



**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD IN THE  
CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,  
ON FRIDAY, 15 APRIL 2005, 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 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 - 1 April 2005

**RECOMMENDATION**

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 1 April 2005, as circulated, be taken as read and now be confirmed.



#### 4 PROJECT TWIN STREAMS COMMUNITY ACTION: WADCOSS CONTRACT

##### PURPOSE OF THE REPORT

The purpose of this report is to obtain the approval of the Tenders Subcommittee to enter into a three (3) year contract with West Auckland District Council of Social Services (WADCOSS) to deliver the community component of stream restoration for Project Twin Streams in the Henderson area.

##### BACKGROUND

The purpose of Project Twin Streams is to implement a programme of integrated catchment management and demonstrate the achievement of Council's strategies for economic, cultural, social and environmental well being.

The resources necessary to deliver Project Twin Streams include the following:

- Staff and technical resources;
- Community based organisations; and
- Contractors for large physical works and planting programmes.

A report was presented to the Environmental Management Committee on 13 April 2004 to establish the policy framework for community engagement for Project Twin Streams. The Environmental Management Committee resolved as follows:

- “1. That the Project Twin Streams and Community Engagement report be received.*
- 2. That the Group Manager: Asset Management be authorised to negotiate with appropriate community organisations to provide co-ordination and maximise community participation in the project, with reporting back to the Tenders Subcommittee for approval.”*

613/2004

Since then, Council staff have approached a number of community organisations to establish their capacity and capability to deliver Project Twin Stream's objectives.

The selection process involved interviewing six community organisations and establishing their suitability in terms of the following criteria:

- Corporate governance;
- Management structure;
- Resources;
- Track record; and
- Financial stability

Through this process WADCOSS has been identified as a community organisation in Henderson that meets Council's objectives and could be suitable for the purpose of entering into a formal contract with Council.

WADCOSS has the capacity and the track record to enter into a contract to deliver community based stream restoration for Project Twin Streams in the Henderson locality.

## STRATEGIC CONTEXT

The community contracts support the Council strategic platforms of:

- **Strong Communities** - people are active, healthy and content;
- **Active Democracy** - people feel they can make a difference. There are high levels of community participation and respect for each others views;
- **Green Network** - caring for natural areas. Protection and enhancement is sought on both public and private land, community involvement is encouraged, as in the protection of landscapes, native plants, wildlife and ecosystems.

## SCOPE OF WORK

Using a community development model WADCOSS will provide the following works:

- Co-ordinate community programmes for weeding, planting and maintenance of the Henderson Creek;
- Plan and organise community events to engage the wider community in weeding, planting and maintenance;
- Build the capacity of the local residents and groups in Henderson as well as the community and business sector to participate in Project Twin Streams and take stewardship of parts of the Henderson Creek;
- Identify and develop opportunities and methods to increase community understanding of the causes and effects of riparian degradation, and ways to change behaviour to mitigate the effects, with assistance and resources supplied by council;
- Assist with monitoring and evaluation of the environmental, social, economic and cultural progress; and
- Establish a sustainable structure for the long-term development of the project in Henderson.

The contract includes tangible project deliverable timeframes and key performance indicators to be measured under the contract.

It is anticipated that WADCOSS will act as an umbrella for other local communities in the Project Twin Streams catchment who do not have the organisational capacity to enter into a contract with Council, for example McLaren Park.

The work will be defined through schedules and detailed riparian restoration programmes provided by Council staff and performance will be monitored against these programmes and key performance indicators.

## GOVERNANCE & MANAGEMENT STRUCTURE

WADCOSS operates as an incorporated society.

An Executive Committee is responsible for the governance and financial accountability of WADCOSS. The Executive comprises 10 elected Executive Committee members who include two office holders: Chairperson, Meredith Youngson and Treasurer, Alan Blackburn. Cr Penny Hulse is the Council representative on the WADCOSS Executive.

The day to day management of the organisation is overseen by the Manager, Lisa Howard-Smith. She is supported by two other staff. WADCOSS also, from time to time, engages the services of other professionals to assist in successfully attaining its desired outcomes.

## TRACK RECORD AND RELEVANT EXPERIENCE OF WADCOSS

Waitakere City Council, recognising the work of WADCOSS and the benefit of developing the capacity of the community sector in Waitakere, has been a significant funder of the organisation for nearly 10 years. In recent times funding from Council has been provided as a fixed term three year contract.

WADCOSS has earned the confidence of a range of funders and receives ongoing financial support from the following organisations:

- ASB Charitable Trust;
- Lottery;
- COGS;
- Lion Foundation;
- Scott Wood ;
- Portage Trust; and
- Waitakere Licensing Trust

WADCOSS has a reputation not only for meeting all legal and contractual obligations within expected timeframes but also for providing consistently high quality delivery.

Significant achievements of WADCOSS are:

- Key contributor to the Waitakere Well-being Collaboration Project and represented on the Collaboration Strategy Group;
- Lead agency for establishment of NOW (New Out West) and involvement in the establishment of Waitakere Ethnic Board;
- Lead agency for housing call to action - in particular, inputting into Waitakere Sustainable Housing Strategy;
- Member of the inaugural establishment group of CHI (Community Housing Aotearoa Inc), part of a national established body;
- Co-ordinator of Community Wellbeing Network;
- Produce and regularly update the West Auckland Social Services Directory;
- Key community voice inputting into Council policy development;
- Provide annual volunteers picnic and recognition of volunteers;
- Key agency for the development of a new Waitakere Community Resource Centre that is to be established under sustainability principles;
- Key advocacy role for the Waitakere Community & Social Service sector; and
- Provide a range of workshops including governance, community development, legal issues for not for profits, funding expos etc.

## JOB COSTS

Funding for Year 1 will be for payment for a part-time project co-ordinator, establishment costs of the project, overhead costs and costs to run community events and education projects to meet the agreed objectives and deliverables of the contract. These costs will be \$100,000 + GST.

It is estimated that the funding for Years 2 and 3 will increase up to \$140,000 + GST per annum for WADCOSS.

Plants, equipment and expertise (education, environmental, community development, communication, health & safety) will be provided by Council.

The estimated cost of riparian planting using WADCOSS will be \$6 per square metre and this compares favourably with commercial cost of between \$8 to \$10 per square metre.

### SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Project Twin Streams	85-9815-63870	\$7,950,000	\$2,400,000	\$30,000	\$5,520,000
2005/2006 Funding Required				\$140,000	
2006/2007 Funding Required				\$140,000	
2007/2008 Funding Required				\$70,000	

### SUMMARY

WADCOSS has been identified as an organisation that can deliver community based stream restoration for Project Twin Streams in the Henderson Creek and surrounding areas.

The proposal to enter into contract with WADCOSS provides cost effective programme that will also deliver benefits in terms of community uptake and support for Project Twin Streams.

### RECOMMENDATIONS

1. That the Project Twin Streams WADCOSS Community Contract report be received.
2. That approval be given for the Group Manager: Asset Management to enter into a contract with WADCOSS for the development of Project Twin Streams in the Henderson locality, to the value of \$380,000 plus \$47,500 GST, totalling \$427,500.
3. That the commitment to the 2005-2006 financial year for \$140,000 be approved.
4. That the commitment to the 2006-2007 financial year for \$140,000 be approved.
6. That the commitment to the 2007-2008 financial year for \$70,000 be approved.

Report prepared by Jenny Chilcott, Community Development Co-ordinator, Project Twin Streams.



## **5 OPERATIONAL MAINTENANCE CONTRACTS FOR WATER SUPPLY, WASTEWATER AND STORMWATER**

### **PURPOSE OF THE REPORT**

The purpose of this report is to seek permission to tender or negotiate a number of operational maintenance contracts for a two or three year contract period, with options for extension, for various ongoing activities associated with the provision of water supply, wastewater and stormwater services in the City.

### **BACKGROUND**

There are a number of contracts let each year for ongoing maintenance activities related to providing three water services in the City. These contracts are distinct from the major term maintenance contracts such as the term maintenance contract with Techscape Limited and the septic tank pump-out contract where longer term contracts are already in place. Several of these contracts have been identified where the need for the work is assured, and where efficiencies can be gained by changing from year on year contracts to a longer term contract.

### **ISSUES**

In order to maintain current levels of service in the provision of water services, a number of contracts are let each year for various activities associated with the maintenance of assets (e.g. leak detection), the monitoring of asset performance and service provision (e.g. flow and pressure testing, maintenance of telemetry system), the collection of essential data (e.g. rainfall data), and work associated with customer service (e.g. testing water seepage samples for fluoride).

The annual preparation and letting of these contracts is very time consuming for staff and transferring some of these contracts to longer term contracts will reduce staff time spent on contract administration.

When tendering a contract that is longer than one year, contractors should be able to factor in savings that could be gained from the following:

- certainty of having long-term work and income stream;
- better utilisation and commitment of resources; and
- better planning of the firm's activities.

It is expected that contractors will then pass on the savings to Council and to the community in the form of lower prices.

In order to ensure that the successful contractor continues to perform throughout the duration of the contract, key performance indicators (KPIs) will generally be incorporated into the proposed contracts. Should the contractor not meet expected performance targets, early termination provisions will be available to Council in the proposed contracts.

Additionally, where extended term contracts include the right to renew for additional years, the Council should be able to benefit from:

- lower administration costs;
- continuity of contract; and
- consistency of service.

The right of renewal of a contract can also provide benefits to Council as this process is likely to result in lower contract costs than may arise from re-tendering the work.

Any extension of a 'right-of-renewal' contract will be conditional on the Contractor meeting the following requirements:

- Consistently meeting the KPIs throughout the Contract Period;
- Demonstrating efficiency improvements as measured by the KPIs; and
- Maintaining a good working relationship with the Principal and Engineer.

A1

The contracts identified for transferring from annual contracts to extended term contracts are listed below. More specific information including current annual expenditure and procurement method is provided in the schedule attached at page A1.

- Leak Detection Contract (water supply);
- Fluoride Testing (testing of water samples for fluoride to confirm a 'mains' leak);
- Flow and pressure Testing (water supply);
- Telemetry System Maintenance Contracts (three waters);
- Rainfall Monitoring Contract; and
- Paremuka Pond Geotechnical Monitoring Contract.

## **RESOURCES**

Letting a two (2) or three (3) year contract for each activity will involve committing future year's budgets. All of the contracts listed above have approved budget in 2004/2005 Annual Plan and sufficient budget proposed in the 2005/2006 Annual Plan and beyond as per the 2003 Long Term Council Community Plan. Each contract will be reported individually to the Tenders Subcommittee for approval as required under current delegated authority.

## **CONCLUSION**

The ability to let a two or three year term contract with right of renewal for additional years for the maintenance contracts listed above will result in less staff time spent on preparing contracts and contract administration, and will result in Council being able to achieve cost savings while maintaining or improving service delivery.

## **RECOMMENDATIONS**

1. That the Operational Maintenance Contracts for Water Supply, Wastewater and Stormwater report be received.
2. That approval be given to tender or negotiate the operational maintenance contracts listed in this report for a two or three year period with options for extensions up to a further three years for various ongoing maintenance activities associated with the provision of water supply, wastewater and stormwater services in the City.

Report prepared by: Richard Taylor, Assets and Network Manager.



**6 LONG TERM PROFESSIONAL SERVICES CONTRACTS FOR WATER SUPPLY, WASTEWATER AND STORMWATER**

**PURPOSE OF THE REPORT**

The purpose of this report is to seek permission to tender or negotiate a number of professional services contracts for a two or three year contract period for a number of ongoing programmes associated with the provision of water supply, wastewater and stormwater services in the City.

**BACKGROUND**

There are a number of contracts let each year for professional service activities related to the capital works programme for the three water services in the City. These contracts cover the design, letting of a construction contract and supervision of the work. A contract period of more than one year is necessary if the works are to be completed by 31 March in the year of construction, which is Council's target completion time.

A further category of professional services contracts which are required over a period of more than one year are contracts for integrated catchment management planning (ICMP) and associated work such as modelling and ecological studies, where typically two or three years is required to fully complete a specific project due to the ongoing interaction with the Auckland Regional Council with Section 92 requests under the Resource Management Act, and compliance with the Air, Land and Water Plan.

**ISSUES**

The annual preparation and letting of contracts is very time consuming for staff and transferring some of these contracts to longer term contracts will reduce staff time spent on contract administration. Alternatively, in some cases where contracts are not renewed each year, this process will avoid contracts having a life well beyond original completion dates set down in the contract.

When tendering a contract that is longer than one year, consultants should be able to factor in savings that could be gained from the following:

- certainty of having long-term work and income stream;
- better utilisation and commitment of resources; and
- better planning of the firm's activities.

It is expected that consultants will then pass on the savings to Council and to the community in the form of lower prices.

A list of the programmes included are outlined below:

<b>Programme</b>	<b>Draft 2005/2006 Annual Plan Budget</b>	<b>Professional Services Budget</b>
Wastewater Renewals	\$4,804,300	\$600,000
Wastewater Capital	\$2,527,000	\$400,000
Stormwater Renewals	\$2,407,000	\$400,000
Stormwater Capital		
• Project Twin Streams	\$6,000,000	\$800,000
• Capital Physical Works	\$5,713,000	\$800,000
• Integrated Catchment Management Planning / Modelling	\$ 527,000	\$500,000

## RESOURCES

Letting a contract for a period of more than one year will involve committing future year's budgets. The professional services contracts mentioned above relating to capital works and catchment planning have been included in the draft 2005/2006 Annual Plan and the 2003 Long Term Council Community Plan. Each contract will be reported individually to the Tenders Subcommittee for approval as required under current delegated authority.

The professional services contracts for capital works projects will be structured so that the contracts can be terminated after the design stage if Annual Plan budgets are reduced or altered such that funding for the construction phase is not available in the following financial year.

## CONCLUSION

The current process of letting professional services contracts covering design, consenting and supervision of capital works such that construction will be completed by 31 March each year, all within the one financial year is not a realistic timeframe. It is proposed that professional services contracts for capital works programmes be let in the year prior to construction to allow ample time for the design and consenting process, and sufficient time for construction to ensure completion by 31 March in the year of construction.

Professional services contracts for integrated catchment management planning (ICMP) and associated work such as modelling and ecological studies, also need to extend beyond a one year timeframe. Typically two (2) or three (3) years is required to fully complete a specific project due to the ongoing interaction with the Auckland Regional Council with Section 92 requests under the Resource Management Act.

## RECOMMENDATIONS

1. That the Long Term Professional Services Contracts for Water Supply, Wastewater and Stormwater report be received.
2. That approval be given to let professional services contracts having a contract period of up to three years for design, consenting, letting and supervision work relating to water supply, wastewater and stormwater capital works programmes, and also for professional services contracts for integrated catchment management planning work.

Report prepared by: Richard Taylor, Assets and Network Manager.



## 7 CONTRACT SW05001 - LOOSE LITTER COLLECTION SERVICES

### PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract SW05001 - Loose Litter Collection Services.

### BACKGROUND

The existing contract, Contract No. 75140 - Litter Pickup Services will expire on the 30 June 2005.

### SCOPE OF WORK

The contract is for the non-exclusive right to collect loose street litter from the streets in Waitakere City for a term of five years.

### TENDERS RECEIVED

Tenders were publicly advertised with eight sets of documents being uplifted. Four (4) tenders were received by the closing date of 10 November 2004. For evaluation purposes the per annum figure was used. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (p.a.) (excl. GST)
Masta Maintenance Limited	Petone	\$171,072.00
Eco Maintenance	Glen Innes	\$720,732.00
Civic Contractors Limited	Henderson	\$463,335.12
Techscape	Albany	\$648,000.00
Pre-Tender Contract Estimate		\$442,204.00

**Table 1 - Summary of Tender Prices**

When the tenders were evaluated it became apparent that the frequency specified in the tender documents for non arterial roads had a significant impact on the prices received. Each tenderer was requested to resubmit a price based on a reduced level of service for non arterial roads. Three tenderers responded with revised prices and these are summarised in Table 2 below:

TENDERER	REG OFFICE	TENDER PRICE (p.a.) (excl. GST)
Masta Maintenance Limited	Petone	\$783,192.00
Eco Maintenance	Glen Innes	\$399,000.00
Civic Contractors Limited	Henderson	\$374,373.12

**Table 2 - Summary of Revised Tender Prices**

Techscape did not submit a revised tender and it was confirmed that that was their intention.

### TENDER EVALUATION

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

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number SW05001
									Total Weights
	<b>Weights</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>10</b>	<b>5</b>	<b>10</b>	<b>60</b>	<b>100</b>
Tenderer	Tender Sum	Grades							INDEX
Masta Maintenance Limited	\$783,192.00	50	75	55	55	55	55	0	31
Eco-Maintenance	\$399,000.00	80	80	75	75	70	75	74	75
Civic Contractors	\$374,373.12	90	85	85	85	85	85	78	82
Techscape	\$648,000.00	80	70	75	45	75	85	26	51
<b>Median Tender Price</b>	\$523,500.00								

**Table 3 - Summary of Tender Evaluation**

### TAGS, ERRORS OR OMISSIONS

The initial tender from Masta Maintenance Services Limited contained a significant error with regard to supplying monthly figures. This was corrected by the tenderer and reflected in the resubmitted price.

### CREDIT CHECK

A comprehensive credit check on Civic Contractors Limited revealed nothing unfavourable.

### SUMMARY

The results of the tender evaluation as summarised in Table 3 shows that the tender submitted by Civic Contractors Limited achieved the highest index of 82. This tender is also the lowest priced tender.

Civic Contractors is the current contractor and is providing good service.

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

#### EXCL. GST

Tender sum - (Civic Contractors Limited)	\$374,373.12
Contingency (for ordered work)	\$ 37,830.88
	-----
Total Job Cost	\$412,204.00

Supervision of this contract will be carried out in-house by Solid Waste Business Unit staff.

## SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Draft Annual Plan Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Street Litter (Non-Subsidised)	30-4840-22540-280	127,608	0	102,608	\$25,000
Street Litter (Subsidised)	30-4840-44240-280	142,236	0	142,236	0
Commercial Centre Cleaning	30-4840-22530-280	192,360	0	167,360	\$25,000
Total		462,204		412,204	\$50,000

## RECOMMENDATIONS

1. That the information be received.
2. That the tender from Civic Contractors Limited for Contract SW05001 - Loose Litter Collection Services in the sum of \$374,373.12 plus GST per annum be accepted.
3. That the commitment to the 2005/2006 financial year for Contract SW05001 - Loose Litter Collection Services totalling \$374,373.12 plus GST be approved.
4. That the commitment to the 2006/2007 financial year for Contract SW05001 - Loose Litter Collection Services totalling \$374,373.12 plus GST be approved.
5. That the commitment to the 2007/2008 financial year for Contract SW05001 - Loose Litter Collection Services totalling \$374,373.12 plus GST be approved.
6. That the commitment to the 2008/2009 financial year for Contract SW05001 - Loose Litter Collection Services totalling \$374,373.12 plus GST be approved.
7. That the commitment to the 2009/2010 financial year for Contract SW05001 - Loose Litter Collection Services totalling \$374,373.12 plus GST be approved.
8. That authority to enter into Contract SW05001- Loose Litter Collection Services on behalf of Council be delegated to the Group Manager: Regulatory.

Report prepared by: Robert Menzies, (Acting) Office Administrator: Solid Waste.



**8 TRANSACTIONAL BANKING REQUEST FOR PROPOSAL**

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 Transactional Banking Request for Proposal.

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"> <li>• Transactional Banking Request for Proposal.</li> </ul>	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> <li>• enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);</li> </ul>	<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 matter contains information which if released would affect the Council's negotiations.*

