



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** **12 October 2007** **TIME:** **9.00 am**

VENUE: **Waitakere Central, 6 Henderson Valley Road, Henderson, Waitakere**

to consider the business as set out herein and to take any necessary action connected therewith.

9 October 2007

Sharlene Riley
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8851

MEMBERSHIP:

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

Chief Executive Officer

Director: City Services

Director: Corporate & Civic Services

Director: Strategic Performance

Director: Strategic Planning

Director: Public Affairs

Director: Finance

Mayor RA Harvey, QSO, JP (ex officio)

Deputy Mayor CA Stone (ex officio)

(Quorum 3 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 AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 12 OCTOBER 2007,
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 Chairman 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 CONFLICTS OF INTEREST

The Council has acknowledged in its Code of Conduct that Elected Members need to be vigilant to stand aside from decision making when a conflict arises between their role as a member of the Council and any private or other external interest they might have. This note is provided as a reminder to members to check that no such conflicts arise in relation to any items on this agenda.



4 CONFIRMATION OF MINUTES

Meeting Minutes - 14 September 2007

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 14 September 2007, as circulated, be taken as read and now be confirmed.



5 CONTRACT NO. EW07024A - SUSTAINABLE DEVELOPMENT PILOT STUDY

GLOSSARY

Sustainable Management Fund	(SMF)
New Zealand Housing Foundation	(NZHF)
Long Term Council Community Plan (2006-2016)	(LTCCP)
Tool for Urban Sustainability Code of Practice	(TUSC)

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to award Contract No. EW07024A - Sustainable Development Pilot Study.

BACKGROUND

The Council lodged an expression of interest with the Sustainable Management Fund (SMF) to seek funding of \$192,000 as a contribution towards the Sustainable Development Pilot Study project. The project seeks to test a quadruple bottom line definition of sustainability on a 77-unit community housing pilot study, so that long-term environmental, social, cultural and economic benefits (housing access and affordability) are maximised. The project site is a social housing development currently being constructed in West Auckland by the 'not-for-profit' agency New Zealand Housing Foundation (NZHF). This project will quantify and compare the environmental benefits of different concept development options, document the successful approach, educate the community, and disseminate results to be used in future developments by NZHF and other private and public housing development agencies.

Council's Long Term Council Community Plan 2006-2016 (LTCCP) has adopted the use of this tool to provide a rating that will determine the remissions value given to developers under the Development Contributions and Financial Contributions Policy.

One of the key outcomes from this project will be the further refinement and calibration of the Tool for Urban Sustainability Code of Practice (TUSC) project through real life verification. The project will also advocate the tool to local and regional authorities cementing its wide use, upkeep and potential to become a regulatory method. Adoption of this tool by councils, developers and the community at large assures sustainable design being adhered to in the future. It promotes practical action through education on sustainable practices showing the benefits to both the consumer and the environment.

Sustainability at a site and neighbourhood level is essential for the continual growth and life of developments both nationally and locally. Unsustainable design means that resources are being used inefficiently; putting unnecessary strain on the environment and causing it harm with increased energy consumption, traffic pollution, water, waste and stormwater problems. This affects all people. It is widely recognised that a push for sustainability is necessary and its benefits are widespread.

Although there has been a great deal of philosophical debate on sustainability, New Zealand needs to make real progress towards sustainable development. In the urban context, one of the major barriers is that decision makers, developers, and design practitioners do not have the decision support tools for the adequate implementation of innovative technical solutions that lead to sustainability in urban development. This means that sustainable design seldom happens.

The implementation of the TUSC project has begun to lead the way in developing a practical, easy to use tool that aids in sustainable urban design decisions. This project is essential in order to calibrate the TUSC tool making it more widely trusted, proving its authenticity, promoting its further use and ensuring sustainable design occurs.

The refinement and promotion of the TUSC tool will result in better sustainable practices being used in development at both a site and multi-unit level, reversing the problem outlined above. Through its promotion to the community, and in particular to developers, it will give a greater environmental awareness showing how sustainable practices do not only benefit the environment but also those that use them.

Councils, developers and members of the public all benefit from this project. Councils will have a tool that can eventually regulate sustainable design, cutting down on time delays and personal costs. Developers will have a tool that assists in design development, making the process easier and faster. Members of the public can audit the sustainability of their own homes and make changes accordingly. The environment benefits from this project as sustainable homes lessen the pressure on energy sources, water sources and storm/wastewater infrastructure.

This tool has the potential to encourage developers and community leaders to revitalise existing urban areas, reduce land consumption, reduce automobile dependence, promote pedestrian activity, improve air quality, decrease polluted stormwater runoff, and build more liveable, sustainable, enduring communities for people of all income levels.

SCOPE OF WORK

The scope of this contract with the SMF includes the following:

Project Set-up and Review of the Development Concept Plan

This includes the preparation of a project plan defining the communications between partner organisations and the review of the Development Concept Plan to provide input at the design planning stages to maximise sustainable design features within cost constraints.

The Establishment of a Community Education Centre

The educational centre will be operational for the duration of the project and consist of a small cabin of which half is dedicated to this project and half is available for wider development purposes by NZHF. This facility will be used for training, as a base for field days and open days, for research personnel and equipment and as space to post signs and posters for educating new residents.

Development and Installation of Signage and Community Training Day

Once sustainability features are identified and constructed, education materials and signage will be placed on site to highlight these to the residents, local community and visitors. These may include building features, cycle paths and pedestrian links, good urban design aspects, wetlands and riparian restoration measures and innovative stormwater features (swales, rain gardens, etc).

Undertake a Sustainability Assessment

An assessment of the social and environmental benefits will be undertaken, utilising the TUSC tool and with reference to other research (Beacon, Low Impact Urban Design and Development, Green Building Council and Energy Efficiency Conservation Authority's Home Energy Rating Scheme if available). The assessment will also include feedback from residents and results of resident monitoring of key indicators such as power, water, indoor temperature, etc.

Audit, Review, and Document Results

The completed development will be audited with the TUSC tool against objectives and Key Performance Indicators. The results of the project will be written up as a Pilot Study and Design Guide which will be distributed across a number of forums.

Community Open Day

The community open day will link with construction completion as a celebration of success and launch of the education and dissemination phase. Community residents and partner organisations will combine to resource the open day and run tours for visitors and very important people.

TENDERS RECEIVED

Tenders were invited from:

- Synergine Group Limited, Auckland;
- Morphum Environmental Limited, Auckland;
- Fraser Thomas Limited, Auckland.

The following table reflects the tenders as received:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Synergine Group Limited	Auckland	\$267,700.00
Morphum Environmental Limited	Auckland	Telephoned to advise that they would not be tendering
Fraser Thomas Limited	Auckland	Advised via email that they would not be tendering
Pre-tender contract estimate		\$269,000.00

Table 1 - Summary of Tender Prices

EcoWater invited expressions of interest during 2006 to ascertain which contractors and consultants were interested in providing assistance across a range of services. Due to the specialist skills required for this contract, only selected consultants from the expression of interest process were invited to tender.

TENDER EVALUATION

It was intended to evaluate the tenders received using the Weighted Attribute Method as follows:

Relevant Experience	15%
Track Record	15%
Technical Skills and Resources	20%
Management Skills	10%
Methodology	20%
Price	<u>20%</u>
Total	100%

With only 1 tender received, this method has not been used.

At the time of inviting other companies to tender, it was clearly understood that not all parties would be able to tender on a fully informed basis as they were not previously engaged in the Phase 1 and Phase 2 of TUSC development (Synergine Group Limited were the developers of the tool). Although Synergine Group Limited could have been regarded as a preferred supplier due to their role in Phases 1 and 2, it was decided to invite tenders from other companies, also in an attempt to ensure that Synergine Group Limited submitted a tender in a competitive environment - Synergine Group Limited were aware that three other companies were invited to tender.

TAGS, ERRORS OR OMISSIONS

No tags, errors or omissions were noted in the Synergine Group Limited tender. Their grasp and approach as what needs to be undertaken is in accordance with the scope of work and key milestone dates that need to be achieved.

CREDIT CHECK

Considering the range and scope of activities undertaken by Synergine Group Limited with Waitakere City Council, it is not deemed necessary to obtain a credit check on them again.

SUMMARY

Synergine Group Limited are regarded as the preferred supplier for this project as they were the developers of the original TUSC model. No other tenders, apart from the Synergine Group Limited submission, were received. Synergine Group Limited's submission was prepared under competitive conditions.

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 - (Synergine Group Limited)	\$267,700.00
Contingency	\$ 1,300.00

Total Job Cost	\$269,000.00

The value of the contract entered into between Waitakere City Council and the SMF is the same as the anticipated Job Costs, being \$269,000. A subsidy has been received from the SMF to the amount of \$192,000 as part funding for this project.

The total cost of the project is estimated to be \$327,000 over two financial years, as detailed in the table below:

Cash Funding	Total FY1 2007/2008	Total FY2 2008/2009	TOTAL
Funding from the SMF	\$142,000	\$50,000	\$192,000
Waitakere City Council contribution	\$57,000	\$20,000	\$77,000
Total cash funding (excluding GST)	\$199,000	\$70,000	\$269,000
In-kind contribution	Total FY1 2007/2008	Total FY2 2008/2009	TOTAL
NZHF	\$35,000	\$13,000	\$48,000
University of Auckland	\$7,000	\$3,000	\$10,000
Total in-kind contribution (excluding GST)	\$42,000	\$16,000	\$58,000
	Total FY1 2007/2008	Total FY2 2008/2009	TOTAL
Total Project Cost	\$241,000	\$86,000	\$327,000

Table 2 - Summary of Project Costs

FUNDING

The SMF have agreed to fund their portion of the project costs through a formal contract with Council. NZHF have agreed to their in-kind commitment through being a nominated sub-contractor to Synergine Group Limited, as detailed in the tender submission. The University of Auckland in-kind commitment is not formally secured, although there are no concerns in this regard as there are always many post graduate students seeking projects to be involved in and it is more likely that their contribution will exceed the amount reflected above.

The funding sources are as follows:

Source of Funding	Total FY1 2007/2008	Total FY2 2008/2009	TOTAL
SMF	\$142,000	\$50,000	\$192,000
Council's Demand Management Budget	\$57,000	\$20,000	\$77,000
External Funding in kind	\$42,000	\$16,000	\$58,000
Total Project Funding	\$241,000	\$86,000	\$327,000

Table 3 - Summary of Funding Sources

Council's share of the costs over the two year period equates to 23.5% of the project cost and will not be additional to current work programmes. It is proposed to utilise available funding from the Water Supply Demand Management budget for each of the two financial years, as one of the primary outcomes will be reduction in water use.

2007/2008 - FY1

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Demand Management	7670 - 63000 (85-7520-37510-022)	\$350,000	\$80,000	\$57,000	\$213,000

2008/2009 - FY2

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Demand Management	7670 - 63000 (85-7520-37510-022)	\$350,000	\$0	\$20,000	\$330,000

RECOMMENDATIONS

1. That the Contract No. EW07024A - Sustainable Development Pilot Study report be received.
2. That the tender from Synergine Group Limited for Contract No. EW07024A - Sustainable Development Pilot Study, in the sum of \$267,700.00 plus \$33,462.50 GST, totalling \$301,162.50 be accepted.
3. That a commitment to the 2008/2009 financial year for Contract No. EW07024A - Sustainable Development Pilot Study, in the sum of \$20,000.00 plus \$2,500.00 GST totalling \$22,500.00 be approved.
4. That authority to enter into Contact No. EW07024A - Sustainable Development Pilot Study on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Lawrence Butcher, Sustainable Engineering Manager.



6 PROJECT TWIN STREAMS GLEN EDEN COMMUNITY

PURPOSE OF THE REPORT

The purpose of this report is to obtain approval to enter into the second year of a three year contract with EcoMatters Environment Trust for the Project Twin Streams Glen Eden Community Contract.

BACKGROUND

On 14 July 2006 the Tenders Subcommittee passed the following resolution with regard to the Project Twin Streams Glen Eden Community Contract:

1. *That the Project Twin Streams Glen Eden Community Contract report be received.*
2. *That the negotiated contract in the sum of \$420,000 plus \$52,500 GST totalling \$472,00 over three years with EcoMatters Environment Trust for the Project Twin Streams Glen Eden Community Contract be accepted.*
3. *That the commitment to the 2007/2008 year of the Long Term Council Community Plan for the Project Twin Streams Glen Eden Community Contract of \$140,000, plus \$17,500 GST totalling \$157,500 be approved.*

4. *That the commitment to the 2008/2009 year of the Long Term Council Community Plan for the Project Twin Streams Glen Eden Community Contract of \$140,000, plus \$17,500 GST totalling \$157,500 be approved.*
5. *That the authority to enter into the Project Twin Streams Glen Eden Community Contract on behalf of Council be delegated to the Group Manager: Asset Management.*
6. *That the renewal for the Project Twin Stream Glen Eden Community Contract for the periods 2007/2008 and 2008/2009 financial years be reported back to the Tenders Subcommittee for approval.”*

1385/2006

EcoMatters Environment Trust have just completed their first year of the three year contract.

SCOPE OF WORK

Using a community development model the contract holder for Glen Eden, EcoMatters Environment Trust, is required to deliver the following:

- Undertake weeding, planting and maintenance of approximately 20,000 square metres of the Waikumete Stream (see attached map);
- 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 Glen Eden as well as the community and business sector to participate in Project Twin Streams and take stewardship of parts of the Waikumete Stream;
- Identify and develop opportunities, methods and resources to increase community understanding of the causes and effects of riparian degradation, and ways to change behaviour to mitigate the effects;
- 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 Glen Eden area.

The contract holder, EcoMatters Environment Trust have performed well on their contract for the 2006/2007 year and met their contract deliverables within budget. There has been extensive community engagement achieved with ten groups representing community, residents and schools now adopting areas for on-going streamside weeding, planting and maintenance. Two public community planting days have been held each attracting around 100 people. The contract is being delivered in collaboration with Glen Eden Primary School and works closely with all the schools in the area. As a result a number of schools have incorporated work on Project Twin Streams into their school curriculum.

RESOURCES

The cost of this contract will be \$140,000. Funding has been provided for this item in the Annual Plan 2007/2008 for Project Twin Streams and is recovered by forma Infrastructure Auckland (now Auckland Regional Holdings) grant.

SUMMARY

EcoMatters Environment Trust have met their contract deliverables for the first year of the Project Twin Streams Glen Eden Community Contract. They have established a solid base to build on and extend their community engagement for the 2007/2008 year. Sites for planting have been identified and are being prepared to ensure the planting targets for the 2008 planting season can be achieved.

RECOMMENDATIONS

1. That the Project Twin Streams Glen Eden Community report be received.
2. That the renewal for the Project Twin Stream Glen Eden Community Contract for 2007/2008 be approved.
3. That the authority to renew the Project Twin Streams Glen Eden Community Contract 2007/2008 on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Meredith Youngson, Community Development Co-ordinator, Project Twin Streams.



7 ENERGY EFFICIENCY AND WATER DEMAND MANAGEMENT CONTRACT

GLOSSARY

EcoMatters Environmental Trust (EMT)
Key Performance Indicators (KPIs)

PURPOSE OF THE REPORT

The purpose of this report is to obtain the approval from the Tenders Subcommittee to negotiate a new contract with EcoMatters Environmental Trust (EMT) for the continued delivery of water saving programmes for 2007/ 2008, 2009/2010.

It is also proposed to include in this contract, Council's work programme for energy efficiency and reducing the impact of climate change.

Combining these two work programmes will deliver operational efficiencies and optimise cost.

It is recommended that the contracts be reviewed on a yearly basis, subject to the following conditions:

- complying with the key performance indicators set out in the contract;
- meeting customer service standards;
- delivering programmes within budgets;
- assurance of external funding where the delivery of programmes is dependent on this, in the event that external funding for subsequent years is not approved, then Council's contribution will not be committed;
- the yearly renewal will be specifically approved by the Tenders Subcommittee and be at Council's discretion.

BACKGROUND

Council has a number of programmes around the reduction of water, waste, energy and transport. In previous years these programmes have been provided as stand alone initiatives by Strategy and City Services.

However, there is an opportunity to enhance these initiatives by working together across Council and use the expertise built up by contract and community organisations and to engage the community in the delivery of these programmes.

Council has previously entered into contracts with EcoMatters Environmental Trust to deliver Council's water demand management programme. The last time that this issue was considered was at the meeting of the Tenders Subcommittee held on Friday, 8 September 2006, with the following resolutions:

“That the outcome of negotiations for the 2006/2007 Water Saving Programme Contract with EcoMatters Environmental Trust be approved.

That the Group Manager: Asset Management be delegated authority to finalise the contract with EcoMatters Environmental Trust for a value of \$199,695 plus GST to deliver Councils 2006/2007 Water Saving Programme.”

1670/2006

During 2006/2007 Water Saving Programme Contract with EMT 45 out of 72 schools have been audited, reports have been prepared for schools detailing the actions now required to achieve significant water savings identified.

- A number of long term leaks were identified at some schools; these were immediately repaired and produced immediate savings;
- It was found that school toilets and in particular boys urinals were flushing water down the drain without timers or sensors even during evenings, weekends and school holidays;
- Toilets were general large single flush and gizmos although offered were not readily accepted by school caretakers;
- Showers were high flow types;
- Rain tanks were not installed due to capital constraints.

255 house holds received a water check across the reticulated part of the City.

Large businesses and water users have been audited using electronic water meter and data logging recording equipment. Data captured has revealed that up 50% potential water savings are possible. Businesses surveyed include the following:

- Lynn Mall, and individual usage within;
- Les Mills , New Lynn;
- Placemakers, New Lynn;
- Mitre 10 Mega, Lincoln Road Henderson.

EcoMatters Environmental Trust have delivered the water demand management work programme efficiently and there has been positive feedback from the community.

PROPOSED SCOPE OF WORK

The scope of work in the proposed contracts is as follows:

- Citywide water demand management;
- Sustainable households' demonstration programme;
- Energy efficiency and climate change initiatives.

A significant proportion of the work programme will be delivered through a contract with EcoMatters Environmental Trust.

Citywide Water Demand Management

During deliberations on the Long Term Council Community Plan 2006-2016, Council confirmed that the priorities for 2006/2007 should be as follows:

- Focus on schools water use;
- Target high users across the City for domestic water users;
- Target high commercial users of water across the City.

EcoMatters Environmental Trust has delivered Council's water demand management programme for the last 3 years and has built up the necessary expertise.

For 2007/2008, the programme will focus on the following:

- **Domestic** - targeting the top 1,000 users and providing home water checks and low cost retrofits;
- **Businesses** - comprehensive water demand assessments for 5 businesses and assisting them in the implementation of improvements to reduce water use;
- **Schools** - 45 schools were audited in 2006/2007 and opportunities were identified to reduce their water use. It is proposed to work with these schools in 2007/2008 and provide inventories to reduce water use.

In order to deliver this programme, it is proposed to report to the Tenders Subcommittee to obtain authority to negotiate a 3-year contract, renewable on a yearly basis subject to performance and budgets.

Sustainable Households Demonstration Project

It is proposed that this programme be implemented through a staged approach with the first stage being an eight month demonstration programme.

The purpose of the demonstration will be to trial the Project Twin Streams community development model to assist Council in meeting its key sustainable objectives principally through reduction of water, energy, waste and private use of cars. If it is successful, learnings from the model could be expanded across the Project Twin Streams catchment and other areas of Waitakere City.

The project will work in partnership with existing sustainable living and retrofitting programmes and other agencies to design and implement a co-ordinated and integrated programme that will assist people to make meaningful change in their behaviours. A reference group of key stakeholders will be progressively engaged to guide the co-ordination and delivery of the programme.

The project will be monitored and evaluated to assess its suitability for wider application across the Project Twin Streams catchments and the wider city. Based on the evaluation and available resources, it is planned that the programme will be extended, within the demonstration areas in the 2008/2009 year and then the wider Project Twin Streams catchment and the city from July 2009.

Over eight months to June 2008, the scope of the project will be as follows:

- Three locality-based community organisations in the Project Twin Streams areas will be contracted to deliver the programme;
- Work with 200 households to identify what is required to make their households and lives more sustainable and take steps towards implementing actions;
- 100 households will receive a water retrofit;
- 45 households will receive an energy and water retrofit;
- 100 households will receive an energy audit and put into place their own solutions to energy reduction.

It is proposed that this project will be delivered through a combination of methods, as follows:

- engaging the community groups
- energy and water retrofitting provided by EcoMatters Environmental Trust.

Energy efficiency and climate change initiatives

It is also proposed to include in the contract, Council's work programme for energy efficiency and climate change initiatives. This will allow Council to benefit from funding that EcoMatters Environmental Trust has secured from external sources.

Contract Term

A longer term contract with EcoMatters Environmental Trust is preferred, as it would have the following advantages:

- Cost certainty - The proposed contract will be based on a negotiation and the current costs seen in recent Council Contracts with EMT;
- Known Performance in Service Delivery - EcoMatters Environmental Trust service delivery performance has been satisfactory. The trial/pilot area findings have been well received and supported by the community;
- Known Quality of Work - The quality of EcoMatters Environmental Trust work is generally high, and EcoMatters Environmental Trust has committed to maintaining a high standard of health and safety in the workplace;
- Familiarity with the Programme - EcoMatters Environmental Trust has jointly developed the programme and has invested in vehicles with advertising and logos as part of the programme;
- Close Working Relationship - The Partnering Agreement has facilitated the development of a close and beneficial relationship between both parties;
- A disadvantage of not tendering the contract is that the market will not be tested to establish if a more optimum contract could be viable in terms of cost efficiencies and quality of service. A good working relationship has developed a reasonable level of confidence in the robustness of costs associated with the proposed contract;
- Council is not aware of any other parties who are able to deliver similar services to that offered by EcoMatters Environmental Trust.

SUMMARY OF THE PROPOSED CONTRACT

Term of the Contract

The contract is proposed to run for a period of up to 3 years on a 1 +1 +1 basis from 1 October 2007 to 30 June 2010.

Performance

The proposed contract includes performance measurement through a variety of Key Performance Indicators (KPIs) that are to be measured under the contract. The KPIs will relate to the following performance areas and have been incorporated into the contract.

The KPI's include the following:

- Accurate Completion of surveys;
- Customer Service Complaints;
- Accurate reporting of required data;
- Environmental compliance;
- Health and Safety;
- Quality Control; and
- Productivity and Effectiveness.

Council Standards

The contract is based on the existing Council standards which in turn are based on the NZS 3910:1998 General Conditions of Contract.

Contract provisions encourage continued improvement in performance and discourage poor performance. Measurement of performance is achieved through the KPIs.

Technology

On-going investments in technology by both parties will assist in achieving efficiencies and in raising the quality of data, reporting and performance measurement.

SOURCE OF FUNDING

Funding the Annual Plan 2007/2008 is as follows:

- Water demand management and public intimation - \$469,000;
- Energy efficiency - \$60,000;
- Climate change - \$15,000.

The budget line items for energy efficiency and climate change were approved for 2007/2008 only.

The value of the contract will be less than the total funding available in the Annual Plan 2007/2008 as there is commitment to other projects. The total value of the contract will not exceed \$300,000.

It is necessary to enter into a contract as soon as practical, in order to deliver the Annual Plan 2007/2008 work programme. Due to the Election process, it is recommended that the Chief Executive Officer be delegated authority to enter into a negotiated contract.

Subsequently, it would be a report to the Tenders Subcommittee before 30 June 2008 to consider a contract for 2008/2009.

CONCLUSION

A new negotiated contract with EcoMatters Environmental Trust is seen as the best means of delivering the Council's work programme for energy efficiency, water demand management and climate change. This contract will continue to deliver the current high service levels, customer service and provide a significant contribution towards achieving Council's strategic targets.

RECOMMENDATIONS

1. That the Energy Efficiency and Water Demand Management Contract report be received.
2. That authority to negotiate a contract with EcoMatters Environmental Trust to deliver Council's work programme for water demand management, energy efficiency and climate change run for a period of eight months from 1 November 2007 to 30 June 2008.
3. That an extension of a further two years for 2008/2009 and 2009/2010 be approved in principle subject to specific approval by the Tenders Subcommittee of any extensions to the contract and approval of the Contract sum, subject to EcoMatters Environmental Trust complying with the conditions of contract.
4. That the Chief Executive Officer be authorised to enter into a contract with EcoMatters Environmental Trust to deliver Council's work programme for water demand management, energy efficiency and climate change for an amount up to \$300,000.

Report prepared by: Martin Glover, EcoWater Services Delivery Manager.



8 CONTRACT NO. TA05051B - SCHOOL TRAVEL PLAN - LINCOLN, RATHGAR AND RUTHERFORD SCHOOLS

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA05051B - School Travel Plan - Lincoln, Rathgar and Rutherford Schools.

BACKGROUND

The Council had concluded a study on School Travel Plans for schools in the Lincoln, Rathgar and Rutherford areas in 2005/2006. In this study, traffic safety related issues were identified in the direct vicinity of the schools and specific traffic schemes have been developed to address these safety concerns. Sixteen traffic schemes have been specified to address the following safety issues:

- to enhance pedestrian safety along the pedestrian routes of students in these schools;
- to minimise congestion outside the schools during school peak hours.

SCOPE OF WORK

The scope of works includes the provision of labour, materials, site management, liaison and other engineering services necessary for the construction and commissioning of all proposed traffic schemes and/or modifications as detailed below:

- new Kea crossing along Rathgar Road outside St Dominic's College;
- new High Skid Resistance Surfacing for Pedestrian Crossing along Rathgar Road near Pomaria Road;

- new Relocated Pedestrian Crossing along Rathgar Road outside Waitakere College;
- new Kea Crossing along Edwards Road outside Liston College;
- new Parking Bay at Pomaria Road;
- new Parking Bay at Norval Road;
- new Footpath Widening along Rathgar Road;
- new Splitter Island at Kingdale Road;
- new Mini Mountable roundabout at Toru Street;
- new Kea Crossing along Toru Street outside Rutherford School;
- new Recessed Bus Bay along Kotuku Street outside Rutherford College;
- new KEEP CLEAR Markings at Intersection at Tatau Way/Toru Street/Old Te Atatu Road;
- new Angle Points along Titoki Street and Karamu Street;
- new Crossing Facilities at Gloria Avenue;
- new Pedestrian Refuge at Taikata Road;
- new High Skid Resistance Surfacing and Pedestrian Refuge for Pedestrian Crossing along Gloria Avenue near Te Atatu Road;
- new High Skid Resistance Surfacing for Pedestrian Crossing along Kotuku Street outside Rutherford Primary School.

TENDERS RECEIVED

Tenders were publicly advertised with eleven sets of documents being uplifted. Four tenders were received by the closing date of 6 September 2007. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Traffic Systems Ltd	PO Box 55052 Mission Bay, Auckland	\$625,374.58
H & H Contractors Ltd	12a Culperry Road, Glendene, Auckland	\$742,488.00
Arrow Civil Engineers Ltd	33 Alfred Street, Onehunga, Auckland	\$792,337.58
HEB Smithbridge Ltd	Firth Street and Norrie Street, Drury, South Auckland	\$957,059.75
Pre-tender contract estimate		\$875,556.63

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".

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	Experience	Track Record	Tech. Skill	Resources	Management	Method	Price	Total Weights
	Weights	6	6	5	3	5	5	70	100
Tenderer	Tender Sum	Grades							INDEX
Traffic Systems Ltd	\$625,374.58	75	70	65	65	75	65	69	69
H & H Contractors Ltd	\$742,488.00	60	60	55	65	60	65	53	55
Arrow Civil Engineering Ltd	\$792,337.58	70	65	65	65	75	65	47	53
HEB Smithbridge Ltd	\$957,059.75	80	80	75	75	70	75	25	41
Median Tender Price	\$767,412.79								

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

Table 2 - Summary of Tender Evaluation

Both Traffic Systems Ltd and HEB Smithbridge Ltd scored relatively high in the non-price attributes. In general, Arrow Civil Engineering Ltd and H & H Contractors Ltd were ranked either third or fourth placing in most attributes. H & H Contractors Ltd was ranked lowest owing to their experience primarily in drainage and micro-tunnelling works, which are irrelevant to this project. Arrow Civil Engineering Ltd was ranked third in experience due to their involvement mainly as a subcontractor in previous similar projects.

It is noted that all contractors have had contracts with Council previously, with Arrow Civil Engineering Ltd being least involved while H & H Contractors Ltd still has ongoing contracts with the Council. Traffic Systems Ltd and HEB Smithbridge Ltd have good track record for minor safety works. Interviews with their referees generally yielded good responses.

The median tendered price is 10% less than the Engineer's estimate of \$875,556.63. The highest tender from HEB Smithbridge is 12% higher than the Engineer's Estimate while the lowest tender from Traffic Systems is 29% lower than the Engineer's estimate.

It is noted from the tender comparison that Traffic Systems Ltd has tendered lower rates in several significant items. These include general and preliminaries items like site establishment, traffic control and project signage. Traffic Systems Ltd also had lower rates for many of the physical work items, such as vehicle crossings, pram crossings and traffic islands. However, rates for the larger physical works items such as footpath construction and high skid resistance surfacing were similar when compared with all the contractors. Traffic Systems Ltd also had more competitive rates for roading elements such as the provision of roading metal as well as road markings.

TAGS, ERRORS OR OMISSIONS

Both Arrow Civil Engineering Ltd and H & H Contractors Ltd had included tags for further negotiation for the contract commencement date. Owing to delivery commitments, this was not acceptable to Council. Both contractors have agreed to remove the tags during tender clarification and prior to the opening of the price envelopes. As such, there was no disqualification and no consideration was given to the tags during the evaluation of the non-price attributes. This therefore had no effect on the tender outcome.

Traffic Systems Ltd stated tender price of \$625,374.58 was \$1,336.30 less than the calculated total of \$626,710.88. They have been informed of this and have replied in writing to confirm that \$625,374.58 is the confirmed tender price.

CREDIT CHECK

A credit check on Traffic Systems Limited has been requested.

JOB COSTS

excl. GST

Tender sum - Traffic Systems Limited	\$625,374.58
Contingency	<u>\$ 62,537.45</u>
Total Job Cost	\$687,912.03

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
School Travel Plan	8AMTA-07-087	\$1,021,000	\$81,190	\$687,912.03	\$251,897.96

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Traffic Systems Limited achieved the highest index of 69. 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.

RECOMMENDATIONS

1. That the Contract No. TA05051B - School Travel Plan - Lincoln, Rathgar and Rutherford Schools report be received.
2. That subject to a satisfactory credit check, the tender from Traffic Systems Limited for Contract No. TA05051B - School Travel Plan - Lincoln, Rathgar and Rutherford Schools in the sum of \$625,374.58 plus \$78,171.82 GST, totalling \$703,546.40 be accepted.
3. That authority to enter into Contract No. TA05051B - School Travel Plan - Lincoln, Rathgar and Rutherford Schools on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Kong Jin Png, Senior Transport Engineer.



9 CONTRACT NO. PK05016A - CIVIL WORKS - EXTENSION TO CONTRACT SUM

PURPOSE OF THE REPORT

The purpose of this report is to seek approval to increase the contract sum of Contract No. PK05016A - Civil Works for 2007/2008.

BACKGROUND

Approval was granted by the Tenders Subcommittee at the 2 September 2005 meeting to award Contract No. PK05016A - Civil Works to Field Drainage Specialists Limited for a contract period of three years from 1 July 2005 to 30 June 2008.

This contract was awarded with a right of renewal of one (1) plus one (1) plus one (1) years. Field Drainage Specialists Limited was awarded the contract based on their competitive contract rates established through a public tendering process.

A report was presented to Tenders Subcommittee on 25 May 2007 to renew the contract for 2007/2008, with the following resolution:

- “1. That the Contract No. PK05016A - Civil Works - Approval to Extend report be received.
2. That Contract No. PK05016A - Civil Works be extended for a further period of one (1) year from 1 July 2007 to 30 June 2008.
3. That the commitment to the 2007/2008 financial year for Contract No. PK05016A - Civil Works in the sum of \$1,291,147.93 plus \$161,393.48 GST, totalling \$1,452,541.41 be approved.
4. That the authority to extend Contract No. PK05016A - Civil Works for a further one (1) year for 2007/2008 be delegated to the Group Manager: Asset Management.”

886/2007

SCOPE OF WORK

The contract work includes the supply of all material, labour, cartage, tools, plant and appliances necessary for the installation and renewal of assets within Waitakere City's Parks and Open Space infrastructure. The contract has been divided into separable portions as outlined below:

- Coring and sand carpeting and sand slitting of sports fields;
- Drainage video inspection and flushing of drains;
- Removing and replacing concrete wickets and astro-turfs;
- Sports field irrigation installation and renewal;
- Supply and installation of lateral, subsoil, and swale drains;
- Planting and establishment of turf cover;
- Construction of concrete and aggregate walkways, and timber boardwalks;
- Car park renewal works and repairs.

ISSUES

The current contract with Field Drainage Specialists Limited is working extremely well with good results in quality, performance and service delivery. Currently in the 2007/2008 contract period, Field Drainage Specialists Limited has consistently met key contract performance targets.

Field Drainage Specialists Limited has demonstrated:

- Performance in service delivery;
- Improvements in the quality of work;
- A familiarity with Waitakere City Parks and Community;
- A close working relationship with Council;
- The ability to provide innovative ideas and solutions.

Each year the volume of paving, drainage, and sports field works fluctuates depending on the outcome of the annual condition auditing programme. Through this audit process this financial year, an increased volume of work has been identified. This type of work is included in the current contract scope of works and includes the construction of additional concrete paths, subsoil and lateral drainage city wide, and sports field development works.

With regard to the additional sports field works, the winter season of 2007 has highlighted significant performance issues associated with two high profile fields. Playing surface levels and drainage performance issues with the Douglas Field at Waitakere Stadium and Parrs Park number one field have been highlighted this winter season, and it is necessary to undertake major surface improvement work on these fields beyond the standard renovation practices.

This new volume of work was not included in the 2007/2008 contract extension report in May 2007 as the actual works and costings had not been fully determined. Investigations were still underway at that time to determine the actual works and costings for various other new projects for the 2007/2008 year. The extension of the contract by Tenders Subcommittee in May 2007 was to extend the contract period only and to approve a financial commitment for the contract.

Field Drainage Specialists Limited is highly skilled in sports field, drainage, and concrete works and it is considered beneficial for this company to undertake the additional works proposed. Their tendered rates are considered competitive and there are efficiencies to Council in extending the contract sum based on current publicly tendered rates.

The additional contract sum of \$609,621.00 for the cost of extra works required can be funded from the 2007/2008 Annual Plan.

JOB COSTS

	excl. GST
2007/2008 financial commitment (approved by Tender Subcommittee 25 May 2007)	\$1,291,147.93
Negotiated Contract Extension sum 2007/2008	\$ 609,621.00

Revised Total Job Cost	\$1,900,768.90

SOURCE OF ADDITIONAL FUNDING

2007/2008

Budget Description (from draft Annual budget)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Sportfield Maintenance	\$1,074,000.00	\$999,417.00	\$74,583.00	\$0
Paving Renewals	\$481,000.00	\$405,000.00	\$76,000.00	\$0
Sand Sports Field Renewals	\$568,000.00	\$225,000.00	\$343,000.00	\$0
Services Renewals	\$206,000.00	\$176,962.00	\$29,038.00	
Parks Stormwater Drainage Programme	\$111,000.00	\$50,000.00	\$61,000.00	\$0
Training Area Drainage and Improvements	\$96,000.00	\$70,000.00	\$26,000.00	\$0
Totals	\$2,536,000.00	\$1,926,379.00	\$609,621.00	\$0

SUMMARY

Field Drainage Specialists Limited has performed well and quality standards have been met in the delivery of service to Contract No. PK05016A - Civil Works.

The increased contract sum is required to carry out improvements in Council's high profile parks. It is considered that there is benefit for Council in extending the contract sum for 2007/2008 with Field Drainage Specialists Limited as they have carried out the contract works to a high standard in a timely manner and the works are competitively priced.

Accordingly, it is recommended that the contract sum be increased for the 2007/2008 financial year to a new contract sum of \$1,900,768.90 plus \$237,596.11 GST totalling \$2,138,365.00.

RECOMMENDATIONS

1. That the Contract No. PK05016A - Civil Works - Extension to Contract Sum report be received.
2. That the contract sum for Contract No. PK05016A - Civil Works to Field Drainage Specialists Limited for 2007/2008 be increased to \$1,900,768.90 plus \$237,596.11 GST totalling \$2,138,365.00.
3. That the authority to extend Contract No. PK05016A Civil Works be delegated to the Group Manager: Asset Management.

Report prepared by: Andreas Lilley, Parks Project Development Officer.



10 **CONTRACT NO. SP05004H - HENDERSON YOUTH FACILITY RETROFIT, INFORMATION MANAGEMENT OFFICES RETROFIT AND RECREATION CENTRE UPGRADE**

GLOSSARY

Finance and Operational Performance Committee	(FOP)
Alliance Construction Ltd	(Alliance)
Naylor Love Construction Ltd	(Naylor Love)
Mainzeal Property and Construction Ltd	(Mainzeal)
Rawlinsons Quantity Surveyors	(Rawlinsons)
Henderson Youth Facility	(Youth Facility)

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SP05004H - Henderson Youth Facility Retrofit, Information Management Offices Retrofit and Recreation Centre Upgrade.

BACKGROUND

A report was submitted to the Financial and Operational Performance Committee (FOP) on 10 September 2007. The Committee issued the following resolution:

- “2. *That delegation for the Tenders Subcommittee to allocate sufficient funds from the Waitakere Central project surplus (8PSAF-07-005) to fund any shortfall, should this arise, in the project budget for the Henderson Youth Facility, West Wave Recreation Centre Upgrade and Information Management Project Team Office (8PLLE-07-015) be approved.*”

3485/2007

A Registration of Interest process was undertaken by Council officers in July and August 2007 in order to pre-select suitably experienced and competent contractors to ensure a high level of performance during the works, and competitive bids during the tender phase.

At its meeting on 17 August 2007 the Tenders Subcommittee issued the following resolution:

- “2. *That the four top scoring registrants be invited to tender for Contract No. SP05004H - Henderson Youth Facility, IM Offices and Recreation Centre Upgrade, with the registrants being:*

*Mainzeal Property and Construction Ltd
Scope Projects Ltd
Alliance Construction Ltd
Naylor Love Construction Ltd.*”

3247/2007

Following the approval of the Tenders Subcommittee, tenders were invited from the above-named contractors on 28 August 2007.

SCOPE OF WORK

The scope of work includes:

The supply of all labour, materials, plant and equipment for the demolition and retrofit of the former Henderson Library and offices to a youth facility and Information Management offices as well as the upgrade of the existing Recreation Centre, summarised as follows:

Recreation Centre Upgrade

- Internal demolition of walls, ceilings, structural elements and features, electrical, plumbing and drainage services and air conditioning and ventilation services;
- Construction of a new fitness centre and assessment offices within the existing main hall space;
- Re-construction and upgrade of the main ablution areas to the rear (east side) of the main hall;
- Construction and installation of additional egress routes;
- General upgrade of the main hall and peripheral offices;
- Replacement of existing luminaries to areas as defined on the drawings;
- Replacement of the existing main switchboard;
- Installation of new heating, ventilation and air-conditioning systems to the main hall and peripheral areas;
- Exterior repaint.

Henderson Youth Facility Retrofit

- Internal demolition of walls, ceilings, structural elements and features, electrical, plumbing and drainage services and air conditioning and ventilation services;
- Complete retrofit as a youth facility in accordance with the drawings and specifications;
- Structural alterations and additions;
- Demolition of the existing external hard landscaping and fountain at the front of the Library building, and construction of new soft and hard landscaping and features. Demolition and re-construction of part of the building façade, including entrance canopy;
- Construction of a new covered walkway along the west face of the Henderson Youth Facility (Youth Facility) and Recreation Centre, linking the Youth Facility, Recreation Centre and Aquatic Centre;
- Exterior repaint.

Information Management Offices Retrofit

- Internal demolition of walls, ceilings, structural elements and features, electrical, plumbing and drainage services and air conditioning and ventilation services;
- Complete retrofit as open-plan offices with some individual offices and meeting rooms in accordance with the drawings and specifications;
- The construction of an additional infill space on the east face of the building;
- Exterior repaint.

TENDERS RECEIVED

Tenders were invited from selected tenderers with four (4) sets of documents being uplifted. Four (4) tenders were received by the closing date of 21 September 2007. These tender prices are summarised in Table 1 below:

Tenderer	Reg. Office	Tender Sum
Alliance Construction Ltd	Glenfield	\$4,080,534.00
Naylor Love Construction Ltd	Northcote	\$4,206,783.00

Tenderer	Reg. Office	Tender Sum
Mainzeal Property and Construction Ltd	Auckland	\$4,263,577.00
Scope Projects Ltd	Parnell	\$4,732,657.00
Pre-tender contract estimate		\$4,330,000.00

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".

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 \$35,000.

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 SP05004H
								Total Weights
	Weights	5	5	5	5	15	65	100
Tenderer	Tender Sum							INDEX
Alliance Construction Ltd	\$4,045,534.00	75	75	70	65	70	54	60
Mainzeal Property and Construction Ltd	\$4,228,577.00	80	75	75	70	70	49	58
Naylor Love Construction Ltd	\$4,171,783.00	70	70	60	60	70	51	56
Scope Projects Ltd	\$4,697,657.00	75	75	70	65	70	38	50
Median Price	\$4,200,180.00							

Table 2 - Summary of Tender Evaluation

The tenders were evaluated by a panel comprising Council staff and representatives from OPUS Architecture and Rawlinsons Quantity Surveyors (Rawlinsons).

Table 2 shows that the highest index was achieved by Alliance Construction Ltd (Alliance) who also has the lowest priced tender.

TAGS, ERRORS AND OMISSIONS

The three top scoring tenders contained a number of contractual and trade qualifications. Those qualifications which were not acceptable or required additional clarification were referred back to the respective tenderers. Some of these qualifications carried financial implications, particularly those where scheduled items had either not been priced due to perceived lack of clarity or were allocated by tenderers as provisional sums, instead of fixed prices as required in the tender documentation.

Certain items tagged by the tenderers and queried by the evaluators have resulted in amended prices for selected items, and confirmed amended tender sums are presented in Table 3 below. These amended tender sums exclude the Principal's allowance for provisional sums of \$35,000.

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skills & Resources	Manag. Skill	Method.	Price	Contract Number SP05004H
								Total Weights
	Weights	5	5	5	5	15	65	100
Tenderer	Tender Sum							INDEX
Alliance Construction Ltd	\$4,090,535.00	75	75	70	65	70	53	59
Mainzeal Property and Construction Ltd	\$4,204,107.00	80	75	75	70	70	50	58
Naylor Love Construction Ltd	\$4,201,639.00	70	70	60	60	70	50	56
Scope Projects Ltd	\$4,697,657.00	75	75	70	65	70	38	50
Median Price	\$4,202,873.00							

Table 3 - Summary of Amended Tender Evaluation

The increase in the price from Alliance is principally due to the fixing of prices for items that had previously had provisional sums attached to them by the tenderer, as well as allowance for Data/Communications and MATV/TV services, which had been tagged out in their original tender.

The increase in price from Naylor Love Construction Ltd (Naylor Love) is due to the pricing of the on-demand gas water heating system that had been omitted from their original tender as well as the revision of the mechanical lift price from an alternative supplier.

Mainzeal Property and Construction Ltd's (Mainzeal) price has decreased due to the fixing of prices on a large number of items originally tagged in the tender submission with provisional sums. In their amended tender, Mainzeal included a reduction of \$155,138 by excluding the main electrical feeds to the HVAC panels which they had not been instructed to do. Mainzeal were asked only to firm their tagged provisional sums of \$154,247 that had been allowed in their tender for electrical works to HVAC. However, instead of confirming the provisional amount as requested, Mainzeal took the opportunity to reduce the mechanical works price by more than the provisional amount. Post-tender price adjustments that are not part of the tag clarification process are not permitted under Council's tendering policy or New Zealand best practice because this could result in an unfair advantage to one tenderer. This price adjustment has not been accepted and has not been included in table 3 above.

The tender from Scope Projects Ltd (Scope) has a significantly lower index due to the large price differential and therefore has not been further examined in detail.

Rawlinsons have reviewed the amended tender sums and determined that these represent a fair assessment of the value of tags that cannot be removed.

CREDIT CHECK

A credit check on Alliance dated 4 October 2007 revealed no adverse information.

JOB COSTS

In addition to the asbestos roofing replacement contract, adjacent segments of steel roof over the ablutions area of the Recreation Centre and the single storey portion of the Youth Facility had previously been scheduled for roof sheet replacement due to deteriorating condition of the steel sheets. These roof segments were not previously included in the main roof replacement contract because they contained no asbestos. However, evaluation has determined that the most economical opportunity for replacement of this roof sheeting would be during the period that the facility remains unoccupied while the proposed upgrade works are in progress. An estimated provisional amount has been provided below to permit this work to be undertaken by a negotiated contract variation during the upgrade works period. This variation would be sub-tendered by the main contractor to invited sub-contractors, in collaboration with Council's project manager and consultant team.

The project team have identified possible opportunities for value engineering in the design of the Recreation Centre's proposed ablution facilities. This will be thoroughly investigated as part of a general value engineering exercise that will be conducted at an early stage during construction.

Tender sum (amended) - Alliance Construction Ltd	\$4,125,535.00
Contingency	\$ 420,000.00
Engineering, supervision and project management	\$ 730,000.00
Artworks, consent fees, specialist services and fountain design	\$ 189,000.00
Provisional sum for steel roof replacement	\$ 280,000.00
Contingency - roof replacement	<u>\$ 28,000.00</u>
Total Job Cost	\$5,772,535.00

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Henderson Youth Facility Project	8PLLE-08-015	\$5,947,687.00	\$373,958.07*	\$5,573,728.93	-
Waitakere Central project surplus	8PSAF-07-005	-	-	\$198,806.07	-
		Total	Allocation	\$5,772,535.00	

* Henderson Westwave Recreation Centre Upgrade Reroofing Contract

It is noted that the amount of funding required from Waitakere Central project surplus is significantly less than the value first estimated of up to \$650,000 reported to FOP on 10 September 2007, due to ongoing value engineering undertaken during the design and procurement stages of the project.

SUMMARY

The results of the tender evaluation as summarised in Table 3 shows that the tender submitted by Alliance achieved the highest index of 59. This tender is also the lowest priced tender.

The tender submissions contained a number of qualifications and omissions, for which the tenderers were requested to remove, clarify or provide prices. The resulting amended tender prices were evaluated by the tender evaluation panel.

An estimated provisional sum has been provided for replacement of two segments of steel roof that had been previously identified by Property Assets for future renewal. Current evaluation has determined that the most economical opportunity for this work to be undertaken would be during the upgrade while the facilities are unoccupied.

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.

RECOMMENDATIONS

1. That the Contract No. SP05004H - Henderson Youth Facility Retrofit, Information Management Offices Retrofit and Recreation Centre Upgrade report be received.
2. That the amended tender from Alliance Construction Limited for Contract No. SP05004H - Henderson Youth Facility Retrofit, Information Management Offices Retrofit and Recreation Centre Upgrade in the sum of \$4,125, 535.00 plus \$515,691.88 GST, totalling \$4,641,226.88 be accepted.
3. That an amount of \$198,806.07 be allocated from the Waitakere Central project surplus (8PSAF-07-005) to make up the funding shortfall for the Henderson Youth Facility Retrofit, Information Management Offices Retrofit and Recreation Centre Upgrade, as delegated by the Finance and Operational Performance Committee, 10 September 2007 resolution 3485/2007.
4. That authority to enter into Contract No. SP05004H - Henderson Youth Facility Retrofit, Information Management Offices Retrofit and Recreation Centre Upgrade on behalf of Council be delegated to the Director: City Services.

Report prepared by: John Schermbrucker, Special Projects Manager and Duncan Miller, Senior Engineer, Special Projects.



11 CONTRACT NO. IM06186A - COURIER SERVICES

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. IM06186A - Courier Services.

BACKGROUND

The Waitakere City Council's courier services are currently provided by a number of courier companies. These companies all invoice the Council separately and use different ordering systems. It is considered that the consolidation of courier services under one supplier would reduce Council's administrative overheads.

SCOPE OF WORK

This contract is for the supply of all Council's outward courier services for local, national and international deliveries for a period of twelve months with an option to extend for a further 12 month period.

TENDERS RECEIVED

Four (4) tenders were received by the closing date of 22 May 2007. These are summarised in Table 1 below:

COMPANY	REG OFFICE
Deadline	PO Box 91 380 Auckland Mail Centre Auckland
Kiwi/Freightways	10B Maurice Road, Penrose, Auckland
Sub 60/NZ Couriers	32 Botha Road, Penrose, Auckland
Urgent Couriers	4 Glenside Crescent. Grafton, Auckland

Table 1 - Summary of Respondent

TENDER EVALUATION

The four proposals were evaluated using the following non-price attributes and price:

Requirements

- Local, national and international capabilities;
- Online services ordering, billing and tracking;
- Account management.

Methodology

This included training, communication, systems and quality assurance.

Previous Experience

All companies are established courier companies in New Zealand and consequently all proposals score highly in this category.

Price

Calculated on current annual volumes and using unit price supplied.

Summary of Evaluation

Tender Evaluation	Attributes	Requirements	Method	Previous Exp.	Price	Total Weights
	Weights	30	20	10	40	100
Tenderer	Tender Sum (per annum)	GRADE				INDEX
Kiwi/Freightways	\$74,400	86	99	99	76	85.9
Sub60/NZ Couriers	\$76,992	93	99	99	72	86.4
Deadline	\$66,168	99	99	99	90	95.4
Urgent Couriers	\$60,552	99	99	99	99	99
Median Price	\$70,284					

Table 2 - Summary of Evaluation

TAGS, ERRORS OR OMISSIONS

The recommended proposal contained no tags, errors or omissions.

CREDIT CHECK

A credit check on Urgent Couriers dated 3 October 2007 revealed no adverse information.

JOB COSTS

	excl. GST
Tender Sum - Urgent Couriers	\$60,552
Contingency	\$0

SOURCE OF FUNDING

Provision has been made in the 2007/2008 Annual Plan and 2008/2009 Long Term Council Community Plan

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Urgent Couriers achieved the highest index 99. This tender is also the lowest priced tender.

RECOMMENDATIONS

1. That the Contract No. IM06186A - Courier Services report be received.
2. That the tender from Urgent Couriers for Contract No. IM06186A - Courier Services in the sum of \$60,552.00 plus \$7,569.00 GST, totalling \$68,121.00 be accepted.
3. That the commitment to the 2008/2009 financial year for Contract No. IM06186A - Courier Services in the sum of \$15,138.00 plus \$1,892.25 GST, totalling \$17,030.25 be accepted.
4. That authority to enter into Contract No. IM06186A - Courier Services be delegated to the Director: Corporate & Civic Services.
5. That authority to extend Contract No. IM06186A - Courier Services for an additional year to end on 30 September 2009, based on the satisfactory performance by the Contractor, be delegated to the Director: Corporate & Civic Services.

Report prepared by: Hugh Smith Information Manager.



PUBLIC EXCLUDED MATTER

12 CONTRACT NO. IM07236A - PROFESSIONAL SERVICES

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

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following part of the proceeding of this meeting, namely, Contract No. IM07236A - Professional Services.

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

General subject of the matter to be considered.	Reason for passing this resolution in relation to the matter.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
Contract No. IM07236A - Professional Services.	The withholding of information is necessary in order to: <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).	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.

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

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

