolition at 2 Henderson Valley Road in the sum of \$12,600 plus \$1,575 GST, totalling \$14,175 be awarded for additional concrete demolition.
4. That authority to enter into Contract SP-02-504-I - Waitakere Central: Demolition at 2 Henderson Valley Road Stage One on behalf of Council be delegated to the Director: Corporate & Civic Services.

Report prepared by: Paul Teutenberg: Project Manager.

