



Waitakere City Council  
*Te Taiao o Waitakere*

## NOTICE OF MEETING

# TENDERS SUBCOMMITTEE

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

**DATE:**        **Friday**                    **17 September 2004**                    **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.

9 September 2004

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, 17 SEPTEMBER 2004,  
COMMENCING AT 9.00 AM**

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**1 APOLOGIES**



**2 URGENT BUSINESS**

Section 46A(7) of the Local Government Official Information 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 Subcommittee by resolution so decides; 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 and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Subcommittee may make a decision on a matter determined to be urgent.

**NOTE:** Urgent business need not be dealt with now and may be delayed until later in the meeting.



**3 CONFIRMATION OF MINUTES**

Ordinary - 3 September 2004

**RECOMMENDATION**

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 3 September 2004, as circulated, be taken as read and now be confirmed.



4 **PROGRAMME MANAGER, ADDRESSING INFORMATION MANAGEMENT (AIM)  
PROGRAMME - CONTRACT IM0302**

**PURPOSE OF THE REPORT**

This report seeks approval to extend the existing contract for the services of a programme manager to manage the Council's Addressing Information Management Programme (AIM).

**BACKGROUND**

Council has recognised that effective information management is a vital prerequisite for the achievement of the organization's vision, goals and strategies. As there is insufficient immediate organisational capacity available in the Information Management area Council awarded a twelve- month contract.

At the Tenders Subcommittee meeting, 5 April 2002, it was resolved:

- “2. *That the tender for Programme Manager, Addressing Information Management (AIM) Programme - Contract IM0302 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.*
3. *That the contract be awarded to Information Technology Assurance Services for the supply of programme management services for the Addressing Information Management (AIM) Programme - Contract IM0302 in the sum of \$210,000 plus \$26,250 GST, totalling \$236,250 of which \$60,000 will be funded in the 2001/2002 Financial year and \$150,000 in the 2002/2003 Financial Year.*
4. *That the Director: Corporate and Civic Services be empowered to enter into the contract on behalf of Council.”*

631/2002

An option to extend the contract term to Information Technology Assurance Services (ITAS), now trading as Eland Limited, to provide the professional services of a programme manager to manage its information management programme was considered at the Tenders Subcommittee meeting, 4 April 2003, where it was resolved:

- “2. *That the contract awarded to Information Technology Assurance Services, now trading as Eland Limited, for the supply of programme management services for the Addressing Information Management Programme be extended to 30 June 2004 in the sum of \$300,000 plus \$37,500 GST, totalling \$337,500.*
3. *That authority be given to commit funding of \$237,000 plus GST in the 2003/2004 financial year.*
4. *That the Director: Corporate & Civic Services be delegated authority to enter into the contract on behalf of Council.”*

681/2003

This programme is focussed on providing an integrated, manageable and understood strategy and framework for the management of information within the organisation. Currently there are a range of different systems and approaches to managing different forms of information in different areas of the Council. Information exists in both hard copy and electronic form, and information management has been shown to be an area in which the Council is lacking a clear strategy and systems.

The programme, which is expected to run over a three to five year period, has been running for 18 months and significant progress has been made. The core focus of the AIM programme is DIRKS, Design and Implementation of Record Keeping Systems and its main activities include the procurement of an appropriate application system and implementing the new strategy and system. Other key deliverables comprise of a Corporate Library, improved Council Resolutions System, Refocus of Council's Intranet and the movement of hard copy documents to electronic format.

### **STRATEGIC CONTEXT**

Council is in the middle of its implementation phase of a new information management strategy and system and it is anticipated that this core stream of the programme will run through to February/March 2005. This, together with the other streams of work mentioned earlier would be extremely difficult to manage and keep on track without the continued services of Eland Limited and as there is still insufficient organisational capacity available in the Information Management area.

### **RESOURCES**

There is budget provision in the 2004/2005 financial year.

### **CONCLUSION**

In order to ensure ongoing programme management continuity at this important stage of the AIM programme and to minimise the programme management risk it would be in Council's best interest to extend Eland Limited's contract term through to 30 April 2005.

### **RECOMMENDATIONS**

1. That the Programme Manager, Addressing Information Management (AIM) Programme - Contract IM0302 report be received.
2. That the contract awarded to Information Technology Assurance Services, now trading as Eland Limited for the supply of programme management services for the Addressing Information Management Programme be extended to 30 April 2005 in the sum of \$150,000 plus \$18,750 GST, totalling \$168,750 which will be funded in the 2004/2005 Financial Year.
3. That the Director: Corporate & Civic Services be empowered to enter into the contract on behalf of Council.

Report prepared by: John Johnson, IM Manager.



5 **CONTRACT EW 02 674C - SERVICE CONNECTIONS FOR WATER SUPPLY, WASTEWATER AND STORMWATER**

**PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend the water supply, wastewater and stormwater service connections contract for a period of 12 months.

**BACKGROUND**

The existing service connections contract was approved by the Tenders Subcommittee on 11 October 2002, through the following resolutions:

1. *That the information be received*
2. *That the tender from Techscape Limited for Contract No. EW 02 674C - Service Connections for Water Supply, Wastewater & Stormwater in the sum of \$843,847.70 plus \$105,480.96 GST, totalling \$949,328.66 be accepted.*
3. *That the commitment to the 2002/2003 financial year totalling \$312,378.75 plus \$39,047.34 GST, totalling \$351,426.09 be accepted.*
4. *That the commitment to the 2003/2004 financial year totalling \$468,568.08 plus \$58,571.01 GST, totalling \$527,139.09 be approved for this contract.*
5. *That the commitment to the 2004/2005 financial year totalling \$156,189.36 plus \$19,523.67 GST totalling \$175,713.03 be approved for this contract.*
6. *That authority to enter into Contract No. EW 02 674C – Service Connections for Water supply, Wastewater & Stormwater on behalf of Council be delegated to the Unit Manager, EcoWater Solutions."*

3028/2002

The current contract is due to expire on 31 October 2004. It is a two year contract with a possible one year extension.

**TECHSCAPE'S PERFORMANCE**

The conditions of contract for the service connections for water supply, wastewater and stormwater contract state the following:

*"This Contract is a two year contract with a possible one year extension of contract.*

*If the Contractor:*

- *Consistently meets the KPIs throughout the Contract Period;*
- *Demonstrates efficiency improvements as measured by the KPIs; and*
- *Maintains a good working relationship with the Principal and Engineer.*

*Then the Principal, in its sole discretion and following the specific approval of Council, may elect to take up the option of extending the contract for a third year"*

In terms of the above, Techscope has met these requirements, as follows:

- Key Performance Indicators (KPIs) have been achieved over 20 months with the exception of March and April 2004;
- Efficiency improvements have been demonstrated and in particular for 2004/2005, the following has been negotiated with Techscope:
  - the scheduled unit rates will be held at the same rate as agreed in 2002; this represents an efficiency gain of an estimated 5%;
  - a good working relationship has been established through monthly staff meetings, relationship meetings and contract meetings.

## SCOPE OF WORK

The scope of work is to provide new service connections for water supply and drainage based on applications from developers and individuals to Council for such connections. The actual number of service connections that may be applied for cannot be predicted with any degree of certainty. Therefore, for the purpose planning, the estimated quantities are the same as those used when this contract was tendered two years ago. However, the contractor would be paid only for the quantity of work that is actually performed.

Council provides the new connection service to the public through this term contract by way of a contestable process in order to comply with Commerce Commission requirements. The cost of the service is fully recovered through user charges.

## RESOURCES

The annual Contract Amount is \$453,568.14. The value of the proposed contract extension is as follows

Budget Description	Codes	Budget	Committed to Other Projects (i.e. current contract July 04 to Oct 04)	Allocation to the proposed extension of the contract Nov 04 to Oct 05)	Unallocated Balance
2004 - 2005 Stormwater Connections	85-7325-25910	\$114,190.00	\$29,421.03	\$58,842.07	\$25,926.90
2004 - 2005 Water Connections	85-7425-25911	\$57,500.00	\$14,710.52	\$29,421.03	\$13,368.45
2004 - 2005 Wastewater Connections	85-7525-25912	\$320,000.00	\$107,057.83	\$214,115.65	(1,173.48)
1. Total 2004-2005		\$491,690.00	\$151,189.38	\$302,378.76	\$38,121.86
2. Total 2005-2006		\$498,160.00		\$151,189.38	\$346,970.62
Contract Amount for 12 months				\$453,568.14	

The total contract cost is within the funding provided in the 2004/2005 Annual Plan and the Long Term Council Community Plan for 2005/2006.

## SUMMARY

In terms of the contract, the Principal, in its sole discretion and following the specific approval of Council, may elect to extend the current contract with Techscape Limited, Contract EW 02 674C - Service Connections for Water Supply, Wastewater and Stormwater Contract for a period of 12 months from 1 November 2004 to 31 October 2005.

This contract extension is recommended as the contractor has usually achieved the Key Performance Indicators throughout the contract period, demonstrated efficiency improvements as measured by the Key Performance Indicators, and maintained a good working relationship with the Principal and Engineer.

Budget has been provided in the 2004/05 Annual Plan and the Long Term Council Community Plan for the proposed extension.

## RECOMMENDATIONS

1. That the report entitled Contract EW 02 674C - Service Connections for Water Supply, Wastewater and Stormwater report be received.
2. That the Group Manager: Asset Management be given authority to extend, by one year until 31 October 2005, the contract period for Contract EW 02 674C - Service Connections for Water Supply, Wastewater and Stormwater, to the value of \$453,568.13 plus GST.
3. That the commitment to the 2005/2006 financial year totalling \$151,189.38 plus \$18,898.68 GST totalling \$170,088.05 be approved for this contract.

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

