



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF MEETING

TENDERS SUBCOMMITTEE

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

DATE: **Friday** **9 December 2005** **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.

6 December 2005

Sharon Simiona
**DEMOCRACY SUPPORT AND
SISTER CITY OFFICER**

Telephone (09) 836 8000 extn 8552

MEMBERSHIP:

Councillors JM Clews, QSO, JP (Chairperson)
 RI Clow (Deputy Chairperson)

Chief Executive Officer

Director: City Services

Director: Corporate & Civic Services

Director: Strategy & Development

Director: Quality Assurance

Director: Finance

Maori Issues Manager

Mayor RA 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 MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD IN THE
CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,
ON FRIDAY, 9 DECEMBER 2005, COMMENCING AT 9.00 AM**

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**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD IN THE
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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 Committee 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 Committee 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

Meeting Minutes - 25 November 2005

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 25 November 2005, as circulated, be taken as read and now be confirmed.



4 **TERM MAINTENANCE CONTRACT FOR WATER SUPPLY, WASTEWATER AND STORMWATER NETWORKS**

PURPOSE OF THE REPORT

The purpose of this report is to update the Tenders Subcommittee on the process to select a bidder for a new term maintenance contract for water supply, wastewater and stormwater networks in conjunction with the sale of Techscape Limited and to seek approval to enter into negotiations for this contract.

BACKGROUND

Since April 2005, Waitakere City Council staff have been working with North Shore City staff to implement a programme for the Expression of Interest and a multi-staged evaluation process selection of a successful bidder for the Term Maintenance Contract for the Water Supply, Wastewater and Stormwater networks.

The following management groups have been set up for the project:

- an Overall Steering Group comprising Waitakere City Council, North Shore City Council and Limited, Techscape, for sale process, Simpson Grierson (legal), Deloitte (due diligence) and Opus (consultant for contract process);
- a Contract Steering Group;
- a Contract Evaluation Team; and
- a Sales Team.

Audit New Zealand has been engaged as probity auditor for the contract selection component of the process.

The current contract EW02600C - Water Supply, Wastewater and Stormwater Drainage Facilities Term Maintenance Contract with Techscape Limited has been extended to 30 June 2007, to allow time for the letting of a new contract, the concurrent sale of Techscape Limited, and a transition period.

UPDATE

An Expression of Interest for the maintenance contract work closed on 13 October 2005, and evaluation of the submitters is currently in progress. Eight qualifying submissions are being evaluated.

The timeline for the remainder of the process is as set out in the table below:

Task	Milestone
Completion of evaluation	30 November 2005
Issue of Request For Proposals	15 December 2005
Requests For Proposals Closes	7 March 2006
Council approval of successful tenderer	19 July 2006
Sale finalised and settlement made	1 August 2006
Contract Commences	1 July 2007

The critical stage for the process is the evaluation of the Request for Proposals and contract price clarification, carried out in conjunction with the sale process, culminating in the final selection and approval of a successful bidder.

Approval from the Tenders Subcommittee is now required to proceed with the sale and contract negotiations as outlined in this report.

SUMMARY

This report provides an update of the Tenders Subcommittee on the process to select a contractor for a new term maintenance contract for water supply, wastewater and stormwater networks and seeks approval for the Group Manager: Asset Management to enter into negotiations for this contract.

The outcomes of the negotiations will be reported back to the Tenders Subcommittee with progress reports during 2006 and Council on 19 July 2006 for consideration and approval of the negotiated contract.

RECOMMENDATIONS

1. That the Term Maintenance Contract for Water Supply, Wastewater and Stormwater Networks report be received.
2. That authority to enter into negotiations for a Term Maintenance Contract the Water Supply, Wastewater and Stormwater Networks on behalf of Council be delegated to the Group Manager: Asset Management, with reporting back to the Tenders Subcommittee as required during 2006 and Council on 19 July 2006 for consideration and approval of the negotiated contract.

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



5 CONTRACT NO. EW05007C - STORMWATER RENEWALS AT FRUITVALE ROAD

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW05007C - Stormwater Renewals at Fruitvale Road

BACKGROUND

The Waitakere City Council intend replacing a collapsed 900mm diameter stormwater pipeline. The pipeline has collapsed and formed a tomo within the back lawn of 49 Fruitvale Road and under the building of 3/43 Fruitvale Road.

SCOPE OF WORK

The pipeline will be replaced with a 1200mm diameter RCRRJ Class Z pipe adjacent to the existing pipeline. The new pipe shall be installed using trenchless technology by pipe jacking. A jacking pit will be established within the back lawn of 41 Fruitvale Road. The pipeline will be jacked from the outlet, under the building of 3/43 Fruitvale Road to a manhole 54m away located on the boundary of 57 and 59 Fruitvale Road. Both ends of the thrust pipeline will be replaced using open trench method to lay 22m of RCRRJ Class Z pipe. A new inlet structure at the open drain will be installed and a new 2.3m diameter manhole at the outlet within the back lawn of 41 Fruitvale Road. The jacked pipeline will pass under two existing wastewater pipelines. These pipelines will be exposed in advance of installation to confirm their position and depth before jacking.

TENDERS RECEIVED

Tenders were invited from three (3) selected tenderers. One (1) tender was received by the closing date of 15 November 2005. This tender is summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (EXCL. GST)
Harker Underground Construction Limited	P.O.Box 101, Drury	\$479,040.00
Pre-tender contract estimate		\$535,125.00

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'.

These procedures require 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 submitted by the tenderer in the schedule of prices is \$1,000.

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract No. EW05007C
									Total Weights
	Weights	10	10	10	10	10	10	40	100
Tenderer	Tender Sum	Grades							INDEX
Harker Underground Construction Limited	\$478,040.00	80	85	80	75	75	85	50	68
Median Tender Price	\$478,040.00								

Table 2 - Summary of Tender Evaluation

Scores for the non priced attributes were determined on the basis of information provided in the tender and on recent experience with the Contractor. The level of information supporting the tender was of a high standard and this tenderer has recently completed drainage contracts by the nominated method.

The tender submitted by Harker Underground Construction Limited is approximately 89% of the pre-tender estimate and reflects the tenderer's knowledge of the site and the satisfactory methodology to successfully carry out the work.

Harker Underground Construction Limited is a company with a great deal of experience in work of this type. This company specialises in work within confined spaces and installation by pipe jacking and thrusting similar to this project. Therefore, it is considered that Harker Underground Construction Limited have the expertise, resources and the knowledge of risk management to undertake a project of this nature.

TAGS, ERRORS OR OMISSIONS

The tender from Harker Underground Construction Limited did not contain any errors, but contained nine (9) tags and one (1) omission.

The Contractor omitted item 13.ps.2 - URETEK injection system but included the same item of works as a tag with a price of \$13,000. The tenderer also proposed using Hynds 1200mm diameter jacking pipe. This pipe is butt jointed and comes with a rubber ring and mild steel locating bands. The tenderer has advised that galvanising the bands will add \$50 per lineal meter. If required this item can be addressed as a variation during construction. The tenderer clarified three (3) other tags in writing and all tags were re-evaluated and accepted.

The adjusted contract sum is \$492,040 inclusive of the provisional sum.

CREDIT CHECK

A credit check on Harker Underground Construction dated on 24 November 2005 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Harker Underground Construction Limited achieved an overall index of 68. This tender was the only tender received but was less than the pre-tender estimate.

It is considered that Harker Underground Construction has the experience and capability to carry out this work satisfactorily.

As part of Council's contracting process '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

EXCL. GST

Tender sum - Harker Underground Construction Limited	\$492,040.00
Contingency	\$ 49,000.00
Engineering & Supervision	\$ 61,370.00
Structural monitoring by third party)	-----
Total Job Cost	\$602,410.00

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Stormwater Renewals	85-9835-60000	\$1,842,250	\$329,732	\$602,410	\$910,108

RECOMMENDATIONS

1. That the Contract No. EW05007C - Stormwater Renewals at Fruitvale Road report be received.
2. That the tender from Harker Underground Construction Limited for Contract No. EW05007C - Stormwater Renewals at Fruitvale Road in the sum of \$492,040.00 plus \$61,505.00 GST, totalling \$553,545.00 be accepted.

3. That authority to enter into Contract No. EW05007C - Stormwater Renewals at Fruitvale Road on behalf of Council be delegated to Group Manager: Project Services.

Report prepared by: Fee Chin, Contracts Engineer, Project Services.

PUBLIC EXCLUDED MATTER

6 NEGOTIATED VARIATION ORDER TO CONTRACT NO. SP02504H WAITAKERE - CENTRAL CIVIC CENTRE: CONSTRUCTION OF A LINK BRIDGE

This item will be considered in the Confidential Supplement of the agenda, and has been circulated to members separately with this agenda.

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following part of the proceedings of this meeting namely, Negotiated Variation Order to Contract No. SP02504H - Waitakere Central Civic Centre: Construction of a Link Bridge.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation of the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of the matter to be considered.	Reason for passing this resolution in relation to the matter.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none">Negotiated Variation Order to Contract No. SP02504H - Waitakere Central Civic Centre: Construction of a Link Bridge.	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none">enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	<p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 7(2)(i) of that Act which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public as follows:

- The report contains information which if released could affect the Council's negotiations.*

