

**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 17 AUGUST 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 - Friday, 3 August 2007

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 3 August 2007, as circulated, be taken as read and now be confirmed.



5 ECOWISE WEST RESIDENTIAL ENERGY RETROFIT CONTRACT

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to negotiate a one year contract, for the 2007/2008 year, with the EcoMatters Trust to retrofit 360 low income houses with energy efficiency measures as part of the EcoWise West programme.

BACKGROUND

The EcoWise West residential energy retrofit project is in its fifth year, with more than 1,000 houses having been retrofitted by the EcoMatters Environment Trust (EcoMatters) since 2003. Council is one of several funders of this project, contributing approximately 15% of the total funding. In the current year the co-funders will be the Energy Efficiency and Conservation Authority (EECA), the Waitemata District Health Board (WDHB), Genesis Energy (to be confirmed) and the Ministry for Social Development (MSD). The householders also contribute an amount to the costs of the retrofits.

EcoMatters has been involved in the EcoWise West programme from its inception and has been instrumental in securing significant external funding for this project. In the current year it is proposed that Council contribute \$80,000 to the project with \$482,000 being secured from other funders, including EECA, the WDHB, Genesis Energy, the householders and MSD.

EcoMatters has three-year contracts with the WDHB and EECA for 2005/2006 - 2007/2008. Council has made a three-year commitment through the Long Term Council Community Plan 2006-2016 (LTCCP) that covers the same time span, but has only entered into yearly contracts. This is the final of the three years Council is committed to under the LTCCP 2006-2016.

SCOPE OF SERVICES

While the two other main funders of the EcoWise West programme, EECA and the WDHB have entered into three-year contracts with EcoMatters, there have been yearly Contracts between the Council and EcoMatters. The three-year arrangement with the other funders is in place until the end of the 2007/2008 year.

Putting the Council component of the funding out to tender would be impractical, because it represents only a small percentage of the funding needed to undertake the number of retrofits planned. With other funders already committed to EcoMatters for the current year, it is also unlikely that co-funding could be secured for an alternative project involving a different provider.

Additionally:

- EcoMatters has successfully delivered the project since 2003. The number of houses retrofitted has exceeded the target in every year but the first year. During the first year the issues encountered were clearly communicated with Council staff and appropriate processes were followed. The following illustrated EcoMatters' good track record:

2003/2004 - Target 100/Actual 80
2004/2005 - Target 150/Actual 195
2005/2006 - Target 360/Actual 397
2006/2007 - Target 390/Actual 405

- EcoMatters has all the systems in place to deliver the project successfully in the current year and for continuity and efficiency it would be appropriate for it to continue delivering this project.

In the longer term there may be other options for the delivery of such a programme, including as part of a planned large scale project planned by the WDHB or as part of Project Twin Streams, and staff are investigating such options.

SOURCE OF FUNDING

\$80,000 is allocated within the Annual Plan 2007/2008.

CONCLUSION

EcoMatters is the appropriate service provider to deliver the EcoWise West programme in the 2007/2008 year. If the council were to investigate an alternative means of delivering this programme, it is unlikely that an equivalent amount of co-funding could be secured. This would most likely reduce the number of houses retrofitted. It is also questionable whether an alternative provider could build up the needed capacity to start the project promptly.

RECOMMENDATIONS

1. That the EcoWise West Residential Energy Retrofit Contract report be received.
2. That approval to enter into negotiations with EcoMatters Environment Trust to retrofit 360 low income houses as part of the EcoWise West programme in the 2007/2008 year be delegated to the Director: Strategic Performance.

Report prepared by: Cathy Sheehan, Strategic Advisor Sustainability Initiatives.



6 CONTRACT NO. SP05004H - HENDERSON YOUTH FACILITY, INFORMATION MANAGEMENT OFFICES AND RECREATION CENTRE UPGRADE - REGISTRATION OF INTEREST

PURPOSE OF THE REPORT

The purpose of this report is to inform the Tenders Subcommittee of the shortlist of Registrants for the Henderson Youth Facility, Information Management Offices and Recreation Centre Upgrade contract and to seek approval to invite tenders from the shortlisted registrants.

BACKGROUND

A Registration of Interest (ROI) from prospective tenderers, for the construction of the Youth Facility, Information Management Offices and Recreation Centre Upgrade was called for by insertion of the ROI documents in the Local Government tenders website (Tenderlink).

The reasons for using the ROI process for this project are:

- This is a large-scale project with high costs (in excess of \$5 million);
- The project has high importance to Council;
- Pre-selecting suitably experienced and competent contractors to ensure a high level of performance during the works, and competitive bids during the tender phase.

The ROI process is being carried out in accordance with the Council's Procurement Manual. The evaluation of registrants has been carried out generally in accordance with the Transit NZ weighted attributes method, with tenderers for construction being drawn from the highest ranked registrants.

REGISTRATIONS RECEIVED

Eleven (11) ROI were received by the closing date of 31 July 2007. These are shown in Table 1 below:

Registrant	Reg. Office
Alliance Construction Limited	Glenfield
Astley Builders Limited	New Lynn
Base Projects Limited	Parnell
Construction Projects Limited	Newmarket
Edgcity Builders Limited	New Lynn
Focus Construction Limited	Westgate
Mainzeal Property and Construction Limited	Auckland
Naylor Love Construction Limited	Northcote
Practec Limited	Mt. Eden
Ross Bindon Limited	Glenfield
Scope Projects Limited	Parnell

Table 1 - Summary of Registrants

REGISTRANT EVALUATION

Registrants were evaluated generally in accordance with the "Weighted Attributes Method" contained in Transit New Zealand's "Manual of Competitive Pricing Procedures" using Council's standard attributes for tender evaluation.

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

Registration of Interest Evaluation	Experience	Track Record	Tech. Skills & Resources	Management Skills	ROI No. SP05004H
					Total Weights
Weights	35	35	15	15	100
Registrants					INDEX
Mainzeal Property and Construction	80	75	75	70	76
Scope Projects Limited	75	75	70	65	73
Alliance Construction Limited	70	70	65	60	68
Naylor Love Construction	70	70	60	60	67
Base Projects Limited	60	60	60	65	61
Practec Limited	60	60	60	55	59
Construction Projects Limited	55	60	60	55	58
Focus Construction	60	55	55	55	57
Edgcity Builders Limited	55	60	55	55	57

Table 2 - Summary of Registration of Interest Evaluation

The evaluation was carried out by reviewing the documentation provided, phone conversations with a number of referees and a check of the Contractor's health and safety record.

The registration of interest from Astley Builders Limited and Ross Bindon Limited did not contain the requested information and in accordance with the Registration of Interest document their submission has been deemed non-conforming.

SUMMARY

The ROI document for this process specified the information required and the format of the registrant's submissions. This document also identified that only the highest ranked registrants would be invited to tender for the project.

An accepted industry standard of up to five invited tenderers is deemed appropriate for a contract of this magnitude and encourages serious and competitive tenders. Based on the normal scoring ranges, a grade of 65 represents an "above-average" score. The four highest ranked registrants all have scores of more than 65 and therefore are well experienced and capable of carrying out this project in a competent manner. Therefore the four top scoring registrants will be invited to tender for this project.

From table 2 above, the four highest ranked registrants are:

- Mainzeal Property and Construction Limited;
- Scope Projects Limited;
- Alliance Construction Limited;
- Naylor Love Construction Limited.

The actual tenders will be evaluated using the weighted attributes method, which will take into account nominated personnel, proposed sub-contractors and other specific contract attributes such as methodology and price.

RECOMMENDATIONS

1. That the Contract No. SP05004H - Henderson Youth Facility, Information Management Offices and Recreation Centre Upgrade - Registration of Interest report be received.
2. That the four top scoring registrants be invited to tender for Contract No. SP05004H - Henderson Youth Facility, Information Management Offices and Recreation Centre Upgrade, with the registrants being:
 - Mainzeal Property and Construction Limited;
 - Scope Projects Limited;
 - Alliance Construction Limited;
 - Naylor Love Construction Limited .

Report prepared by: Duncan Miller, Senior Project Engineer: Special Projects.



7 **CONTRACT NOS. CS06001A-K - EXTERNAL ADVICE FOR RESOURCE CONSENT PROCESSING - APPROVAL TO RENEW**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee for eleven contracts providing multi-disciplinary input to the processing of resource consents to be renewed for the second year of the 1 + 1 + 1 contract.

BACKGROUND

Last year proposals were sought from suitably qualified consultants to provide advice and other services on an as-required basis to assist with the processing of Waitakere City Council Resource Consents and to undertake other briefs relevant to the consultant's area of expertise.

Consultants are generally used to provide services either:

- To assist the Council in achieving its statutory obligations where Council staff capacity is at its maximum;
- To provide specialist technical input where the necessary expertise or resource is not available within the Council.

The Request For Proposal sought consultants to provide one or more of the following specialist services:

- Resource Consent Planning;
- Geotechnical Review and Advice;
- Contamination Assessments and Advice;
- Landscape Assessments and Advice;
- Arboricultural Assessments.

As the services were expected to be required on an ongoing basis the contracts provided for a three year term on a 1 + 1 + 1 basis. These contracts were approved under resolution 1024/2006 on 16 June 2006 by the Tenders Subcommittee, subject to satisfactory performance of the consultant and an ongoing requirement for the services provided.

SCOPE OF SERVICES

Services required are provided under the following existing contracts:

Contract Number	Company	Notional Value
CS06001A	Eclipse Group Limited	\$40,022.10
CS06001B	K & E Planning	\$34,992.00
CS06001C	Harrison Grierson Consultants Limited	\$40,350.15
CS06001D	Frear Surveyors Limited	\$39,366.00
CS06001E	Resource Management Solutions Limited	\$47,895.30
CS06001F	Environmental & Earth Sciences Limited	\$9,598.50
CS06001G	Chris Boucher Limited	\$6,480.00
CS06001H	Greenscene Limited	\$6,885.00
CS06001I	URS New Zealand Limited	\$80,141.40
CS06001J	GHD Limited	\$85,944.24
CS06001K	Goulder Associates Limited	\$18,238.50

Under the contract agreements there is no commitment by either party to any minimum, maximum or total number of hours to be worked during the term of the agreement other than through the issue by the client and acceptance by the consultant of specific briefs. For each contract to be established a notional contract value is assigned based on the submitted prices and an estimate of the expected usage for each consultant.

The charges made by the consultant for services related to resource consent processing are recovered from applicants in accordance with the Schedule of Regulatory Fees and Charges that is reviewed and notified annually. Where a consent is allocated to a consultant for the purposes of resource consent planning the consultant's charges are recovered, in the same way as Council staff time would be if they were undertaking the work, through the base fee charged to the applicant and only once that amount is exceeded would additional charges be applied (for the consultant's charges). For the other services the current Schedule of Regulatory Fees and Charges provides for an on-charge at cost plus a 10% administration charge.

The contracts provide that the consultants are able to request amendments or additions to the schedule of rates in writing to the client's representative by 31 January of each year accompanied by suitable documentation. This is to allow for any agreed changes to be incorporated in the Schedule of Regulatory Fees and Charges prior to public notification. The Council received one request (from GHD Limited) to amend their fees. These revised fees are considered acceptable.

Performance standards are incorporated in the contracts. These include requirements for the consultant to operate at all times in accordance with the Council's Customer Services Charter, to operate within the framework of any formal standards or guidelines for professional services and ethics, to meet timeframes and complete actions in accordance with statutory requirements, and to provide fully detailed and accurate job billing.

SOURCE OF FUNDING

Payments for the proposed contracts are made from the Resource Consents Professional Services budget line item (38-5830-38060-022). Costs will be incurred due to staff vacancies or when demand is greater than staff capacity or where the advice required is of a specialist nature not provided for by internal resources. Costs incurred will be matched by revenue received with no net impact on existing budgets.

JOB COSTS

	<u>Excl. GST</u>
Notional annual contract value (all proposed contracts)	\$432,442.14
Contingency	Nil
Other	Nil

Total Job Cost	\$432,442.14

Under the contract agreements to be established there is no commitment by either party to any minimum, maximum or total number of hours to be worked during the term of the agreement other than through the issue by the client and acceptance by the consultant of specific briefs. The job cost given is the total notional (and expected maximum) value of the contracts to be put in place. It is expected that the actual cost will be less than this total.

Some of the notional figures have been altered to better reflect the most recent demand for consultant inputs. One consultant (URS New Zealand Limited) is now unable to provide planning services and therefore the value of the contracts with the other consultants providing this service has been revised to provide for sufficient resource coverage. It is also noted that increased contract values have been included for arboricultural and contamination input. In terms of contamination input into consents these consents are on charged to the applicant. In terms of specialist arboricultural input, these inputs are generally used for tree advice on resource consents and these particular costs are oncharged to the applicant (as opposed to tree removal applications which are processed without charge). The variations in these values also provide cover for staff absences and reflect a general increase in applications for tree works.

As noted in this report, the consultant charges are generally recovered from applicants and an increase in charge rates or use of consultants does not necessarily lead to an increased budget commitment from the Council.

CONCLUSION

It is considered that the existing consultants have met the necessary performance criteria and therefore the contract renewals should be approved for the second year of the allowed three year term.

RECOMMENDATIONS

1. That Contract Nos. CS06001A-K - External Advice for Resource Consent Processing – Approval to Renew report be received.
2. That contracts for the provision of External Advice for Resource Consent Processing be renewed for the 2007/2008 year as follows:
for Resource Consent Planning with:
 - CS06001A - Eclipse Group Limited for a notional annual contract value of \$40,022.10;
 - CS06001B - K & E Planning for a notional annual contract value of \$34,992.00;
 - CS06001C - Harrison Grierson Consultants Limited for a notional annual contract value of \$40,350.15;
 - CS06001D - Frear Surveyors Limited for a notional annual contract value of \$45,000.00;
 - CS06001E - Resource Management Solutions Limited for a notional annual contract value of \$47,895.30.for Contamination Assessments and Advice with:
 - CS06001F - Environmental & Earth Sciences Limited for a notional contract value of \$30,000.00.for Arboricultural Assessments with:
 - CS06001G - Chris Boucher Limited for a notional annual contract value of \$20,000.00;
 - CS06001H - Greenscene Limited for a notional contract value of \$30,000.00.for Geotechnical Review and Advice with:
 - CS06001I - URS New Zealand Limited for a combined notional annual contract value of \$40,000.00.

for Resource Consent Planning and Geotechnical Review and Advice with:

- CS06001J - GHD Limited for a combined notional annual contract value of \$85,944.24.

for Contamination and Landscape Assessments and Advice with:

- CS06001K – Goulder Associates Limited for a combined notional annual contract value of \$18,238.50.

Report prepared by: Michael Campbell, Manager: Resource Consents and Andrew Crann, Manager: Operations Support.



8 CONTRACT NO. TA06010F - UNIVERSAL DRIVE EXTENSION: STAGE 1 & 2

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA06010F - Universal Drive Extension: Stage 1 & 2.

BACKGROUND

The Henderson Vineyards Business Campus was conceived in 2001 as an economic development project that would unlock the employment potential of vacant Working Environment land in the Lincoln Road area. Council determined that in order to realise the potential of this land, and to ensure that an interconnected street system was established, it would undertake the construction of a roading network.

While the key driver for the project is economic development and employment generation, underpinning Council's decision are a number of related objectives:

- Provide a high quality gateway to Waitakere;
- Encourage intensification of land use in the transport corridor, thereby supporting public transport;
- Relieve traffic congestion on Lincoln Road by providing alternative routes through the area.

The initial stage of this overall project, Paramount Drive extension, was completed in February 2005.

SCOPE OF WORK

The works are for the construction of the Universal Drive Extension (between Lincoln Road and Central Park Drive), a link road for future extension to Paramount Drive and realignment of the existing Universal Drive / Lincoln Road intersection. The total length of new road to be constructed is approximately 700 metres.

The works include, but are not limited to:

- Site clearance;
- Sediment and erosion control;
- Demolition;
- Earthworks (13,600m³);
- Construction of new pavement and asphaltic concrete sealing (13,000m²);
- Kerb and channel (1,600m);
- Concrete footpath (3,050m²);
- Stormwater drainage (800m);

- Stormwater treatment devices (5);
- Sanitary Sewer (420m);
- Watermain (1,300m);
- Ducting for services;
- Streetlighting;
- Traffic Signals;
- Roadmarking and traffic signs;
- Landscaping and tree planting;

TENDERS RECEIVED

Tenders were publicly advertised with thirty seven sets of documents being uplifted. Six tenders were received by the closing date of 24 July 2007. Two tenders were considered to be non-conforming as they did not meet the minimum Quality Assurance Systems required by the Conditions of Tendering. They were therefore excluded from further evaluation. The tenders are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl.GST)
HEB Smithbridge Limited	Drury	\$3,522,069.02
Dempsey & Wood Civil Contractors Limited	Royal Oak	\$3,799,171.00
Ross Reid Contractors Limited	Pakuranga	\$4,024,631.38
Blacktop Construction Limited	Manukau City	\$4,828,671.51
Vuksich & Borich (NZ) Limited	Avondale	Disqualified
Infrastructure NZ	North Harbour	Disqualified
Pre-tender contract estimate		\$4,391,310.00

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 \$30,000.00

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag Skill	Method	Price	Contract Number TA06010F
									Total Weights
	Weights	10	10	5	8	4	3	60	100
Tenderer	Tender Sum	Grade							INDEX
HEB Smithbridge Limited.	\$3,492,069.02	77	63	73	77	58	73	60	64
Dempsey & Wood Civil Contractors Limited.	\$3,769,171.00	77	68	73	75	75	78	53	61

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resour.	Manag Skill	Method	Price	Contract Number TA06010F
									Total Weights
	Weights	10	10	5	8	4	3	60	100
Tenderer	Tender Sum	Grade							INDEX
Ross Reid Contractors Limited.	\$3,994,631.38	77	70	73	75	75	70	47	58
Blacktop Construction Limited.	\$4,798,671.51	75	73	70	70	70	60	26	44
Med.n Tender Price	\$3,881,901.19								

Table 2 - Summary of Tender Evaluation

The tenders from Vuksich & Borich (NZ) Limited and Infrastructure NZ were considered to be non-conforming as they did not meet the minimum Quality Assurance Systems required by the Conditions of Tendering. They were therefore excluded from further evaluation.

Dempsey & Wood Civil Contractors Limited, Ross Reid Contractors Limited and Blacktop Construction Limited are medium to large construction companies with significant experience and good track record.

HEB Smithbridge Limited are a large privately owned construction company with good resources and a satisfactory track record. They have significant experience in the type of work involved in this contract. Their staff are well known to Council and have proved to be very co-operative and competent with minimal quality or management issues related to their work.

TAGS, ERRORS OR OMISSIONS

The tender from HEB Smithbridge Limited contained no tags, errors or omissions.

The remainder of the tenders did not contain errors or omissions.

Several of the other tenders contained tags. As they had no bearing on the outcome of the evaluation these issues were not investigated.

CREDIT CHECK

A credit check on HEB Smithbridge Limited, dated 5 June 2007, revealed no adverse information.

JOB COSTS

	<u>Excl.GST</u>
Tender sum - HEB Smithbridge Limited	\$3,522,069.02
Contingency	\$ 395,000.00
Engineering, Supervision & Disbursements	\$ 134,265.00
Other (Estimated Services Relocation)	\$ 70,000.00

Total Job Cost	\$4,121,334.02

SOURCE OF FUNDING					
Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Universal Drive 2007/2008 (LTCCP)	8AMTA-07-052	\$4,177,000	\$0	\$3,912,335	\$264,665
Water Network Upgrade Programme	8AMEW-07-281	\$1,073,000	\$864,000	\$ 209,000	\$0
	Total			\$4,121,335	

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by HEB Smithbridge Limited achieved the highest index of 64. This tender is also the lowest priced tender.

HEB Smithbridge Limited has a recent history with Council as being a contractor with a satisfactory standard of workmanship and management. The nominated staff are well known to Council having been involved in Waitakere City Council's Rooding Contracts for several years. They have recently successfully completed the following projects in the area:

- Henderson Valley Road Kerb and Channel;
- Clark Street Widening;
- Lincoln Road Widening Stage 1;
- Luanda Drive/ Waitemata Drive Roundabout;
- Rainside Avenue / View Road Roundabout Reconstruction;
- Henderson Transport Interchange.

In general their staff have proved to be very co-operative and competent with minimal issues related to their work.

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. TA06010F - Universal Drive Extension: Stage 1 & 2 report be received.
2. That the tender from HEB Smithbridge Limited for Contract No. TA06010F - Universal Drive Extension: Stage 1 & 2 in the sum of \$3,522,069.02 plus \$440,258.62 GST, totalling \$3,962,327.64 be approved.
3. That authority to enter into Contract No. TA06010F - Universal Drive Extension: Stage 1 & 2 on behalf of Council be delegated to the Group Manager: Project Services.

Report prepared by: Rob Munro, Senior Engineer; Project Services.



9 **CONTRACT NO. PK07003A - CITYWIDE PLAY FACILITIES MAINTENANCE AND RENEWALS**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals for an initial contract period of one (1) year, ten (10) months with extensions of one (1) plus one (1) plus one (1) years subject to the contractor's performance and availability of funding.

BACKGROUND

Council currently manages 144 play facilities, 12 skate facilities and 23 basketball half courts. In order to fulfil Council's play facilities maintenance and renewal programme as provided for in the Long Term Council Community Plan 2006–2016 it is necessary to engage a contractor with the necessary skill set to achieve high quality delivery of service to ensure the ongoing safety and integrity of the City's play facility assets.

At the Tenders Subcommittee meeting on 6 July 2007 it was resolved:

- “1. That the Group Manager: Asset Management be requested to bring back an independent evaluation of the report on Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals.
2. That the Group Manager: Asset Management be authorised to extend the existing Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals until 31 August 2007.”

2043/2007

SCOPE OF WORK

The scope of works includes the following:

- Part A - Inspections and maintenance works for 144 playgrounds, 23 basketball half courts and 12 skate facilities;
- Part B - Play facility renewals and upgrade works;
- Part C - Annual play facility safety compliance and condition audits.

This contract was due to commence on 1 July 2007 but due to unexpected delays in the tender evaluation process the initial contract term has been reduced from two (2) years to one (1) year, ten (10) months and this contract will now commence on 1 September 2007.

To reflect this change in the contract works a deduction variation will be issued to the contractor at time of contract award to allow for the reduced frequency of playground visits. The existing playground maintenance contract which was due to expire on the 30 June 2007 was extended for a further two months to 31 August 2007 to carry out the required works in the interim.

TENDERS RECEIVED

Tenders were publicly advertised with eleven (11) sets of documents being downloaded. Two (2) tenders were received by the closing date of 22 May 2007.

These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl.GST)
Commercial Play Systems Limited	North Shore	\$ 1,781,462.24
Parks and Maintenance Services Limited	Waitakere	\$ 2,028,007.00
Pre-tender contract estimate		\$ 2,116,530.00

Table 1 – Summary of Tender Prices- Two year tender sum

TENDER EVALUATION

Further to the previous tender evaluation report presented to the Tenders Subcommittee at the 6 July 2007 meeting the tender validity period of 60 calendar days for this contract expired on 21 July 2007.

Both tenderers were requested to extend their tender validity period for a further 30 calendar days until 20 August 2007.

Parks and Maintenance Services Limited subsequently confirmed that their tender sum would remain valid for a further 30 days.

Commercial Play Systems Limited however, after careful consideration was unable to extend their tender validity period and consequently withdrew their tender and has therefore not been included any further in the tender evaluation process.

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 \$520,000 over two years.

The tender from Parks and Maintenance Services Limited contained arithmetic errors in the summation of items in the schedule of prices. The tender price has been adjusted to allow for correction of the errors as follows.

Tender Sum	\$2,028,007.00
Adjustment for Error	\$26,730.00
Less Tender Tags	<u>\$104,580.00</u>
Revised Tender Sum	\$1,950,157.00
Less Provisional Items	<u>\$520,000.00</u>
Total for Evaluation	\$1,430,157.00

In addition the tender from Parks and Maintenance Services Limited contained some tender tags and in accordance with Transfund New Zealand's Competitive Pricing Procedures Manual the value of the financial tags has been deducted from the contract sum for the purpose of the tender evaluation. This is discussed in further detail below.

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech Skills/Re-sources	Man-agement	Method	Price	Total Weight
Tenderer	Weight	20	20	15	15	20	10	100
	Tender Sum	Grades						Index
Parks and Maintenance Services Limited	\$1,430,157.00	88	90	85	80	78	45	80
Median Tender Price	\$1,430,157.00							

Table 2 - Summary of Tender Evaluation

Parks and Maintenance Services Limited is the incumbent service provider and have carried out Council's Playground Maintenance Contract since July 2001. During that time they have performed extremely well and there have been no playground incidents to date.

Parks and Maintenance Services Limited is a well known locally based company and have carried out numerous contracts with Council over the past ten years. These contracts have been completed to a high standard and they have a very good track record. During this time they have established a close working relationship with Council and developed a strong familiarity with Council's Parks and this has been reflected in the scores given above.

TAGS, ERRORS OR OMISSIONS

The tender from Parks and Maintenance Services Limited contained an arithmetic error in the summation of items in the schedule of prices which resulted in a shortfall of \$26,730 in the tender sum. This was raised with Parks and Maintenance Services Limited and they adjusted their tender sum to allow for correction of the error.

The tender from Parks and Maintenance Services Limited also contained a number of tags that had financial implications and required further investigation. The price submitted for items in the schedule of prices included an allowance for additional works that were not required in the contract specifications.

Parks and Maintenance Services Limited were requested to price these tags accordingly and this price was subsequently deducted from the tender sum for the purpose of the tender evaluation.

CREDIT CHECK

A credit check on Parks and Maintenance Services Limited dated 13 June 2007 revealed no adverse information.

INDEPENDENT REVIEW

Following the request from Tenders Subcommittee at the 6 July 2007 meeting an independent evaluation report has been carried out by Maunsell Limited.

Maunsell Limited was specifically requested to review the following:

- a) Review of the contract documentation;
- b) Audit of the tender evaluation process completed by WCC staff;
- c) Re-evaluation of tenders;
- d) Review of levels of service against industry practice;
- e) Review of levels of service against current playground standards;
- f) Consideration of options available to WCC and associated risks.

Having reviewed the tender evaluation process for Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals Maunsell Limited have made the following recommendations:

- 1) That consideration be given to altering recommended tendering procedures as outlined in the Waitakere City Council Procurement Manual by:
 - Use of a two envelope system for tendering in order to reduce the risk of unnecessary bias in the tender process;
 - Encouraging tenderers meeting as part of the tender process;
 - Extending the standard tender validity period from 60 to 90 calendar days;
 - Reconsidering the use and quantum of tender deposits;
 - Use of an independent person on tender evaluation teams particularly those with a value in excess of \$1million;
 - Including guidelines on the extent to which information beyond that included in the tender documents can be considered during evaluation;
 - Including guidance to staff on the manner in which existing contract relationships should be managed during a tender process to ensure appropriate separation during the tender period.
- 2) That the current contract document structure be amended to provide a document structure that is simple to follow.
- 3) That the standard Conditions of Tender are amended to clarify how pricing errors should be managed.
- 4) That in the next review of the play equipment contract that the following amendments are considered:
 - Inspection regimes are altered to more closely align with NZS 5828:2004;
 - The annual audit requirements integrate both condition and risk management approaches;
 - The level of competence required for play equipment inspectors be further defined.
- 5) That the tender from Parks and Maintenance Service Limited for Contract No. PK07003A - Citywide Play Facilities, Maintenance and Renewals in the sum of \$1,950,157.00 plus \$243,769.62 of GST, totalling \$2,193,926.60 be accepted.

A1-25

A copy of the full copy of the report is included at pages A1 to A25.

JOB COSTS (two year contract period)

	<u>Excl.GST</u>
Tender sum (Parks and Maintenance Services Limited)	\$ 1,950,157.00
Contingency	\$ 113,843.00
Engineering & Supervision	\$ 60,000.00

Total Job Cost	\$ 2,124,000.00

SOURCE OF FUNDING

2007/2008

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Play Facility Maintenance	46-7618-27370-999	\$326,000	\$0	\$ 326,000	\$0
Play Facilities Renewals	75-9823-27370-999	\$ 736,000	\$0	\$ 736,000	\$0
Total for 2007/2008		\$1,062,000		\$1,062,000	

2008/2009

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Play Facility Maintenance	46-7618-27370-999	\$ 326,000	\$0	\$ 326,000	\$0
Play Facilities Renewals	75-9823-27370-999	\$736,000	\$0	\$ 736,000	\$0
Total for 2008/2009		\$1,062,000		\$1,062,000	
Total over two years		\$2,124,000		\$2,124,000	

The following funding commitments are required:

- A commitment to fund Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals for \$1,062,000 plus \$132,750 of GST, totalling \$1,194,750.00 is requested from the Annual Plan 2008/2009.

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Parks and Maintenance Services Limited achieved an index of 80. This tender is lower than the pre-tender estimate.

Parks and Maintenance Services Limited have performed extremely well under the current playground maintenance contact and have demonstrated the following:

- Consistently exceeded the required contract performance measures;
- An exceptional track record with no playground incidents during the contract period (six years).

Parks and Maintenance Services Limited have the necessary experience and track record to carry out the contract works successfully and there is reduced risk to Council by re-appointing the incumbent service provider. There are also benefits to Council because Parks and Maintenance Services Limited is a locally based company and this aligns with Council's "Buy Waitakere" policy.

As part of City Services vision "Quality and Health and Safety is not negotiable" all contractors have had this focus clearly reinforced through the contract documents and this will be strongly reiterated at the subsequent pre-start meeting and imposed during the contract period.

RECOMMENDATIONS

1. That the Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals report be received.
2. That the tender from Parks and Maintenance Services Limited for Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals in the sum of \$1,950,157.00 plus \$243,769.62 of GST, totalling \$2,193,926.62 be approved.
3. That the commitment to the 2008/2009 financial year for Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals in the sum of \$1,062,000 plus \$132,750.00 of GST, totalling \$1,194,750.00 be approved.
4. That authority to enter into Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Katharine Slack, Team Leader: Parks Asset Development.

