



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** **24 February 2006** **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.

16 February 2006

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: 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, 24 FEBRUARY 2006, 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 - Friday, 27 January 2006

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 27 January 2006, as circulated, be taken as read and now be confirmed.



4 **CONTRACT NO. PK05021B - CAR PARK DEVELOPMENTS AT TAIPARI STRAND, PARRS PARK AND TE PAI PARK**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK05021B - Car Park Developments at Taipari Strand, Parrs Park and Te Pai Park.

BACKGROUND

Several of Waitakere City Council car parks require scheduled maintenance. These works include rehabilitation of failed areas and also upgrading of car parks to current design standards.

Also included in the contract is the construction of a new car park extension at Te Pai Park.

SCOPE OF WORK

The works include the excavation and undercut of weak pavement areas, construction of concrete perimeter edging, construction of kerb and nib and kerb and channel, and installation of stormwater drainage systems including swale drains and resurfacing of complete car park areas.

TENDERS RECEIVED

Tenders were publicly advertised with five sets of documents being uplifted. Four (4) tenders were received by the closing date of 17 January 2006. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
HEB Contractors	P.O.Box 226, Drury	\$361,097.89
Auckland Civil Limited	P.O.Box 100441, North Shore	\$378,341.62
City Siteworks Limited	P.O.Box 13914, Onehunga	\$425,047.59
M. Keoghan Contractors Limited	51 Trafalgar St., Royal Oak	\$466,704.15
Pre-tender contract estimate		\$402,966.00

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".

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

Tender Evaluation	Attributes	Exper.	Track	Tech.	Resour	Manag	Method.	Price	
			Record	Skill		Skill			Total Weights
	Weights	10	10	5	5	5	5	60	100
Tenderer	Tender Sum	Grades						INDEX	
HEB Contractors Ltd	\$361,097.89	70	70	70	75	75	70	60	65
Auckland Civil	\$378,341.62	70	70	80	80	75	70	56	63
City Siteworks	\$425,047.59	70	65	70	70	75	70	44	54
Keoghnan Contractors	\$466,704.15	70	65	70	70	75	70	34	48
Median Tender Price	\$401,694.61								

Table 2 - Summary of Tender Evaluation

All tenderers have adequate experience and the relevant attributes for this project.

HEB Contractors Limited scored the highest index of 65. HEB Contractors Limited have abundant experience in similar scaled work as proposed in this contract including the successful completion of Parris Park Car Park Upgrade. Referees confirmed that their Track Record is generally very good.

TAGS, ERRORS OR OMISSIONS

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

CREDIT CHECK

A credit check on HEB Contractors Limited has been requested.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by HEB Contractors Limited achieved the highest index of 65. This tender is also the lowest priced tender.

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 - HEB Contractors Limited	\$361,097.89
Contingency	\$ 32,827.08
Engineering & Supervision	\$ 47,160.00

Total Job Cost	\$408,257.89

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Te Pai Car Park Extension	75-9825-51090-999	\$249,700.00	\$81,293.71	\$168,406.29	Nil
Car Park Renewals	75-9823-27350-999	\$521,800.00	\$281,948.40	\$239,851.60	Nil

RECOMMENDATIONS

1. That the Contract No. PK05021B - Car Park Developments at Taipari Strand, Parrs Park and Te Pai Park report be received.
2. That the tender from HEB Contractors Limited for Contract No. PK05021B - Car Park Developments at Taipari Strand, Parrs Park and Te Pai Park in the sum of \$361,097.89 plus \$45,137.24 GST, totalling \$406,235.13 be accepted.
3. That authority to enter into Contract No. PK05021B - Car Park Developments at Taipari Strand, Parrs Park and Te Pai Park on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Andreas Lilley, Parks Development Officer.



5 CONTRACT NO. PK05025A - TUI GLEN RESERVE UPGRADE

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK05025A - Tui Glen Reserve Upgrade.

BACKGROUND

In 2002, Waitakere City Council adopted a Management Plan for the Henderson Creek reserves, including Tui Glen Reserve. Tui Glen is a historic reserve, located in the heart of Henderson, between Cranwell Park and Falls Park. The oldest camp ground in New Zealand, it has significant recreational, amenity and cultural values and is listed in the Waitakere District Plan as a heritage site. Following the closure of the historic camp ground in 2002, Council undertook an extensive consultation process with the community to develop a new Concept Plan for Tui Glen Reserve. This Concept Plan for the reserve was approved by the City Development Committee and included in the Henderson Creek Corridor Reserves Management Plan, adopted by Council in 2004.

The Concept Plan for Tui Glen Reserve shows an internal circular road, a shared cycle/walkway linking with the rest of Henderson Creek, new paths, lighting, additional car parking, an upgraded footbridge into Cranwell Park and signage.

Some of the work shown in the Concept Plan has already been completed with funding allocated in the 2004/2005 Annual Plan. The section of cycleway through the reserve has been implemented and the old Council depot in the south-west corner of the reserve has been cleaned up in preparation for the granting of a lease to the New Zealand Motor Caravan Association. The camp kitchen has been demolished, the toilet block upgraded and the toilets are now open to the public. The Tui Glen Heritage Jetty has been finished and it is anticipated that the kayak hire company will be operating for summer 2007. The car park and section of road included in the scope of works for this contract will facilitate access to the new jetty for the launching of kayaks and dinghies.

Funding was allocated in the 2005/2006 budget to carry out the first stage of the park upgrade and it is proposed to begin the physical work in March 2006. The balance of the work shown in the Concept Plan will be staged over the next few years. Stage Two will include the construction of pathways, relocated retaining wall in Claude Brookes Drive, the upgrade of the existing road, the upgrading of the stormwater and wastewater systems as well as lighting, interpretation signs and parks furniture.

The tender for Stage One of the works was initially advertised in November 2005. Seven sets of documents were uplifted and two tenders were received by the closing date of 6 December 2005. Both tenders were well above the Engineers Estimate, Nasey Contractors Limited submitting the lowest conforming tender at \$538,878.30. The tender was withdrawn and the scope of works reduced in order to meet the allocated budget. Amendments made included the removal of all provisional items, (now covered by the contingency of \$50,000), the removal of all sections of new pathway and the retaining wall on Claude Brookes Drive, both items that can be installed at a later date. In addition, modifications were made to the stormwater infrastructure. The revised tender was advertised in January 2006.

SCOPE OF WORK

The scope of work includes: road works and car parking (approx 200m), stormwater drainage installation, and soft landscaping.

TENDERS RECEIVED

Tenders were publicly advertised with seven sets of documents being uplifted. Two (2) tenders were received by the closing date of 31 January 2006. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
City Siteworks Ltd	P O Box 13-914, Onehunga	\$465,223.00
Nasey Contractors Ltd	6 Tait Place, Albany	\$418,362.00
Pre-tender contract estimate		\$400,000.00

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".

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skills & Resources	Manag. Skill	Method.	Price	Contract Number PK05025A
								Total Weights
	Weights	20	10	10	5	5	50	100
Tenderer	Tender Sum							INDEX
City Siteworks Ltd	\$465,223.00	80	80	70	70	75	60	68
Nasey Contractors Ltd	\$418,362.00	75	80	70	75	60	70	72
Engineer's Estimate	\$400,000.00							

Table 2 - Summary of Tender Evaluation

Both tenders were conforming and were from contractors with good track records. Nasey Contractors Limited tender was the lowest, \$46,861.00 less than City Siteworks Limited. As the lowest tenderer, Nasey Contractors Limited scored a rating of 72. Both tenders were above the Engineers Estimate of \$400,000. Both tenders include a \$50,000 contingency sum.

Nasey Contractors Limited constructed the heritage jetty in Tui Glen Reserve in 2005. The contract was completed on time, within the budget and to Council satisfaction. A reference was sought for previous work more relevant to this contract. The car parks at Olympic Park and Massey Rugby Club were both constructed for Council by Nasey Contractors Limited. The referee was very satisfied with their performance which was rated as 'ten out of ten' for both projects.

TAGS, ERRORS OR OMISSIONS

The tender submitted by City Siteworks Limited contained a minor arithmetic error. The tender sum did not correspond with the total sum of the submitted scheduled amounts. The tender comparison showed that the total submitted was slightly higher than it should have been. In fact, the correct total for this tender should have been \$465,223 (rather than \$465,838), a difference of \$615 less than the submitted tender total. This amendment was considered to be a minor error, not enough to affect the final outcome of the evaluation/rankings, with Nasey Contractors Limited remaining the lowest price tender with the highest weighting.

CREDIT CHECK

A credit check dated September 2005 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Nasey Contractors Limited achieved the highest index of 72. This tender is also the lowest priced tender. Nasey Contractors Limited have an excellent track record of previous work for Council, including the construction of Parks car parks and the jetty in Tui Glen Reserve.

This contract was originally tendered in December 2005, but was unable to be awarded due to the tenders being greater than the available funds. Consequently, the Scope of Work to be included in this contract has been reduced. It is proposed to apply for funding to carry out the remaining work, including the pathway and retaining wall, through future Annual Plans.

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 - (Nasey Contractors Limited)	\$368,362.00
Contingency	\$ 50,000.00
Engineering & Supervision	\$ NA
Total Job Cost	\$418,362.00

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Tui Glen Upgrade	75-9825-47810	\$489,000	\$124,000	\$365,000	0
Car park Renewals	75-9823-27350	\$521,800	\$468,438	\$53,362	0
Total				\$418,362	0

RECOMMENDATIONS

1. That the Contract No. PK05025A - Tui Glen Reserve Upgrade report be received.
2. That the tender from Nasey Contractors Limited for Contract No. PK05025A - Tui Glen Reserve Upgrade in the sum of \$418,362 plus \$52,295.25 GST, totalling \$470,657.25 be accepted.
3. That authority to enter into Contract No. PK05025A - Tui Glen Reserve Upgrade on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Mandy McMullin, Reserve Management Planner



6 CONTRACT NO. EW05093B MC15 - SEABROOK/RYEHILL/WILLERTON NEW LYNN WASTEWATER RENEWALS

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW05093B MC15 - Seabrook/Ryehill/Willerton New Lynn Wastewater Renewals.

BACKGROUND

The Council has an objective to reduce flows in the wastewater network by 25% through the Infiltration and Inflow Control Programme. The New Lynn wastewater catchment is the first catchment to be assessed under this programme and rehabilitation work has already been carried out on public drains in other parts of this catchment.

Mini-catchment 15 (MC15) is next in order of priority. The existing pipelines in Seabrook Avenue, Ryehill Close, and Willerton Road are in poor condition and require replacement.

SCOPE OF WORK

This contract is for the replacement of the existing 150 mm diameter earthenware wastewater pipelines.

The work includes:

- Construction of approximately 750 metres of 160 mm diameter PE80C wastewater pipeline by pipe bursting;
- Construction of approximately 570 metres of 140 mm diameter PE80 wastewater pipeline by slip lining or structural lining;
- Construction of 19 new manholes; and
- Reinstatement of existing service connections.

TENDERS RECEIVED

Tenders were publicly advertised with six (6) sets of documents being uplifted. Four (4) tenders were received by the closing date of Tuesday 17 January 2006. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
H&H Contractors Limited	PO Box 15 084, New Lynn, Auckland	\$958, 753.00
JB Pipeline Services Limited - Option 1	PO Box 13447, Onehunga, Auckland	\$906, 410.00
JB Pipeline Services Limited - Option 2	PO Box 13447, Onehunga, Auckland	\$802, 960.00
M Keoghan Contractors Limited	PO Box 131007, Onehunga, Auckland	\$720, 469.00
Pre-tender contract estimate		\$759, 555.00

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".

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

Tender Evaluation	Attributes	Exper	Track Record	Tech Skills	Resour.	Mang. Skill	Method.	Price	Total Weights
	Weights	10	10	5	10	10	5	50	100
Tenderer	Tender Sum	Grades				Index			
M Keoghan Contractors Limited	\$720, 469.00	70	75	75	75	70	70	66	69
JB Pipeline Services Ltd Option 1	\$ 906, 410.00	70	75	75	75	70	70	44	58
JB Pipeline Services Ltd Option 2	\$ 802, 960.00	70	75	75	75	70	70	56	64
H&H Contractors Limited	\$ 958, 753.00	70	50	75	70	70	70	38	52
Median Tender Price	\$ 854, 685.00								

Table 2 - Summary of Tender Evaluation

Scores for the non-price attributes were determined on the basis of information provided in each tender and any recent experience with the tenderers.

The lowest priced tender was from M Keoghan Contractors Limited and the price is approximately 5% below the pre-tender contract estimate.

M Keoghan Contractors Limited has undertaken works of a similar nature for Waitakere City Council and other local authorities in the region and this company has a good recent track record with stormwater and wastewater projects and has proposed a team with the necessary resources and expertise to manage and undertake the work.

TAGS, ERRORS OR OMISSIONS

The tender from M Keoghan Contractors Limited (lowest tender) contained no omissions, but an error in the rate for video inspection of private lines was detected. This was taken up with the tenderer and they confirmed in writing that the tendered price stands.

There were no omissions or tags in the tender submitted by JB Pipelines Limited for Option 1 (third lowest tender), but a summation error was detected, resulting in the tender sum being \$4,000 less than the true total. This was not taken up with the Tenderer as the tender price for Option 2 is the second lowest and the resolution of the errors would not affect the outcome of the tender evaluation.

There were no omissions or tags in the tender submitted by JB Pipelines Limited for Option 2 (second lowest tender), but a summation error was detected, resulting in the tender sum being \$4,400 less than the true total. This was not taken up with the Tenderer as the tender price for Option 2 is the second lowest and the resolution of the errors would not affect the outcome of the tender evaluation.

There were no omissions in the tender submitted by H&H Contractors Limited, but a summation error was detected, resulting in the tender sum being \$1,318 more than the true total. There were also 13 tags. These were not taken up with the Tenderer as their tender price is the fourth lowest and the resolution of the errors and tags would not affect the outcome of the tender evaluation.

CREDIT CHECK

A credit check on M Keoghan Contractors Limited dated 1 February 2006 revealed no adverse information, but it was noted that the company is in the process of a name change and is now called "Civil Underground Limited".

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by M Keoghan Contractors Limited achieved the highest overall index of 69. This tender is also the lowest priced tender received.

It is considered that M Keoghan Contractors Limited has the necessary expertise and resources to carry out the works satisfactorily.

As part of the 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>
Contract Price - M Keoghan Contractors Limited	\$720,469.00
Contingency	\$ 40,000.00
Engineering & Supervision	<u>\$ 40,000.00</u>
Total Job Cost	<u>\$ 800,469.00</u>

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budge	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Wastewater Renewal	85-9835-60000	\$3,043,000.00	\$1,336,560.30	\$800,469.00	\$905,970.70

RECOMMENDATIONS

1. That the Contract EW05093B MC15 - Seabrook/Ryehill/Willerton New Lynn Wastewater Renewals report be received.
2. That the tender from M Keoghan Contractors Limited for Contract No. EW05093B MC15 - Seabrook/Ryehill/Willerton New Lynn Wastewater Renewals in the sum of \$720,469.00 plus \$90,058.63 GST, totalling \$810,527.63 be accepted.
3. That authority to enter into Contract No. EW05093B MC15 - Seabrook/Ryehill/Willerton New Lynn Wastewater Renewals on behalf of Council be delegated to the Group Manager: Project Services.

Report prepared by: Disna Pathirage, Senior Engineer; Project Services.



7 CONTRACT NO. RM05014A - ENVIRO SMART

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. RM05014A - Enviro Smart for the period of March 2006 - March 2008.

BACKGROUND

The Enviro Smart programme is based on the Auckland BusinessCare Enviro-Mark programme that is currently running in the Auckland region with some 60 businesses. It is a two-year programme to which businesses sign up to achieving six key objectives, five of which are resource efficiency/environmental business objectives and the sixth objective is to reach GOLD level of the Enviro-Mark[®]NZ environmental management system. There are currently ten Waitakere businesses participating in the current Auckland BusinessCare Enviro-Mark programme including Tegel Foods. The Sellotape Company, Future Cuisine, Lisa's Healthy Foods and Norcross Printing. The Auckland BusinessCare Enviro-Mark programme was funded by the Auckland Councils (\$1,000 per business in their area), including Auckland Regional Council (\$500 per business) and the Ministry for the Environment (\$500 per business).

Businesses then paid a fee to enter the programme based on the cost of the programme minus the sponsorship. The current programme including 28 consultancy hours per business, the Enviro-Mark[®]NZ licensing and auditing, and business workshops is delivered by Landcare Research who hold the rights to license Enviro-Mark[®]NZ.

Management is through the steering group which is chaired by North Shore City Council and on which Council has a representative.

North Shore City Council has worked closely with Landcare Research and the Auckland BusinessCare Enviro-Mark steering group members to develop the new programme called **Enviro Smart** that builds on the successes of the current Auckland BusinessCare Enviro-Mark programme. The Enviro Smart programme allows for the recruitment of businesses over three years and there has been significant interest around the country for this programme. Current expressions of interest by territorial local authorities will provide sponsorship for 489 businesses nation-wide. North Shore City Council have developed a contract document based on the 'Conditions of contract for Consultancy Services' endorsed by the Auckland Region Contract Group and included special conditions relevant to this type of programme, as well as providing a governance and communications document. Each sponsoring Territorial Local Authority will use this standard contract with Landcare Research to deliver the programme in their area. The estimated value of the Enviro Smart programme, based on the current figure of 489 businesses, is approximately \$3 million or \$6,135 per business. It is anticipated that \$1.5 million will be made up by sponsorship, with Territorial Local Authorities and Regional Councils contributing \$1,300-\$1,900 per business, and other external sponsors making up the difference so that the average cost to a business to join the programme will be \$3,000. It is proposed that Council sponsor 20 businesses through the Enviro Smart programme over the three years. The Enviro Smart programme will be launched on the morning of Tuesday, 28 February 2006, the Prime Minister has confirmed that she will attend the launch.

ISSUES

The Enviro Smart programme has been specifically designed and negotiated to begin in the 2005/2006 financial year to accommodate a current total of 489 businesses nationwide. External funding and sponsorship is currently being sought which will be applied to the total number of businesses that Territorial Local Authorities sign up to sponsoring at the beginning of the programme. Therefore, this is a one-off opportunity for Council to join this programme. There is currently no option for Council to join at a later date, and only business numbers confirmed at the start of the programme will receive the external funding available for the programme. Landcare Research holds the rights to license Enviro-Mark[®]NZ and as such they are the sole supplier for this programme.

To participate in this programme Council must enter into a Contract with Landcare Research. A standard contract has been prepared that all participating Territorial Local Authorities in the programme are required to use. This varies from Council's standard contract document and procedures, it is however based on the 'Conditions of contract for Consultancy Services' document that was prepared by the Auckland Region Contract Group which has been endorsed by Council.

COSTS

Territorial Local Authorities in the Auckland Region will be contributing \$1,300 per business in their area. This is made up of a \$300 set-up fee and \$1,000 programme fee. It is proposed that Council sponsor 20 businesses over the three year period, 10 within the current financial year and five each for the subsequent two years. It is proposed that the total set-up costs be paid within the current financial year to enable more budget to be made available for new projects in the following financial years.

Year	Businesses Recruited	Programme fee per business	Programme fees for year	Set-up fee at \$300 per business	Total Cost for year
2005/2006	10	\$1,000	\$10,000	\$6000	\$16,000
2006/2007	5	\$1,000	\$5,000	N/A	\$5,000
2007/2008	5	\$1,000	\$5,000	N/A	\$5,000
Totals	20	-	\$20,000	\$6,000	\$26,000

Table 1: Enviro Smart cost breakdown

RESOURCES

The current Auckland BusinessCare Enviro-Mark programme is funded through the Cleaner Production budget. It is proposed that Enviro Smart also be funded through the Cleaner Production budget and can be covered under current budget levels. Project Management and assessment of businesses applying for the programme will be managed by the Cleaner Production team.

CONCLUSION

The Enviro Smart programme is a large national programme that will involve around 489 businesses. The programme is modelled on the current Auckland BusinessCare Enviro-Mark programme that has been a successful regional project involving some 60 businesses, as such it is important for Council's reputation as a leader in the field of Cleaner Production to participate in this programme.

RECOMMENDATIONS

1. That the Contract No. RM05014A - Enviro Smart report be received.
2. That Contract No. RM05014A - Enviro Smart be approved and awarded to Landcare Research, and that approval be given for a financial commitment of \$5000 in the 2006/2007 Annual Plan year, and \$5000 in the 2007/2008 Annual Plan year subject to contract final approval.

Report prepared by: Kelly Taylor, Project Manager Cleaner Production.



8 **CONTRACT NO. SD04009D – RAILSIDE AVENUE TO ALDERMAN DRIVE AND CATHERINE MALL INFRASTRUCTURE RENEWAL PROJECT**

PURPOSE OF THE REPORT

The purpose of this report is to seek the approval of the Tenders Subcommittee to award Contract No. SD04009D - Railside Avenue to Alderman Drive and Catherine Mall Infrastructure Renewal Project.

BACKGROUND

In 2001 the Henderson Concept Planning Workshop identified a range of construction projects and general initiatives that would create a strong economic environment and improve the visual amenity. Both of these precinct renewal projects fit within these proposed initiatives.

In 2002 the Council committed to undertake two major development projects in the 'Heart of Henderson,' these being: Waitakere Central combined with a new public transport interchange the new Waitakere Central Library combined with Unitec Campus, car park building, and a series of public plazas to stimulate economic and employment growth in Waitakere City.

The Council's purpose is to lead the urban regeneration of the centre of Henderson and provide a catalyst for the private sector to share the vision and to invest in high density mixed use development that will ultimately result in a sustainable local economy.

This contract (Henderson: Railside Avenue, Ratanui Street to Alderman Drive Precinct Infrastructure Renewal Project) is the first stage of streetscape improvement works to be undertaken in Henderson Central Business District).

SCOPE OF WORK

The scope of work includes Henderson Central Business District Streetscape Upgrade project. This project comprises the renewal of street infrastructure of two precincts within the Henderson Central Business District.

The extent of works for PRECINCT ONE:

Approximately 4,100m² of footpath upgrade and adjacent carriageway works between the intersection of Railside Avenue and Stevies Lane, extending north along both sides of the road to the intersection of Ratanui Road and Alderman Drive

The extent of works for PRECINCT TWO:

The second precinct is identified as Catherine Mall and forms the main pedestrian entry to Westfield Mall from Great North Road. The total site area is approximately 6,000m².

TENDERS RECEIVED

Tenders were invited from six selected tenderers. Four of the six selected tenderers were identified through a registration of interest process and two other reputable tenderers were invited to bolster the list. This was to provide adequate coverage as some of the selected tenderers were getting overcommitted with other projects. Four tenders were received by the closing date of 13 December 2005. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
P & M Paving and Construction Limited	Parnell	\$1,621,919.50
John Fillmore Contracting Limited	Royal Oak	\$1,646,961.30
Dempsey & Wood Civil Contractors Limited	Royal Oak	\$1,722,917.48
Russell Brick Layers and Aotea Paving	Greenlane	\$1,745,850.00
Pre-tender contract estimate		\$1,173,365.00

Table 1 - Summary of Tender Prices

All prices were significantly higher than the Pre-Tender Contract Estimate. They were in excess of the Engineers Estimate (compiled by Isthmus Group) generally throughout all items. This estimate was based on previous rates for similar work with an appropriate allowance for escalation and appeared valid at the time. While some of the high price 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.

These prices are similar to the recent prices received for the New Lynn Streetscape project suggesting the prices are indicative of current market rates. This may be caused partly by the large amount of this type of work in the market at this time, such as Auckland City's significant upgrades in the inner city over the next three years.

From discussions with Contractors it is also understood that town centre work is now perceived by the market as requiring significant additional management and costs. This is due to the high level of communication resource needed to liaise with businesspeople throughout the project and resolving possible complications that arise through this process. Anticipated risk then drives up the price.

The current higher market is unlikely to change over the next few years, with the increase in demand for construction services of this type. Therefore prices are more likely to rise than fall, when considered in combination with inflation.

P & M Paving and Construction Limited tender sum contained an arithmetical error of \$215,663.40, which if corrected would increase their price to \$1,837,582.90. In accordance with Transfund New Zealand's "Competitive Pricing Procedures Manual", the tenderer is required to either maintain their tender sum or withdraw their tender. Accordingly P & M Paving and Construction Limited have withdrawn their tender.

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated generally 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 \$227,850. This sum includes for the supply and installation of street furniture such as bollards and seats, service boxes and installation of artwork foundation. The actual costs for these cannot be confirmed at present as the construction details for these are still being finalised, hence the provisional sums in the contract.

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	Price	Contract Number SD04009D
		Total Weights						
	Weights	5	5	10	5	5	70	100
Tenderer	Tender Sum	Grade						INDEX
John Fillmore Contracting Limited	\$1,419,111.30	75	75	70	70	70	55	60
Dempsey & Wood Civil Contractors Limited	\$1,495,067.48	70	70	60	50	60	50	54
Russell Brick Layers & Aotea Paving	\$1,518,000.00	75	75	70	70	70	48	55
Med.n Tender Price	\$1,495,067.48							

* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

Table 2 - Summary of Tender Evaluation

As noted above, P & M Paving and Construction Limited have withdrawn their tender and hence have not been included in the tender evaluation.

The project consultant, Isthmus Group is familiar with the capabilities and credentials of each of the tenderers and the gradings allocated are based on their assessment of each tenderer and their tender submission. Dempsey & Wood Civil Contractors Limited scored lower in the resources attribute due to their inability to meet the contract timeframes, which was noted in a tag in their tender.

NEGOTIATION PROCESS

Under Council's Conditions of Tendering, Council may enter into negotiation with one or more of the tenderers. Discussions were held with the two highest ranking tenderers, John Fillmore Contracting Limited and Dempsey & Wood Civil Contractors Limited where a number of high rates were examined and initiatives for cost reduction were discussed.

This resulted in John Fillmore Contracting Limited and Dempsey & Wood Civil Contractors Limited submitting revised prices with proposals for savings to the contract. John Fillmore Contracting Limited's proposal has been technically assessed by Isthmus Group and their revised tender price is based on acceptable initiatives. There are some minor technical issues with the Dempsey & Wood Civil Contractors Limited revised tender, which have not been addressed as it would not have any effect on the outcome of the evaluation process.

The results of the tender evaluation and as summarised in Table 2, shows that John Fillmore Contracting Limited's original tender ranked highest. Their revised tender is still the lowest priced tender and therefore the outcome of the evaluation remains the same.

The revised prices, including the value of the provisional sums are as follows:

TENDERER	REG OFFICE	REVISED TENDER PRICE (excl. GST)
John Fillmore Contracting Limited	Royal Oak	\$1,585,081.80
Dempsey & Wood Civil Contractors Limited	Royal Oak	\$1,649,973.55

In addition to reduction in price by the tenderers, the consultant team and Council officers also carried out a “value engineering” process to look at possibilities for removal of non-critical items while still retaining the overall concepts of the project.

The result of this process is an anticipated reduction to the cost of the works of approximately \$40,000. This will be achieved by reducing the numbers of bollards and seats currently shown in the design drawings. The design team is of the opinion that this change will not adversely affect the overall design and the amenities available to the general public.

TAGS, ERRORS OR OMISSIONS

There were no errors, tags or omissions in the original and the revised tender from John Fillmore Contracting Limited.

The other tenders contained tags, which were not addressed in detail as it does not have any effect on the outcome of the evaluation process.

CREDIT CHECK

A credit check on John Fillmore Contracting Limited dated 24 January 2006 shows nothing adverse.

SUMMARY

The results of the tender evaluation and as summarised in Table 2 shows that the tender submitted by John Fillmore Contracting Limited achieved the highest index of 60. A negotiation process was completed and John Fillmore Contracting Limited submitted a revised tender, which is \$61,879.50 lower than the original tender sum. This revised tender price is also the lowest priced tender.

John Fillmore Contracting Limited is an experienced contractor and is capable of carrying out this project in a competent and satisfactory manner. They have very recently completed the Remuera Township and the Karangahape Road streetscape works. Isthmus Group has carried out reference checks with the key representatives of these projects and by all accounts these projects were implemented successfully.

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>
Revised tender sum - John Fillmore Contracting Limited	\$1,585,081.80
Value Engineering Savings (to be dealt with as a variation order)	(\$ 40,000.00)
Contingency	\$ 150,000.00
Professional Services, consents and administration	\$ 165,000.00
Artwork - design, manufacture and installation	\$ 130,000.00

Total Job Cost	\$1,990,081.80

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Railside to Alderman Drive	75-9120-49090	\$70,000.00	\$0	\$870,000.00	\$0
Catherine Mall (carry forward)	75-9120-49080	\$81,500.00	\$0	\$ 81,500.00	\$0
Catherine Mall	75-9120-49080	\$220,000.00	\$0	\$220,000.00	\$0
LTNZ Funding (approved)		\$498,000.00	\$0	\$498,000.00	\$0
Additional funding approved by FOP on 13 February 2006		\$320,581.80	\$0	\$320,581.80	\$0
TOTAL BUDGET				\$1,990,081.80	

The budget amount of \$1,990,081.80 includes additional funding of \$320,581.80 approved by the Finance and Operational Performance Committee at their meeting of 13 February 2006. This was to make up the shortfall in funding to implement the full extent of the proposed works.

RECOMMENDATIONS

1. That the Contract No. SD04009D - Railside Avenue to Alderman Drive and Catherine Mall Infrastructure Renewal Project report be received.
2. That the tender from John Fillmore Contracting Limited for Contract No. SD04009D - Railside Avenue to Alderman Drive and Catherine Mall Infrastructure Renewal Project in the sum of \$1,585,081.80 plus \$198,135.22 GST, totalling \$1,783,217.02 be accepted.
3. That authority to enter into Contract No. SD04009D - Railside Avenue to Alderman Drive and Catherine Mall Infrastructure Renewal Project on behalf of Council be delegated to the Director: Quality Assurance.

Report prepared by: Janet Hannan, Principal Advisor Urban Projects.

