



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 30 September 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.

26 September 2005

Ngareta Delamere
COMMITTEE SECRETARY

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, 30 SEPTEMBER 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 - 14 September 2005

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Wednesday, 14 September 2005, as circulated, be taken as read and now be confirmed.



4 CONTRACT NO. EW05019A - STORMWATER RENEWALS AT SWANSON ROAD STAGE 1

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW05019A - Stormwater Renewals at Swanson Road Stage 1.

BACKGROUND

The existing 900 mm to 1,200 mm diameter corrugated steel pipeline laid along part of Swanson Road in the early 1970s is showing signs of internal and external corrosion at both the invert level and below the spring of the pipe. The affected length is from the Paremuka Stream to a manhole outside no. 196 Swanson Road, a total of 572 metres. In recent times, several tomos forming in the carriageway embankment below Rakich Place have posed a risk to both pedestrian and vehicular traffic.

The pipeline is a critical asset serving a large catchment, and since the majority of the pipeline is under the carriageway of Swanson Road which is a main arterial, the consequences of a major pipeline failure would negatively impact on not only the stormwater infrastructure but also on traffic, with possible road closures affecting the public, local business and the surrounding community. It is therefore crucial that this vital asset is replaced before there is a complete failure.

It is proposed to undertake the pipeline renewal in four stages. This contract, for stage 1, is for the lower 153 metre section that has been identified as being at high risk of failure.

SCOPE OF WORK

This contract is for the removal of the existing Armco steel stormwater pipeline and manholes within the berm and carriageway of Swanson Road and for re-constructing it with approximately 153 metres of new 1,200 mm diameter concrete pipes and manholes. The work will also require the removal of existing vegetation in the berm, the protection of utility services, and the reinstatement of the road carriageway, kerb lines and footpaths.

TENDERS RECEIVED

Tenders were publicly advertised with 10 sets of documents being uplifted. Six tenders were received by the closing date of 23 of August 2005. These are summarised in Table 1 below:

TENDERER	POSTAL ADDRESS	TENDER PRICE (excl. GST)
Ken Rintoul Contractors (Auck) Ltd	PO Box 430, Pukekohe	\$329,732.55
HEB Contractors Ltd	PO Box 226, Drury	\$356,015.15
March Cato Civil Engineering Contractors Ltd	PO Box 69 097, Glendene	\$359,500.00
Hughes Civil Ltd	No. 22 Waikaukau Road, Glen Eden	\$387,328.90
H & H Contractors Ltd	PO Box 15 084, New Lynn	\$449,134.00
Civil Construction Group Ltd	PO Box 46 009, Herne Bay	\$507,970.00
Pre-tender contract estimate		\$433,010.00

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 is \$6,000.00 for arborist and replanting costs.

The 'two envelope process' as described in Section 2.7 of the above 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 duly included in the evaluation.

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

Tender Evaluation	Attributes	Exper.	Track	Tech	Resour.	Manag.	Method.	Price	Contract No. EW05019A
			Record	Skill		Skill			Total Weights
	Weights	5	5	5	5	5	5	70	100
Tenderer	Tender Sum	Grades							INDEX
Ken Rintoul Contractors (Auck) Ltd	\$323,732.55	68	55	70	75	73	76	62	64
HEB Contractors Ltd	\$350,015.15	70	65	75	70	77	69	55	60
March Cato Civil Engineering Contractors Ltd	\$353,500.00	73	73	70	75	73	64	54	59
Hughes Civil Ltd	\$381,328.90	68	60	70	75	73	61	46	53
H & H Contractors Ltd	\$443,134.00	70	42	68	75	40	67	30	39
Civil Construction Group Ltd	\$501,970.00	68	62	75	75	72	56	14	30
Median Tender Price	\$367,414.45								

Table 2 - Summary of Tender Evaluation

The tender prices received are very competitive, with four being below the pre-tender contract estimate. The lowest tender price is nearly 25% less than the pre-tender contract estimate.

All tenderers provided adequate information to show that they have the necessary capabilities to undertake the works. The tenders were very comparable with similar grades being achieved for most of the attributes. However, lower grades have been given to H & H Contractors Limited for track record and management skills due to difficulties being experienced with this firm on recent contracts. Ken Rintoul Contractors (Auck) Limited presented a very good methodology for the proposed works, and so has the highest score for this attribute.

Ken Rintoul Contractors (Auck) Limited was registered as a company only in July 2004. However, Ken Rintoul Contractors (Auck) Limited (and associated companies) has been active in the Whangarei and Far North District council areas for some time, where it has carried out several similar sized stormwater projects, and where it has a satisfactory track record. Ken Rintoul Contractors (Auck) Limited has no recent experience with the Waitakere City Council, except for one current roading contract. Therefore, it is likely to be less familiar with the Council's standards and requirements, and might need greater effort from Council to ensure compliance. However, because the price of this tender is \$26,000 less than the next lowest, this is considered to be an acceptable, manageable and affordable risk.

TAGS, ERRORS OR OMISSIONS

The tender from Ken Rintoul Contractors (Auck) Limited did not contain any tags or omissions but contained a small arithmetic error which over-stated the tender price. When advised of this error by fax, the tenderer formally confirmed in writing that its tender remains open for acceptance at the tendered sum notwithstanding the error.

The tender submitted from H & H Contractors Limited did not contain any errors or omissions but contained 9 tags which were evaluated and accepted.

There were no tags or omissions in the tender from Hughes Civil Limited but it did contain arithmetic errors. However, the tenderer was not contacted over the errors as this is the fourth lowest tender and the resolution of the errors would have no effect on the outcome of the tender evaluation.

There were no tags, errors or omissions in the remaining three tenders.

CREDIT CHECK

A credit check dated 7 September 2005 on Ken Rintoul Contractors (Auck) Limited revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Ken Rintoul Contractors (Auck) Limited achieved the highest overall index of 64. This tender is also the lowest priced tender.

It is considered that Ken Rintoul Contractors (Auck) Limited has the necessary experience and resources to undertake and complete this contract 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 - (Ken Rintoul Contractors (Auck) Limited)	\$329,732.55
Contingency	\$ 33,067.45
Engineering & Supervision	\$ 14,100.00

Total Job Cost	\$376,900.00

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Stormwater Renewal	85-9845-60000-999	\$2,409,250	\$0	\$376,900	\$2,032,350

RECOMMENDATIONS

1. That the Contract No. EW05019A - Stormwater Renewals at Swanson Road Stage 1 report be received.
2. That the tender from Ken Rintoul Contractors (Auck) Limited for Contract No. EW05019A - Stormwater Renewals at Swanson Road Stage 1 in the sum of \$329,732.55 plus \$41,216.57 GST, totalling \$370,949.12 be accepted.
3. That authority to enter into Contract No. EW05019A - Stormwater Renewals at Swanson Road Stage 1 on behalf of Council be delegated to the Group Manager: Asset Management.

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



5 CONTRACT NO. PK05014A - TOWN CENTRES AND TOILETS - RESPONSE AND RENEWAL WORKS

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to negotiate Contract No. PK05014A with Parks and Maintenance Services Limited for the Customer Response, Renewal and Programmed maintenance of Town Centres assets and Toilet facilities for a term of two (2) years and eight (8) months commencing 1 November 2005.

Because it is proposed to not tender the programmed work, this report is also for the purpose of satisfying the requirements of section 247E of the Local Government Act 1974, as read with Section 309 of the Local Government Act 2002.

BACKGROUND

Council's powers in relation to the awarding of contracts are conferred under Part XVIA of the Local Government Act 1974 (Works and Contracts), Section 247E provides as follows:

"(2) *Where any local authority decides not to put out to tender a contract to which subsection (1) of this section applies, the local authority shall ensure that the reasons for the decision are recorded in writing.*"

Parks and Maintenance Services Limited have been undertaking several of the key parks and streetscape contracts for several years. These include the Parks Response and Renewal Contract, the Parks and Streetscape Minor Works Contract and the Play Facilities Maintenance Contract. This is a new contract in a similar field of work to the above contracts to respond and address the needs for the maintenance and renewal of town centre assets and toilet facilities.

The estimated value of this contract \$560,000 per annum.

SCOPE OF WORK

This contract will require Parks and Maintenance Services Limited to respond to service requests and customer enquires relating to town centres issues including pavement repairs, pavers and sign reinstatement, furniture, fixtures and barrier repairs and other minor works to ensure the high visual appearance of the town centres is maintained. They will also carry out a programme of renewal works involving the cleaning, water blasting, repainting and repairing of town centre assets, water blasting and repainting toilets and cleaning and water blasting footbridges and other key assets in the city. This contract will undertake works outside the current scope of the existing Landscape Contract undertaken by Techscape for maintenance works.

The works are very closely aligned with the current works that Parks and Maintenance Services Limited undertake on the Response and Minor Works contracts. Their focus on customer service and meeting response times within these contracts and their recognition of the importance of Town Centres in meeting Council's goals is a key to their current success.

This contract contains performance and incentive based elements to encourage Council and Parks and Maintenance Services Limited to work together to seek more effective and efficient ways of carrying out the work.

A negotiated contract with Parks and Maintenance Services Limited is preferred, as it would have the following advantages:

- **Cost Certainty** - A negotiated contract will be based on the current contract costs, and rates as supplied through the Response Contract plus an allowance for inflation. This was a publicly tendered contract in 2003. This will provide Council with certainty for the 2006/2007 and 2007/2008 Annual Plan.
- **Performance in Service Delivery** - Parks and Maintenance Services Limited consistently exceed the required Key Performance Measures for the Response, Playground and Minor Works Contracts and other park projects they undertake. Parks and Maintenance Services Limited have adopted a proactive approach to the demands of the job and are committed to further improving performance and efficiency and have already implemented efficiency innovations in their current contracts that have resulted in cost savings that have been passed on to Council.
- **Quality of Work** - Parks and Maintenance Services Limited have performed extremely well and met the high quality standards of their current maintenance contracts in the delivery of the contract works. The quality of Parks and Maintenance Services Limited's work is very high, and they are committed to maintaining a high standard of health and safety in the workplace.

Parks and Maintenance Services Limited focus on responding to minimise and eliminate risks is taken extremely seriously which is evident by their success in the management of the playground maintenance contract where there have been no reported serious incidences since their involvement in this contract.

- **Familiarity with Waitakere City** - Parks and Maintenance Services Limited have detailed knowledge of Waitakere City. They are a locally based company and all of their team reside in Waitakere City. They have over 17 years experience working with Waitakere City and possess a considerable amount of knowledge of the City that no other contractor possesses.

- **Close Working Relationship** - The Relationship Agreement that has been developed between Parks and Maintenance Services Limited and Waitakere City Council has facilitated the development of a close and beneficial relationship between both parties.
- **Innovation and Technology Platforms** - Waitakere City Council and Parks and Maintenance Services Limited have made significant investments in developing systems and processes for the sharing and transfer of information and actioning of works. This investment has been used for daily efficient service delivery, and to achieve on-going contract cost reductions.

SUMMARY OF THE PROPOSED CONTRACT

This contract will provide for two (2) specialist response teams of two (2) staff and one (1) supervisor who will predominantly work in town centres. They will respond to town centre requests for service, and undertake the programmed works throughout the year. These teams will be supported by the contractor's office management team.

Term of the Contract

The contract is proposed to run for a period of two (2) years eight (8) months from 1 November 2005 to 30 June 2008. This will align the completion date of this contract with the other major park maintenance contracts at which time the contracts may be redesigned and amalgamated.

Performance

The proposed contract will include performance measurement through a variety of key performance indicators (KPIs) that are to be measured under the contract. The accurate measurement of key performance indicators is completed using on-site inspections and from records of the contractors work time frames.

The Key Performance Indicators will be incorporated into the contract and include the following:

- Response and Completion times for requests;
- Quality Control of response work;
- Completion time and quality of programmed maintenance;
- Productivity and Effectiveness;
- Reinstatement of work;
- Customer Service Complaints;
- Accurate reporting of required data;
- Environmental compliance;
- Health and Safety;
- Innovation solutions.

CONCLUSION

Negotiating a contract with Parks and Maintenance Services Limited is seen as the best means of obtaining a contract for the Town Centre and Toilet Response and Renewal Programmed work.

This contract will deliver high service levels and protect Council's upcoming investments in the Town Centres through jointly developed processes and technologies, and provide measurable performance at similar cost to other current maintenance contracts.

RECOMMENDATIONS

1. That the Contract No. PK05014A - Town Centres and Toilets - Response and Renewal Works report be received.
2. That based on the reasons recorded in the agenda report approval be given to negotiate Contract No. PK05014A - Town Centres and Toilets - Response and Renewal Works with Parks and Maintenance Services Limited for the Customer Response, Renewal and Programmed maintenance of Town Centres assets and toilet facilities for a term of two (2) years and eight (8) months commencing on 1 November 2005, and the outcome of negotiations be reported back to the Tenders Subcommittee for approval.

Report prepared by: Grant Jennings: Parks Asset Manager.



PUBLIC EXCLUDED MATTERS

6 PROVISION OF PROFESSIONAL SERVICES FOR THE PATHWAY SYSTEM IMPLEMENTATION

7 SERVER HARDWARE FOR PATHWAY SYSTEM IMPLEMENTATION PROJECT

These items will be considered in the Confidential Supplement of the agenda, and have been circulated to members separately with this agenda.

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of the proceeding of this meeting, namely, Provision of Professional Services for the Pathway System Implementation and Server Hardware for Pathway System Implementation Project.

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

General subject of the matters to be considered.	Reason for passing this resolution in relation to the matters.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none"> • Provision of Professional Services for the Pathway System Implementation; • Server Hardware for Pathway System Implementation Project. 	<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); • 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> <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 reports contain information which if released could affect the Council's negotiations.*

