



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 25 November 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.

Sharon Simiona .

18 November 2005

Sharon Simiona
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8820

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, 25 NOVEMBER 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 - 2 September 2005
- 11 November 2005

RECOMMENDATION

That the minutes of the Meetings of the Tenders Subcommittee held on Friday, 2 September 2005 and Friday, 11 November 2005, as circulated, be taken as read and now be confirmed.



4 **EXTENSION OF CONTRACT NO. EW02674C - SERVICE CONNECTIONS FOR WATER SUPPLY, WASTEWATER AND STORMWATER**

PURPOSE OF THE REPORT

The purpose of this report is to obtain the approval of the Tenders Subcommittee to extend the existing contract with Techscape Limited for a period of 20 months to 30 June 2007 for the provision of service connections for water supply, wastewater and stormwater in the City.

BACKGROUND

This contract was publicly advertised with two tenders received by the closing date of 17 September 2002.

A recommendation was made to the Tenders Subcommittee at the meeting of 11 October 2002 to award the contract to the lowest-priced tenderer, Techscape Limited (Techscape), for a two-year contract, with an option to extend for one year. The contract was extended for a further year in 2004, and hence the current contract for this work is due to expire on 30 October 2005.

SCOPE OF WORK

This contract provides for the installation of new service connections to the City's water, wastewater and stormwater networks. The tender document provided for two-year contact, with an option to extend for one year.

CONSIDERATIONS

An extension of the existing contract with Techscape is preferred over re-tendering the contract as it would have the following advantages:

- **Cost certainty** - An extension of the existing contract will be based on current costs, plus an allowance for increased schedule rates as per standard cost escalation clauses in the current Term Maintenance Contract with Techscape. This will result in an increase in the 2002 tendered rates of up to 6.5% in line with increased costs approved under the Term Maintenance Contract. This provides Council with certainty for the 2005/2006 and 2006/2007 Annual Plan. The costs are fully recovered via connection charges;
- **Known Performance in Service Delivery** - Techscape's service delivery performance has been satisfactory. Techscape has advised that it is committed to further improving its performance and efficiency in the next contract period, and has already implemented efficiency innovations that will result in cost savings that can be passed on to Council;
- **Known Quality of Work** - The quality of Techscape's work is generally high, and Techscape has committed to maintaining a high standard of health and safety in the workplace;
- **Familiarity with the Waitakere City Network** - Techscape has detailed knowledge of the Waitakere City utility networks. This is knowledge that no other contractor possesses;
- **Close Working Relationship** - The Partnering Agreement has facilitated the development of a close and beneficial relationship between both parties; and

- **Shared Technology Platforms** - Council and Techscape have made significant investments in developing shared information technology platforms. This investment has been used for daily efficient service delivery, and to achieve on-going contract cost reductions.

JOB COSTS

It is proposed to extend Contract No. EW02674C - Service Connections for Water Supply, Wastewater and Stormwater for 20 months to cover the period 1 November 2005 to 30 June 2007. As the contract rates were set in 2002 with the original contract, an allowance for increased schedule rates as per standard cost escalation clauses in the current term maintenance contract with Techscape has been included in the contract sum outlined below.

EXCL. GST

Contract Sum for 20 Months	\$831,250.00
Contingency (not required)	\$ 0.00
Engineering and supervision (in-house)	\$ 0.00
Purchase of water meters (Estimated value)	<u>\$120,000.00</u>
Total Job Cost	\$951,250.00

SOURCE OF FINANCE

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects (current contract)	Allocation to This Project (extended contract)	Unallocated Balance
Year 2005/2006 (8 months for this project)					
Wastewater Connections	85-7325-25910	\$135,000.00	\$ 41,200.00	\$ 89,500.00	\$ 4,300.00
Stormwater Connections	85-7425-25910	\$ 68,000.00	\$ 20,800.00	\$ 45,000.00	\$ 2,200.00
Water Supply Connections	85-7525-25910	\$370,000.00	\$113,000.00	\$246,000.00	\$ 11,000.00
Year 2006/2007 (12 months)					
Wastewater Connections	85-7325-25910	\$135,000.00	\$ 0.00	\$134,250.00	\$ 750.00
Stormwater Connections	85-7425-25910	\$ 68,000.00	\$ 0.00	\$67,500.00	\$ 500.00
Water Supply Connections	85-7525-25910	\$370,000.00	\$ 0.00	\$369,000.00	\$ 1,000.00
Total 2005/2006		\$573,000.00	\$175,000.00	\$380,500.00	\$17,500.00
Total 2006/2007		\$573,000.00	\$ 0.00	\$570,750.00	\$ 2,250.00
Grand Total				\$951,250.00	

CONCLUSION

The current Contract No. EW02674C - Service Connections for Water Supply, Wastewater and Stormwater was awarded to Techscape in 2002 after a public tender process. Techscape have performed satisfactorily in this contract. An extension of the contract for 20 months to cover the period 1 November 2005 to 30 June 2007 is recommended as this provides cost certainty and ongoing continuity of service. Connection costs are fully recovered via connection charges.

RECOMMENDATIONS

1. That the Extension of Contract No. EW02674C - Service Connections for Water Supply, Wastewater and Stormwater report be received.
2. That approval be given to extend Contract No. EW02674C - Service Connections for Water Supply, Wastewater and Stormwater to Techscape Limited for 20 months to cover the period 1 November 2005 to 30 June 2007, in the sum of \$951,250.00 plus \$118,906.25, totalling \$1,070,156.25.
3. That the commitment to the 2006/2007 financial year totalling \$570,750.00 plus \$71,343.75 GST totalling \$642,093.75 be approved for Contract No. EW02674C: Service Connections for Water Supply, Wastewater and Stormwater.
4. That the Group Manager: Asset Management be delegated the authority to issue the notice to Techscape Limited extending Contract No. EW02674C - Service Connections for Water Supply, Wastewater and Stormwater for the period 1 November 2005 through to 30 July 2007.
5. That approval be given to extend Contract No. EW02674C - Service Connections for Water Supply, Wastewater and Stormwater to Techscape Limited for 20 months to cover the period 1 November 2005 to 30 June 2007 on the basis that this will provide cost certainty and ongoing continuity of service over this period.

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



5 PROJECT TWIN STREAMS RANUI-MASSEY COMMUNITY 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 (renewable each year on a +1 +1 +1 basis) with Te Ūkaipō Mercy Initiatives for Rangatahi Limited to deliver Project Twin Streams in the Ranui-Massey communities that border the Swanson Stream.

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

To give effect to this resolution, a process was undertaken in the Ranui-Massey area to determine the following outcomes:

- How Project Twin Streams will be initiated in this locality; and
- Identifying a suitable community organisation to undertake a community contract.

In 2004 contact was made with key individuals, groups and organisations in the locality. A meeting was then held with key stakeholders including Ranui Action Project, Massey Community House, Ranui Baptist Church, Earthsong, Te Ūkaipō Mercy Initiatives for Rangatahi Limited and some individuals from the community.

Te Ūkaipō Mercy Initiatives for Rangatahi Limited was subsequently selected to hold a contract for one (1) year with Council with Ranui Action Project actively supporting the implementation of the project and will expire December 2005.

NEGOTIATED CONTRACT

In December 2004 Te Ūkaipō Mercy Initiatives for Rangatahi Limited entered into an initial one year contract with Council to establish Project Twin Streams in the Ranui-Massey area, and engage the local community in the revegetation of the Swanson Stream. This was the first community contract entered into and was on a one year trial basis to ensure they had the capability to undertake the contract deliverables. They have proved effective at delivering the outcomes as required under their contract at significantly lower costs than a commercial contract. Over the contract period they have achieved the following:

- Established Project Twin Streams within the Ranui-Massey community;
- Engaged the local community in the planting of 4,740 sq metres;
- Planted 8,972 plants;
- Held three major community planting and education events attended by approximately 400 volunteers - the majority who are from the local Ranui community;
- Implemented a work programme for the Youth at Risk group working weekly on the stream undertaking maintenance and planting. The monitoring programme has established that involvement in Project Twin Streams has had a positive impact on the behaviour and educational achievement of the Rangatahi (at risk youth);
- Established a relationship with Birdwood Primary School who have adopted a section of the stream;
- Established an education programme and planting/maintenance programme with local sea scouts;
- Received expression of interest from local people to adopt sections of the Swanson Stream.

The Council has been satisfied with the performance of this organisation and it is now recommended that a three year contract to build on and expand the work being undertaken in the Ranui-Massey communities be awarded.

Te Ükaipö Mercy Initiatives for Rangatahi Limited have a proven track record in delivery of the Project Twin Streams contract and are the only organisation in the Ranui-Massey area identified that has the capacity to engage with Council for this kind of contract.

Te Ükaipö Mercy Initiatives for Rangatahi Limited has the strategic alignment with Council's vision, has a working understanding in community development processes, robust governance and management structure, a proven track record for delivery and accountability with a number of other funders.

Te Ükaipö Mercy Initiatives for Rangatahi Limited operates within a corporate structure and is registered under the Companies Act 1993.

As a subsidiary, limited liability company operating exclusively for charitable purposes, the day to day affairs and finances of Te Ukaipo are the responsibility of the Manager, who is a highly respected and long serving Sister of Mercy.

A Board of Directors is responsible for governing the affairs and finances of Te Ükaipö Mercy Initiatives for Rangatahi Limited, and reports monthly to Te Tairere Oranga Sisters of Mercy Auckland Limited, the parent company, which is owned and operated by Nga Whaea Atawhai o Tamaki Makaurau Sisters of Mercy Auckland.

The parent company is responsible for overseeing the affairs of 11 Mercy companies, which include five (5) community development projects, three (3) aged-care facilities, two (2) secondary schools, and a hospice.

Te Ükaipö Mercy Initiatives for Rangatahi Limited benefits significantly from the strong infrastructure of the Sisters of Mercy Auckland Limited, which actively oversees and supports its mission. Te Ükaipö Mercy Initiatives for Rangatahi Limited operates according to a strategic plan that is reviewed annually.

Using a community development model Te Ükaipö Mercy Initiatives for Rangatahi Limited will build on their achievements and carry out the following over the term of the contract:

- Undertake weeding, planting and maintenance of the Swanson Stream;
- 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 Ranui-Massey as well as the community and business sector to participate in Project Twin Streams and take stewardship of significant areas of the Swanson Stream;
- 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 the Ranui-Massey area.

The contract will include tangible project deliverables and timeframes to be measured under the contract through Key Performance Indicators.

RESOURCES

Funding for Year One (1) will be for payment for a part-time project co-ordinator, establishment costs of the project, overhead and project management costs and costs to run planting and community events and education projects to meet the agreed objectives and deliverables of the contract. Costs for the contract (GST exclusive) will be as follows:

YEAR	2005/2006	2006/2007	2007/2008	2008/2009
COSTS	\$55,000	\$75,000	\$100,000	\$50,000

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

A payment in the range of up to \$5 per square metre will be made for planting and maintenance. The actual amount will be dependent on the site location and the number of plants planted square metre.

SOURCE OF FUNDING

2005/2006 Budget 7 months

Budget Description (from Annual Budget line item)	Account	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	85-9815-63870-999	\$18,070,000	\$6,990,000	\$55,000	\$11,025,000

2006/2007 Budget 12 months

Budget Description (from Annual Budget line item)	Account	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	85-9815-63870-999	\$5,000,000	\$3,000,000	\$75,000	\$1,930,000

2007/2008 Budget 12 months

Budget Description (from Annual Budget line item)	Account	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	85-9815-63870-999	\$2,000,000	\$1,200,000	\$100,000	\$700,000

2008/2009 Budget 5 months

Budget Description (from Annual Budget line item)	Account	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	85-9815-63870-999	\$2,000,000	\$800,000	\$50,000	\$1,150,000

Funding has been provided for community contracts in the 2003/2013 Long Term Council Community Plan.

RECOMMENDATIONS

1. That the Project Twin Streams Ranui-Massey Community Contract report be received.
2. That the negotiated contract in the sum of \$280,000 plus \$35,000 GST totalling \$315,000 over three (3) years with Te Ūkaipō Mercy Initiatives for Rangatahi Limited for the Project Twin Streams Ranui-Massey Contract be accepted.
3. That the commitment to the 2006/2007 financial year for the Project Twin Streams Ranui-Massey Community Contract of \$75,000, plus \$9,375 GST totalling \$84,375 be approved subject to contractor performance and funding availability.
4. That the commitment to the 2007/2008 financial year for the Project Twin Streams Ranui-Massey Community Contract of \$100,000, plus \$12,500 GST totalling \$112,500 be approved subject to contractor performance and funding availability.
5. That the commitment to the 2008/2009 financial year for the Project Twin Streams Ranui-Massey Community Contract of \$50,000, plus \$6,250 GST totalling \$56,250 be approved subject to contractor performance and funding availability.
6. That the authority to enter into the Project Twin Streams Ranui-Massey Community Contract on behalf of Council be delegated to the Group Manager: Asset Management.

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



6 CONTRACT NO. PK05029B - SWANSON STATION PARK DEVELOPMENT

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK05029B - Swanson Station Park Development.

BACKGROUND

Swanson Station Park is located at 722 Swanson Road. The development of Swanson Station Park is in accordance with the Parks Strategy and Council's strategic direction with the provision of green spaces and youth facilities in town centre areas. The new development will adjoin the existing Swanson Railway Park and complete the park development in that area. The stage one development involving the provision of a car park and playground has been completed. Stage two involves the development of the open area to the south of the car park bounded by the railway line, the garage and Swanson Road.

SCOPE OF WORK

This contract is for the development of Swanson Station Park (approx 4,000m²). Works include site works, construction of a skate park, basketball half court, concrete block walls, concrete paths, gravel steps and paths, handrails and balustrades, pergola construction, site furniture, lawns and planting.

TENDERS RECEIVED

Tenders were publicly advertised with twelve (12) sets of documents being uplifted. Eight (8) tenders were received by the closing date of 18 October 2005. These are summarised in Table 1 below:

TENDERER		
Brett Garea Environments Limited	Devonport	\$371,298.30
Westree Civil Limited	Oratia	\$389,694.00
John Fillmore Contracting Limited	Royal Oak	\$420,397.50
Asset Construction Limited	Howick	\$426,555.00
M Keoghnan Contractors Limited	Onehunga	\$439,180.50
HEB Smithbridge Limited	Drury	\$460,692.71
P & M Paving & Construction Limited	Parnell	\$600,607.00
Timco Limited	Papakura	\$693,698.00
Pre-tender contract estimate		\$320,786.00

Table 1 - Summary of Tender Prices

All prices were higher than the Pre-Tender Contract Estimate. They were in excess of the Engineers Estimate generally throughout all items, this estimate being based on the preliminary estimates which appeared valid at the time. While some of this can be attributed to escalating construction costs, reasons for the high prices are difficult to pinpoint. There are large variations in the way the contractors have priced the work, with some prices significantly higher than normal construction rates received in 2005/2006.

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 in Table 2. The price attribute was evaluated against the engineer's estimate.

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skills & Resources	Manag. Skill	Method.	Price	Total Weights
	Weights	10	10	5	5	5	65	100
Tenderer	Tender Sum	Grades						INDEX
Brett Garea Environments Limited	\$371,298.30	90	80	80	70	70	34	50 Disqualified
Westree Civil Limited	\$389,694.00	30	45	45	50	60	29	
John Fillmore Contracting Limited	\$420,397.50	75	80	85	80	80	19	40
M Keoghnan Contractors Limited	\$439,180.50	75	70	85	65	70	13	34
HEB Smithbridge Limited	\$460,692.71	90	85	90	80	80	6	34
Asset Construction Limited	\$426,555.00	55	70	55	60	70	31	33
P & M Paving & Construction Limited	\$600,607.68	85	85	85	80	70	-37	5
Timco Limited	\$693,695.00	90	80	75	65	70	-66	-16
Median Tender Price	\$428,899.18							

Table 2 - Summary of Tender Evaluation

Westree Civil Limited scored less than 35 for Relevant Experience and were disqualified as a result. The tender submitted from Westree Civil Limited used only one job to illustrate their relevant experience and only one reference to contact regarding their Track Record. This was insufficient information to evaluate. The one project they did submit for Relevant Experience was a wetland construction. This project excluded concrete work and carpentry, and did not include any works compatible with a skate park construction.

Brett Garea Environments Limited achieved the highest index rating of 50 in the evaluation. They have abundant experience in similar scaled work as proposed in this contract. Referees confirmed that their Track Record is generally very good. Brett Garea Environments Limited proposed the use of the following subcontractors; Auckland Civil Limited (site works, earthworks and concrete) and Jason Parks (skate park installation). Referees indicated that these sub-contractors were experienced and completed work of high quality.

TAGS, ERRORS OR OMISSIONS

Brett Garea Environments Limited had tagged a number of Lump Sum items in their tender as Provisional Items. These prices were significantly high in comparison to both the Engineers estimate and the median price submitted for these items. These rates were clarified and confirmed as Lump Sums. This Tender also contained minor arithmetic errors. Clarifications were sought and they subsequently confirmed their Tender Sum. The items clarified were considered to be basic errors which would have no effect upon the outcome of the evaluation process, with Brett Garea Environments Limited remaining lowest price tender and the company maintaining the highest weighting.

M Keoghan Contractors Limited submitted a Tender Sum that did not correspond with the total sum of the submitted scheduled amounts. Upon request of price confirmation, M Keoghan Contractors Limited confirmed their submitted Tender Sum.

The Tenders submitted by Westree Civil Limited and P & M Paving & Construction Limited contained minor arithmetic errors. These errors were checked and confirmed and did not affect the final outcome of the evaluation/rankings.

Tenders provided by Asset Construction Limited, John Fillmore Contracting Limited, HEB Smithbridge Limited and Timco Limited included no tags, errors or omissions.

CREDIT CHECK

A credit check on Brett Garea Environments Limited has been requested.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Brett Garea Environments Limited achieved the highest index of 50. This tender is also the lowest priced tender. However, as listed below, the tender submitted by Brett Garea Environments Limited exceeds the available project budget. To implement the project in its entirety in one contract this shortfall in funding has to be made up. This report seeks to have the Tender Subcommittee put forward a recommendation to the Finance and Operational Performance Committee for the additional funding required. In the event the additional funding is not secured it is proposed to remove elements from the scope of works to achieve a contract value under the project budget. This would include removing the skate park, the lookout, and reducing the pergola design, from the scope of works. Additional funding for these items would then be sought through the 2006/2007 Annual Plan.

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

	<u>EXCL. GST</u>
Tender sum - Brett Garea Environments Limited	\$371,298.30
Contingency	\$ 37,129.83
Engineering and supervision	\$ 56,070.00
Other (plant supply \$15,000, light relocation \$2,000, resource consent \$5,000)	\$ 22,000.00

Total Job Cost	\$ 486,498.13

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance (Shortfall) Required for Physical Works
Swanson Railway Station Park Stage 2	75-9825-49390- 999	\$353,495.00	\$20,100.00	\$486,498.13	- \$153,103.13

The unallocated balance required for physical works includes the balance of the physical works tender sum; a contract contingency sum; plant supply; and light relocation.

RECOMMENDATIONS

1. That the Contract No. PK05029B - Swanson Station Park Development report be received.
2. That subject to a satisfactory credit check and further funding of \$153,103.13 (GST exclusive) being approved by Council, the tender from Brett Garea Environments Limited for Contract No. PK05029B - Swanson Station Park Development in the sum of \$371,298.30 plus \$46,412.28 GST, totalling \$417,710.58 be accepted.
3. That it be recommended to the Finance and Operational Performance Committee that additional loan funding of \$153,103.13 (GST exclusive) be approved to complete the Swanson Station Park development.
4. That authority to enter into Contract No. PK05029B - Swanson Station Park Development on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Andreas Lilley, Parks Development Officer.



7 **ARCHITECTURAL SERVICES FOR THE CIVIL DEFENCE EMERGENCY MANAGEMENT EMERGENCY OPERATIONS CENTRE PROJECT**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to engage Architectus to provide Architectural Services for the new Civil Defence Emergency Management Emergency Operations Centre (EOC) project.

BACKGROUND

The existing Emergency Operations Centre is located at 7 Elcoat Avenue, Glendene. This site is a good site for an Emergency Operations Centre due to its elevation, good communications and ease of access. However, the existing building is no longer up to the necessary standard.

Council has recognised the need to upgrade the facilities to meet the current and future needs of the City and therefore the possible upgrade options have been considered. No suitable alternative sites have been identified for the new headquarters and so the preferred option is to utilise the existing 7 Elcoat Avenue site.

A confidential report on the Emergency Operations Centre was presented to the Emergency Services Special Committee on 16 August 2005 and then to Council on 31 August 2005. As a result of the resolutions made at these meetings work on a preliminary concept and feasibility for a new Emergency Operations Centre will be commenced and reported back to Council for consideration at the earliest opportunity.

SCOPE OF WORK

The scope of architectural services for the Emergency Operations Centre project comprises the following:

Stage one - develop a preliminary design based on the Emergency Operations Centre feasibility report dated June 2005.

Stage two - completion of project, including:

- Developed design;
- Resource Consent process;
- Detailed design/contract documentation;
- Construction supervision;
- Contract administration.

The architect is to act as the principal consultant and engage the necessary engineers, planners and surveyors as sub-consultants.

It is intended that the architect be engaged for stage one of the project only in the first instance. If the preliminary design and associated project budget is approved by Council, the architect will then be engaged to carry out stage two.

INVITED TENDER

At this stage Architectus Bowes Clifford Thomson (Architectus) are the only company to have been invited to submit a fee proposal for the Emergency Operations Centre project. The reason for this sole invitation is largely to do with their excellent track record in providing architectural services to Council. Since the completion of their first successful Council project, which was the New Lynn Community Centre, Architectus have successfully completed the Bethell's Fire Station and are currently involved with the Waitakere Central Library/Unitec project, the Waitakere Central Civic Centre project and the Waitakere Central Transport Interchange project.

Architectus have performed consistently well on these projects and demonstrated a clear understanding of Council's drive to deliver quality sustainable buildings, whilst still maintaining a strong focus on value management and affordability. As well as having an undeniable flair for overall building design, their attention to building detail is also very good, meaning that the potential for claims, disputes and overruns during construction is minimised. This attention to detail has not been as evident with some of the other architects engaged by Council during recent years.

Architectus were engaged to produce a comparative option for the Emergency Operations Centre proposal earlier in 2005. In order to produce this report Architectus needed to become familiar with the proposed site and also meet with the project team on several occasions.

The largest financial risk exposure for Council on building construction projects lies with the construction element, which accounts for 80-90% of the overall project cost. This risk is largely controlled by the lead architect through efficient and detailed design, as well as during construction in the role of "Engineer to the Contract". Thus for effective control over the largest cost element of a project, it is of significant value to Council to ensure that the lead architect has a proven track record in regard to the above qualities.

These reasons, combined with the fact that Architectus have won work through competitive tender processes in the past, are considered appropriate justification for the sole invitation to submit a fee proposal for this project. The Subcommittee's approval of this approach is sought.

TENDER RECEIVED

The fee proposal from Architectus has been itemised to reflect the staged nature of the project.

For stage one (preliminary design) Architectus have provided a lump sum fee of \$19,500 plus GST.

For stage two (completion of project) Architectus have provided a percentage fee of approximately 9.7% which would be based on the construction value of the project.

The overall fee for the project (i.e. stage 1 and stage 2 combined) is 11-12% of the estimated construction value. This is in line with the pre-tender expectations of the project manager and project sponsor for a project of this scale.

The fee has been benchmarked against other architectural engagements for Council and, considering that this fee includes the necessary engineering, planning and surveying services, compares favourably with the guidelines published by the relevant Institutes. Architectus' fee proposal is therefore considered to be fair and reasonable.

JOB COSTS

The estimated construction cost for the Emergency Operations Centre project is in the range \$1,000,000 - \$1,500,000 plus GST (this will be forecast with more accuracy during the preliminary design phase). Therefore, based on a fee proposal of 11-12% of the estimated construction cost, the architectural services will be in the range \$110,000 - \$180,000 plus GST.

SOURCE OF FUNDING

2005/2006 Annual Plan

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
New Civil Defence Headquarters	75-9210-49570	\$750,000	Nil	\$110,000 - \$180,000	Nil

Further provisional funding of \$1,050,000 has been included in the draft 2006/2007 Annual Plan however, this figure may need to be revised once the project budget has been confirmed and approved by Council at completion of the preliminary design stage.

CONCLUSION

Based on the strength of Architectus' track record with Council, they were invited to submit a fee proposal for the architectural services associated with the Emergency Operations Centre project. The fee proposal received from Architectus is 11-12% of the estimated construction value and, having been benchmarked against other architectural engagements, is considered to be fair and reasonable.

RECOMMENDATIONS

1. That the Architectural Services for the Civil Defence Emergency Management Emergency Operations Centre Project report be received.
2. That approval be given for the issuing of a sole invitation to tender for the Civil Defence Emergency Management Emergency Operating Centre project based on the excellent track record of Architectus Bowes Clifford Thomson (and the results of the benchmarking process relating to costs).
3. That approval be given to engage Architectus Bowes Clifford Thomson to provide architectural services for the new Civil Defence Emergency Management Emergency Operating Centre project.

Report prepared by: Peter Sewell, Special Projects Engineer.



8 CONTRACT NO. SD05001A - NEW LYNN STREETScape UPGRADING STAGE 1

This report was not available at the time of printing the agenda and will be circulated separately.

