



**AGENDA FOR AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE  
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,  
WAITAKERE CITY, ON FRIDAY, 23 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 - 9 July 2004

**RECOMMENDATION**

That the minutes of the Ordinary Meeting of the Tenders Subcommittee held on Friday, 9 July 2004, as circulated, be taken as read and now be confirmed.



4 **CONTRACT NO. EW02600C - WATER SUPPLY, WASTEWATER AND STORMWATER DRAINAGE FACILITIES TERM MAINTENANCE CONTRACT 2004/2005**

**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 drainage facilities maintenance contract.

**BACKGROUND**

The existing contract was approved by the Tenders Subcommittee on 21 June 2002, through the following resolutions:

1. *That the negotiated Contract EW02600C - Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract 2002-2003 and 2003-2004 with Techscape Limited be accepted for the sum of \$6,408,856 plus GST of \$801,107 totalling \$7,209,963.*
2. *That no tender be called for the Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract for the following reasons:*
  - *Known performance in service delivery;*
  - *Known quality of work;*
  - *Familiarity with the Waitakere City network;*
  - *Close working relationship;*
  - *Shared technology platforms;*
  - *Cost savings to Council*
3. *That the commitment of funds for the Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract EW02600C for the 2002-2003 financial year of \$3.2 million and for the 2003-2004 financial year of \$3.2 million be approved.*
4. *That any extension of the Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract for 2004-2005 be referred back to the Tenders Subcommittee for approval prior to 30 June 2004.*
5. *That authority to enter into the Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract on behalf of Council be delegated to the Acting Manager: EcoWater Business Unit.*
6. *That the contract no longer be reported to the Finance and Operational Performance Committee in terms of resolution number 910/2002 as the form, term and scope of the contract now fall within the delegated authority of the Tenders Subcommittee.*

2109/2002

Subsequently, at the 1 August 2003 meeting of the Tenders Subcommittee a report was submitted recommending that the scope of the contract be increased to include additional asset inspection and maintenance programmes.

Accordingly the Tenders Subcommittee resolved as follows:

- "2. *That the Group Manager: Asset Management be delegated authority to increase the scope of Contract EW02600C Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract 2002-2003 and 2003-2004 by \$407,900 excluding GST, as a variation to this Contract.*"

1550/2003

In addition, Techscape provides services for road emergency response, road emergency works and road drainage maintenance. These contracts have been negotiated for the last 4 years on an annual basis as this is the most efficient means of delivering these services.

For historical reasons, response to roading stormwater issues has been split between EcoWater and Transport Assets. In order to achieve Council's objective of providing a One Stop Shop, roading stormwater will be managed by EcoWater from 1 July 2004, with funding provided within the budget structure of the 2004/2005 Annual Plan. This issue is addressed in a separate report to the Tenders Subcommittee.

### **TECHSCAPE'S PERFORMANCE**

The conditions of contract for the water supply, wastewater and stormwater drainage facilities maintenance 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 include Separate Portion 2 into the Contract Works."*

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

- Key Performance Indicators (KPIs) have been achieved.
- Efficiency improvements have been demonstrated and in particular for 2004/2005, the following has been negotiated with Techscape:
  - 10% reduction in Preliminary and General; this represents a saving of \$45,000.
  - The scheduled unit rates will be held at the same rate as negotiated for 2002/2003; this represents an efficiency gain of \$150,000 plus GST which had been included in the 2004/2005 Annual Plan.
  - Provision for escalation of \$40,000 plus GST to cover the increased cost of fuel compared to 2002/2003, subject to the actual escalation of fuel costs.
  - A good working relationship has been established through the Key Account Manager, monthly meetings and fortnightly contract meetings.

## SCOPE OF WORK

The scope of work is all responsive maintenance associated with providing 24 hour, 7 days per week water, wastewater and stormwater services. As well, the scope includes:

- Asset inspection programme;
- Asset repairs; and
- Wastewater pumping stations renewals and repairs.

## RESOURCES

The value of the proposed contract is as follows

Water, wastewater and stormwater maintenance	\$3,185,388
Asset maintenance inspection programme	440,000
Asset repairs arising from 2003/2004 Asset Inspection Programme	490,000
Wastewater pumping stations renewals and repairs	220,000
<b>TOTAL</b>	<b>\$4,335,388</b>

The total contract cost is within the funding provided in the 2004/2005 Annual Plan.

## 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 02600C - Water, Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance for 2004/2005. The specific approval of Council in this case has been delegated to the Tenders Subcommittee.

This contract extension is recommended as the contractor has consistently 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.

In addition it is proposed that water supply asset inspection and associated work be included in the 2004/2005 contract.

Budget has been provided in the Long Term Council Community Plan for the proposed contract extension and additional scope of work.

## RECOMMENDATIONS

1. That the Contract No. EW02600C - Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract 2004/2005 report be received.
2. That the Group Manager: Asset Management be given authority to extend, by one year until 30 June 2005, the contract period for Contract No. EW 02600C - Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract 2002/2003 and 2003/2004, with the scope increased to include asset inspection and associated asset repair programme, wastewater pumping station renewals, road drainage and road emergency works, to the value of \$4,335,388 plus GST.

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



**5 CONTRACT NO. TA 04503 - ROAD EMERGENCY MAINTENANCE AND DRAINAGE RESPONSE WORKS 2004/2005**

**PURPOSE OF THE REPORT**

The purpose of this report is to seek approval to enter into a contract with Techscape Limited, for Contract TA 04503 - Road Emergency Maintenance and Drainage Response Works 2004/2005.

**BACKGROUND**

This contract forms part of Council's asset maintenance programme as provided for in the 2004/2005 Annual Plan and specifically the emergency maintenance of slips on the road reserve, removal of debris on the road reserve, response to road flooding issues and the provision of traffic management for any dangerous situation that may occur on the road reserve. It also includes provision for new minor works items for roadside drainage and other physical works which may be requested by Council.

**SCOPE OF WORK**

This contract will provide a 24 hour, 7 days per week response to all road emergency call outs throughout the City. It includes the supply of all management, supervision, labour, materials, plant and incidentals necessary for "first call" remedial works at sites within the road reserve anywhere in Waitakere City Council. Quantities are provisional and payment is made on a measure and value basis.

**ISSUES**

Council's Procurement Manual allows use of sole supplier where a number of factors are present. For this particular contract the following factors can be considered:

- The Contractor is located within Waitakere City and therefore supports Council's "Buy Waitakere" initiative;
- The Contractor has carried out this contract to a good standard in the past;
- Most of the contract works are "urgent" and the nature of the problem is often not apparent until the site is reached. It can often be related to problems with the main stormwater lines and as Techscape maintains the main network pipelines on behalf of Ecowater and it will be able to resolve drainage problems rather than having two separate contractors attending the same site;
- Because most of the works are "emergency" or "urgent" there is no guarantee of the quantum of work;
- Techscape has an intimate knowledge of Council's drainage systems;
- Techscape have maintained competitive rates for this contract over the past four years when benchmarked against labour and plant rates in other open tendered contracts.

Transfund New Zealand advises that since the work is for public safety to keep the road open and trafficable and the nature of the work being to provide first response to events, then the Competitive Pricing Procedure conditions do not apply to these contracts. Thus Council can negotiate a contract to any value because the contract is outside the Competitive Pricing Procedure requirement.

Based on expenditure over the past two years it is intended to enter into a scheduled rate contract to a value of \$500,000. The quantities are provisional, as the volume of work will vary dependant on the weather.

## RESOURCES

The value of the proposed contract is as follows:

Slips and emergency response	\$300,000
Road drainage	<u>200,000</u>
<b>TOTAL</b>	<b><u>\$500,000</u></b>

The total contract cost is within the funding provided in the 2004/2005 Annual Plan.

## SUMMARY

Techscape Limited is a company specialising in asset management, construction and maintenance of local authority assets. It currently provides a twenty-four hour emergency service to Waitakere City Council for emergencies arising from road, water, drainage and park facilities. During the past four years it has carried out this type of work to a good standard.

There are several logistical and efficiency benefits for Council to enter into a contract with a sole supplier in this case. The rates are market competitive so that there will be no extra financial cost to Council.

## RECOMMENDATIONS

1. That the Contract TA 04503 - Road Emergency Maintenance And Drainage Response Works 2004/2005 report be received.
2. That approval be granted to enter into a contract with Techscape Limited for Contract TA 04503 - Road Emergency Maintenance and Drainage Response Works 2004/2005, in the sum of \$500,000 plus GST.
3. That authority to enter into Contract TA 04503 - Road Emergency Maintenance and Drainage Response Works 2004/2005 be delegated to the Group Manager: Asset Management.

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



## 6 CONTRACT NO. EW03 691C - WAIMARIE ROAD STORMWATER PROJECT

### PURPOSE OF THE REPORT

The purpose of this report is to inform the Tenders Subcommittee of the outcome of the tendering for Contract No. EW03 691C - Waimarie Road Stormwater Project, because the contract was awarded to other than the lowest tenderer.

### BACKGROUND

The road verges and properties at 38-44 Waimarie Road are presently subject to nuisance flooding due to inadequacies in the existing stormwater inlets and pipelines.

The project aims to reduce flooding nuisance by installing new pipelines, swales and improved inlets to serve the road and adjacent properties.

## SCOPE OF WORK

The scope of work includes the installation of approximately 114 metres of stormwater pipeline by a combination of drilling/thrusting and open cut, and associated work. The work is located entirely within road reserve and Council recreation reserve (Whenuapai Hall Reserve).

## TENDERS RECEIVED

Tenders were publicly advertised, with six (6) sets of documents being uplifted. Three (3) tenders were received by the closing date of 4 May 2004. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (EXCL. GST)
HEB Contractors Ltd	PO Box 226, Drury.	\$72,794.18
Asset Construction Ltd	PO Box 39-243, Howick, Auckland.	\$74,560.00
Civil Construction Group Ltd	PO Box 46-009, Herne Bay, Auckland.	\$92,145.00
<b>Pre-tender contract estimate</b>		<b>\$72,740.00</b>

Table 1 - Summary of Tender Prices

## TENDER EVALUATION

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

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number EW 03 691C
									Total Weights
Weights		10	15	5	5	10	5	50	100
Tenderer	Tender Sum	Grades							INDEX
HEB Contractors Ltd	\$72,794.18	60	50	60	60	55	65	52	54
Asset Construction Ltd	\$74,560.00	60	65	60	60	60	60	50	56
Civil Construction Group Ltd	\$92,145.00	60	50	60	50	45	45	26	39
<b>Median Tender Price</b>	\$74,560.00								

Table 2 - Summary of Tender Evaluation

Scores for the non-price attributes were determined on the basis of information provided in each tender, on information gathered from other recent projects in the Auckland region, and on recent experience with the tenderers in Waitakere City.

The Waimarie Rd project is sensitive and highly visible, and it is therefore preferable for it to be done using a Contractor with a good track record, particularly for tidiness, finishing and reinstatement.

The lowest tender price was received from HEB Contractors Limited. This firm has completed several stormwater and wastewater contracts in the Auckland region (including Waitakere City), often using sub-contractors to do this work. However, on recent projects their track record for finishing, reinstatement and management has been downgraded.

The second lowest priced tender received was from Asset Construction Limited, and is 2.5% above the Engineer's pre-tender estimate. This firm has scored well in all the non-price attributes, and has a very good track record with minor stormwater projects for Waitakere City.

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

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

### **CREDIT CHECK**

A credit check on Asset Construction Limited, dated 10 February 2004, revealed no adverse information.

### **SUMMARY**

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Asset Construction Limited achieved the highest overall index of 56. It is considered that Asset Construction Limited has the necessary capabilities and expertise to complete this contract satisfactorily.

Because the weighted attributes tender evaluation method recommends that the Council enters into a contract with the tenderer that scores the highest overall index, the contract has been awarded to Asset Construction Limited.

Total job costs of \$94,318.00 have been set aside for this project from the current Stormwater Flood Restoration budget.

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.

### **RECOMMENDATION**

That the Contract No. EW 03 691C - Waimarie Road Stormwater Project report be received.

Report prepared by: Geoff Tremain., Water Resources Engineer, Project Services.



**7 CONTRACT NO. TA 04507B - WAITAKERE CITY TRAFFIC SIGNAL MAINTENANCE AND UPGRADE CONTRACT 2004/2007 (CONTRACT MA 2443)**

**PURPOSE OF THE REPORT**

This report seeks approval to award Contract No. TA 04507B - Waitakere City Traffic Signal Maintenance and Upgrade Contract 2004/2007 (Contract MA 2443).

**BACKGROUND**

This contract is provided for in the 2003/2004 Annual Plan and the Long Term Council Community Plan (LTCCP). It has been prepared on behalf of the Waitakere City Council by the regional Traffic Management Unit (TMU). The Traffic Management Unit prepared concurrently a similar contract for the Manukau City Council.

The regional Traffic Management Unit was established on 3 October 2003, following the signing a Service Level Agreement by the Chief Executives of the Auckland territorial Authorities and Transit New Zealand.

The Traffic Management Unit affects comprehensive regional maintenance and development of integrated traffic management systems through professional services and physical works contracts. Tenders are assessed using Transfund New Zealand's competitive pricing procedures, and contracts are let having regard for each participant's delegation protocols.

The levels of service to be achieved are set annually by agreement with each participant, and have to be in one-to-one correspondence with the agreed annual budgets.

**SCOPE OF WORK**

This contract is for the maintenance of the Traffic Signals throughout Waitakere City. It includes routine maintenance, emergency response and some upgrading works. There are 56 signals in Waitakere City of which seven belong to Transit NZ. This contract does not preclude the Council from engaging other Contractors to install new facilities or modify existing installations, including the supply of parts.

In order to lock in lower anticipated tender prices the contract is for a period of two years and eleven months to end 30 June 2007. The Council/Transit/Traffic Management Unit may offer the Contractor one year plus one year extensions dependent upon the Contractor's performance.

**TENDERS RECEIVED**

Tenders were publicly advertised with three sets of documents being uplifted. Three tenders were received by the closing date of 17 June 2004. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (EXCL. GST) Year 1 (11 Months)	TENDER PRICE (EXCL. GST) Year 2	TENDER PRICE (EXCL. GST) Year 3
Traffic Systems Limited	Auckland	\$497,269.97	\$497,513.36	\$519,885.64
Tyco Integrated System	Auckland	\$539,382.80	\$530,160.08	\$540,542.29
CSL Traffic Limited	Auckland	\$527,953.66	\$540,791.05	\$554,114.35
<b>Pre-tender contract estimate</b>		\$532,090.00	\$525,673.00	\$527,477.00

**Table 1 - Summary of Tender Prices**

## TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Price Quality Method (PQM) as set out in Transfund New Zealand's General Circular No/09, "Price Quality Method CPP for Physical Works", dated 19 September 2002. This method enables, if justified, more weight to be placed on expected-quality in relation to price than in the Weighted Attributes Method (WAM) of tender evaluation that the Tenders Subcommittee is familiar with. In the case of this particular contract the two methods are equivalent but the Price Quality Method is mandatory.

This procedure requires that where the tender includes Provisional Sums (work valued by the Principal and placed within the Schedule of Prices) they are deducted from the Tender Sum prior to evaluating each tender.

In this contract the value of Provisional Sums is \$ 21,448.00.

The "Two Envelope Process" as described in Section 2.7 of Transfund New Zealand's "Competitive Pricing Procedures Manual" was followed. Under this method, only the first tender envelope is opened and the non-price attributes evaluated for all tenders before the second envelope containing the tender price is opened, and the tender prices are duly included in the evaluation.

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

Price Quality Method Evaluation Table							
<b>Contract For:</b>		Waitakere City Traffic Signal Maintenance and Upgrade Contract			<b>Estimate</b>		\$1,585,240.00
<b>Contract No:</b>		TA 04507B (MA2443)			<b>Less all Schedule Fixed Amounts</b>		\$21,448.00
					<b>Evaluation Estimate</b>		\$1,563,792.00
ENVELOPE 1 Non-Price Evaluation		Non-Price Tenderers Grades			Tenderers Indices (Grade x Weighting)		
Weighting	Tenderer	CSL	Tyco	Traffic Systems	CSL	Tyco	Traffic Systems
3%	Relevant Experience	73.7	69.7	70.8	2.21	2.09	2.12
7%	Track Record	72.4	61.2	63.0	5.07	4.28	4.41
3%	Technical Skills	69.8	61.3	61.5	2.09	1.84	1.85
7%	Resources	67.8	60.8	61.4	4.75	4.26	4.30
5%	Management Skills	64.9	59.0	59.5	3.25	2.95	2.98
5%	Methodology	69.8	45.0	57.9	3.49	2.25	2.90
<b>Non-Price Attributes Weighted Sum</b>		20.85	17.67	18.55	20.85	17.67	18.55
<b>Price Weight</b>	<b>70%</b>	<b>Lowest Weighted Sum</b>		<b>17.67</b>			
<b>Weighted Sum Margin</b>		3.18	0.00	0.88	Each tenderer's weighted sum - Lowest weighted sum		
<b>Supplier Quality Premium (SQP)</b>		\$71,130.20	\$0.00	\$19,592.08	Weighted Sum Margin x Estimate / Price Weight		
<b>Final adjusted and justified SQP (or none)</b>					Confirm SQP rationally & document the justifications.		
<b>Alternative Tender Premium (ATP) Total</b>					The ATP evaluation must be shown and documented.		
<b>SQP + ATP</b>		\$71,130.20	\$0.00	\$19,592.08	May not be altered once the price envelope is opened.		
ENVELOPE 2 Price Evaluation							
<b>Tender Price</b>		1,622,859.06	1,610,085.17	1,514,668.96			
<b>Less all Schedule Fixed Amounts</b>		\$21,448.00	\$21,448.00	\$21,448.00			
<b>Evaluation Price</b>		\$1,601,411.06	\$1,588,637.17	\$1,493,220.96			
<b>Evaluation Price less SQP and ATP</b>		\$1,530,280.86	\$1,588,637.17	\$1,473,628.88			
				<b>Lowest</b>			

The lowest tender price less SQP and ATP is the preferred tenderer.

**Table 2 - Summary of Tender Evaluation**

In this complex method it is the dollar values in the last line of the table that determine the tender that has to be accepted under Transfund New Zealand's rules. These values are the tendered prices reduced by the Supplier Quality Premium (SQP), i.e. 'the extra amount Council would be prepared to pay for the better supplier'. In some cases this method results in Council having to accept a tender with a higher price; this is when the quality of service is expected to be significantly better, and Council has justified adjustments to the calculated Supplier Quality Premium values before the price envelope is opened. Supplier Quality Premium adjustments are relevant where quality is a critical issue that can be 'quantified'.

The Tender Evaluation Team was Stephen Lincoln, GHD Limited-National Certificate in Competitive Pricing Procedures, Graeme Raynel, Transit New Zealand, and Nabeel Hammad, Waitakere City Council.

### **Tender Clarifications Stage 1**

The following tender clarifications were sent to tenderers:

CSL Limited Tender Clarification No1 - CSL were asked to submit confirmation of Time Commitment for Key Personnel on this contract and other contracts. If CSL were successful in securing both Waitakere and Manukau Contracts, how these contracts would be resourced. CSL were requested to provide a Maintenance Programme to show 1<sup>st</sup> cycle covered and confirm lamp changes as per the RFT, noted error in text requested confirmation of maintenance inspections as per the RFT.

Tyco Integrated Systems Tender Clarification No1 - Tyco were asked to submit confirmation of Time Commitment for Key Personnel on this contract and other contracts. If Tyco were successful in securing both Waitakere and Manukau Contracts, how these contracts would be resourced. Tyco were requested to provide a Maintenance Programme and confirm lamp changes as per the RFT. Tyco were requested to submit a confirmation that the Australian Accreditation of ISO 9001 would cover New Zealand.

Tyco Integrated Systems Clarification No2 - Tyco were requested to confirm that they received both notice to tenderers as only circled notice to tenderers No2.

Traffic Systems Limited Clarification No1 - Traffic Systems were asked to submit confirmation of Time Commitment for Key Personnel on this contract and other contracts, confirmation that Paul Ransley will be on site as well as having a management role, and a confirmation that lamp changes shall be as per the RFT. Traffic Systems were asked to confirm that they are in process of obtaining TQS1 certification. Traffic Systems were asked to submit the qualification of proposed STMS and the qualification of Bryan Art for Traffic Management plans.

### **Tender Clarification Responses Stage 1**

CSL Limited - CSL provided contract split of hours for key personnel and confirmed they were carrying out both contracts at the moment and would use the same resources. CSL submitted a modified maintenance programme to include the first cycle and confirmed lamp changes as per the RFT. In summary, the response is acceptable.

Tyco Integrated Systems - Tyco provided average hours for key personnel but didn't breakdown as per contract requirement and advised they would resource both contracts with current resources. Tyco submitted intersection list broken down into six zones with checklists, but no overall programme over the three years for routine maintenance was supplied. Tyco confirmed receiving both notice to tenderers.

Traffic Systems Limited Traffic Systems confirmed the Time Commitment for Key Personnel on this contract but not for other contracts, and that Paul Ransley will be on site as well as having a management role. Traffic Systems confirmed the lamp changes shall be as per the RFT. Traffic Systems confirmed that they are in process of obtaining TQS1 certification. Traffic Systems submitted the qualification of proposed STMS and the qualification of Bryan Art for Traffic Management plans.

### **Tender Clarifications Stage 2**

Tyco Integrated Systems Clarification No3 - Tyco were requested to supply a breakdown table to split average hours per key personnel and the three-year maintenance programme.

Traffic Systems Limited Clarification No2- Traffic Systems were requested to supply a breakdown table to split average hours per key personnel.

### **Tender Clarification Responses Stage 2**

Tyco Integrated Systems - Tyco supplied a breakdown table showing the split of average hours per key personnel and the three-year maintenance programme.

It was noted that Tyco had a significantly lower commitment of key personnel per week and there was concern about a comment using current resources especially over Waitakere and Manukau new contracts and their current Auckland City contract.

It was agreed that a further clarification would be sent to Tyco to gain further confirmation that they would resource both contracts to meet the requirements of the RFT not withstanding submitted hours. This was sent and confirmed. (Tyco Tender Clarification No4)

Traffic Systems Limited - Traffic Systems supplied a breakdown table showing the split of average hours per key personnel. Traffic Systems have advised by email that they are committed to provide these hours regardless of whether or not they are the successful Tenderer for another signal maintenance contract.

### **Completion of Tender Evaluation**

Scoring was finalised and signed by all the evaluators. A Request was then sent to Transit for the Price Envelope to be opened.

All three (3) tender prices were received and placed into the evaluation sheet (Table 2).

### **Engineer's Estimate**

The Engineer's Estimate was \$1,585,240.00 including provisional sums of \$21,448.00 excl GST.

The Engineer's Estimate was \$3,000 greater than the median price. With tender prices closely grouped; the highest price being \$108,000 (7%) greater, and the lowest price \$70,000 (5%) lower than the Engineer's Estimate) there is a high level of assurance with the pricing of this tender.

### **Non Price Attribute Scores, Tendered Prices, and PQM Evaluation Prices**

CSL Limited - Non-Price Attributes Weighted Sum = 20.84, Tender Price = \$1,622,859.06. PQM Evaluation Price = \$1,530,502.40.

Tyco Integrated Systems Limited - Non-Price Attributes Weighted Sum =17.67, Tender Price = \$1,610,085.17, PQM Evaluation Price = \$1,588,637.17.

Traffic Systems Limited - Non-Price Attributes Weighted Sum = 18.55, Tender Price = \$1,514,668.96. PQM Evaluation Price = \$1,473,645.64.

Whilst Traffic Systems limited ranks second on non-price attributes this firm ranks first when price is taken into account, because Traffic Systems Limited has the lowest PQM Evaluation Price.

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

An arithmetic check was undertaken and there were some very minor rounding errors. These had no effect on the evaluation outcome. These errors are listed below:

- CSL Limited - Tender Price \$1,622,859.06 (calculated tender price \$1,622,859.60).
- Tyco Integrated Systems Limited - Tender Price \$1,610,085.17 (calculated tender price \$1,610,091.17).
- Traffic Systems Limited - Tender Price \$1,514,668.96 (calculated tender price \$1,514,667.79).

Traffic Systems Limited remains the preferred tender.

### **CREDIT CHECK**

A credit check dated 2 July 2004 revealed no adverse information.

### **SUMMARY**

The results of the tender evaluation, summarised in Table 2, shows that the tender submitted by Traffic Systems Limited achieved a weighted non-price attribute index of 18.55 middle of the range.

Traffic Systems Limited had the lowest tender price of \$1,514,668.96 and also the lowest PQM evaluation price of \$1,473,645.64. Traffic Systems Limited is the successful tenderer under Transfund rules.

As part of City Services vision "Quality and Health and Safety is not negotiable" all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

### **JOB COSTS**

	<u>EXCL. GST</u>
Tender sum - Traffic Systems Limited	\$1,514,668.96
Contingency	\$ 105,331.04
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Total Job Cost	\$1,620,000.00

### Physical Works Project Budgets

Year	Tender Price	Required Total Budget	WCC Budget			Required WCC Budget	Required Transit Budget
			Maintenance	Renewal	Deficiency in LTCCP		
2004/5	\$497,269.97	\$520,000	\$190,000	\$265,000	Nil	\$455,000	\$65,000
2005/6	\$497,513.36	\$530,000	\$160,000	\$250,000	\$55,000	\$465,000	\$65,000
2006/7	\$519,885.64	\$570,000	\$160,000	\$300,000	\$40,000	\$500,000	\$70,000
<b>Total</b>	<b>\$1,514,668.96</b>	<b>\$1,620,000</b>	<b>\$510,000</b>	<b>\$815,000</b>	<b>\$95,000</b>	<b>\$1,420,000</b>	<b>\$200,000</b>

Future budgets are based on the Waitakere City Council Long Term Council Community Plan.

Year	Required Total Budget	WCC Budget			Required WCC Budget	Required Transit Budget
		Maintenance	Renewal	Deficiency in LTCCP		
2007/8	\$620,000	\$160,000	\$300,000	\$90,000	\$550,000	\$70,000
2008/9	\$620,000	\$160,000	\$300,000	\$90,000	\$550,000	\$70,000

These are estimates based on year-three tendered price plus contingency plus allowance for maintenance of possible new signals and price fluctuation.

### SOURCE OF FUNDING 2004/2005

Annual Budget (line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Traffic Facilities Signal Maintenance	46-7150-24560-280	330,000	140,000	190,000	Nil
Traffic Facilities Renewals	75-9860-43330-280	440,000	175,000	265,000	Nil

### RECOMMENDATIONS

1. That the Contract No. TA 04507B - Waitakere City Traffic Signal Maintenance and Upgrade Contract 2004/2007 (Contract MA 2443) be received.
2. That the tender from Traffic Systems Limited for Contract No. TA 04507B - Waitakere City Traffic Signal Maintenance and Upgrade Contract 2004/2007 (Contract MA 2443) in the sum of \$1,514,668.96 plus \$189,333.62 GST, totalling \$1,704,002.58 be accepted.
3. That the commitment for the 2005/2006 financial year for Contract No. TA 04507B - Waitakere City Traffic Signal Maintenance and Upgrade Contract 2004/2007 (Contract MA 2443) totalling \$465,000 plus GST be approved.
4. That the commitment for the 2006/2007 financial year for Contract No. TA 04507B - Waitakere City Traffic Signal Maintenance and Upgrade Contract 2004/2007 (Contract MA 2443) totalling \$500,000 plus GST be approved.
5. That authority to enter into Contract No. TA 04507B - Waitakere City Traffic Signal Maintenance and Upgrade Contract 2004/2007 (Contract MA 2443) on behalf of Council be delegated to Transit New Zealand.
6. That authority to extend Contract No. TA 04507B - Waitakere City Traffic Signal Maintenance and Upgrade Contract 2004/2007 (Contract MA 2443) for additional one year plus one year periods to end of 30 June 2009 be delegated to Transit New Zealand, subject to Waitakere City Council's acceptance of negotiated prices and quality of delivery over the previous three years.
7. That subject to Contract No. TA 04507B being extended for additional periods of one year plus one year, commitment for the 2007/2008 and 2008/2009 financial years for Contract No. TA 04507B - Waitakere City Traffic Signal Maintenance and Upgrade Contract 2004/2007 (Contract MA 2443) totalling \$550,000 plus GST per year be approved.

Report prepared by: Nabeel Hammad, Principal Transport Engineer: Information.



**8 CONTRACT NO. PK03600B - SPORTS PARKS PROGRAMMED MAINTENANCE CONTRACT EXTENSION**

**PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PK03600B - Sports Park Programmed Maintenance Contract.

**BACKGROUND**

Contracts were negotiated with Techscape Limited in 2003 for two major park maintenance contracts - Landscape and Sports Parks Programmed Maintenance.

These contracts were new frequency based contracts. The Sports Parks contract was initially for a 12 month period with a renewal period of a further 1+1+1+1 year subject to the quality of the contractors performance and at the discretion of the Council.

The first year has been completed and the extension of the Sports Parks contract is now being considered. During the initial stages of these contracts there have been issues with Techscape's performance. These are now being addressed by Techscape and are being resolved with changes to their internal programming of works and self auditing process.

The Chief Executive has extended the contract for three (3) months to 30 September 2004 and if the relationship between Council and Techscape improves and Techscape meet the KPI performance measures, relationship and quality outcome, then the contract will be extended for a further nine (9) months to 30 June 2005.

The nine month extension will be evaluated by Group Manager Assets: Tony Miguel based on the following as set down by the Chief Executive:

- the amount of energy required to maintain the relationship and its degree of success;
- the views of Council's Green Quality Control Officer: Jack Burton;
- the views of the Key Account Manager: Mike Anneff;
- the achievement levels by Techscape of their KPI's over June and the first two months of the trial.

**SCOPE OF WORK**

The contract works involve the programmed maintenance of the City's sports parks which includes sports facility maintenance, mowing, toilet cleaning, litter collection, garden maintenance and car park maintenance.

The scope of works has changed since the 2003 contract with additional assets, additional programmed works and changes to methodology in the management of the sports turf being added with a corresponding increase in price. Frequency of mowing in some areas has also been adjusted along with modifications to garden maintenance areas.

## TENDERS RECEIVED

A revised tender has been negotiated with Techscope. There has been an increase due to the scope of works change and increase in material and labour costs. The new tender is summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (EXCL. GST)
Techscope Limited	North Harbour	\$1,593,754.38
<b>Pre-tender contract estimate</b>		<b>\$1,600,000.00</b>

**Table 1 - Summary of Tender Prices**

## TENDER EVALUATION

Techscope's performance over the past 12 months has been inconsistent requiring considerable input from Council officers to ensure a reasonable standard of quality was obtained. New management measures recently introduced by Techscope have shown a steady increase in their quality performance to a state where it is now at a satisfactory level. The level of Techscope's performance levels will be monitored over the next two months for use in the evaluation for the nine (9) month extension of the contract.

## SUMMARY

As part of City Services vision "Quality and Health and Safety is not negotiable" all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

## JOB COSTS

	<u>EXCL. GST</u>
Tender sum - Techscope Limited	\$1,593,754.38
Contingency	\$ 130,000.00
Engineering & Supervision	\$0
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Total Job Cost	<b>\$1,723,754.38</b>

## SOURCE OF FUNDING

Budget Description	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Sports Facilities Maintenance		\$311,100.00	\$0.00	\$311,100.00	0
Fixtures, Facilities & Paths Maintenance		\$469,432.00	\$329,432.00	\$140,000.00	0
Litter Control Parks		\$188,740.00	\$98,740.00	\$90,000.00	0
Grasslands Maintenance		\$1,926,170.00	\$1,256,170.00	\$670,000.00	0
Coastal, Natural Areas & Structures		\$274,138.00	\$224,138.00	\$50,000	
Planting Maintenance		\$1,199,510.00	\$917,510.00	\$282,000.00	0
Toilet Services & Car park Maintenance		\$420,680.00	\$240,680.00	\$180,000.00	0
	Totals	<b>\$4,789,770.00</b>	<b>\$3,066,670.00</b>	<b>\$1,723,100.00</b>	<b>0</b>

**RECOMMENDATIONS**

1. That the Contract No. PK03600B - Sports Parks Programmed Maintenance Contract Extension report be received.
2. That the process for the extension of Contract No. PK 03600B - Sports Park Programmed Maintenance with Techscape be endorsed.

Report prepared by: Grant Jennings Parks and Open Space Asset Manager.

