



**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD AT  
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,  
WAITAKERE, ON FRIDAY, 20 JULY 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 - 6 July 2007

**RECOMMENDATION**

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 6 July 2007, as circulated, be taken as read and now be confirmed.



## 5 CONSULTANT SUPPORT FOR INFILTRATION AND INFLOW PEAK FLOW REDUCTION PROGRAMME

### PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to enter into negotiations with Gillespie Consultants Limited (formerly JAG Consultants Limited) as a preferred supplier for work identical to work they undertook during the 2006/2007 financial year.

### BACKGROUND

Gillespie Consultants Limited is a small company with expertise primarily in drain laying. The owner, John Gillespie, has previously done work for Council in the area of quality assurance on physical works sites and JAG Consultants Limited has done work for Council in the areas of property inspections, quality control, advice to property owners, and specialist assistance to the Water Projects team of Project Services.

In 2006 JAG Consultants Limited won an invited tender for Contract No. EW06027A - Property Inspections for Peak Flow Reduction in the sum of \$223,000. That work is an essential part of the Infiltration and Inflow Control Programme.

The Council has an objective to reduce flows in the wastewater network by 25% through the Infiltration and Inflow Control Programme. The inflow of rainwater into the sewer pipeline occurs as a result of low gulley traps, broken gulley traps and illegal stormwater connections to the wastewater system. This results in overloading of the wastewater network and the Mangere Wastewater Treatment Plant during wet periods and become a public health and environmental hazard due to overflow of wastewater manholes.

In order to address this, the Council is systematically analysing the various wastewater catchments. Most recently, second inspections (done after 60 days of the fault notices) revealed that nearly 80% of the properties with faulty gulley traps have, of their own accord, fixed them successfully. Ecowater then follow up on any remaining faults.

In the 2006/2007 financial year approximately 15,000 properties were inspected by JAG Consultants Limited under Contract No. EW06027A - Property Inspections for Peak Flow Reduction. This is a very cost effective way of addressing a portion of the inflow problem.

In 2006 JAG Consultants Limited was also awarded Contract No. EW06028A - Assistance to Water Projects in the sum of \$97,000. This was done through the preferred supplier method of procurement following approval from City Services' Group Managers. The scope of that contract was:

- Witnessing the air testing of new pipelines, related to stormwater and wastewater physical works contracts on behalf of Project Services;
- Witnessing the water testing of existing private drains related to wastewater physical works contracts on behalf of Project Services;
- Carrying out investigation works such as dye testing stormwater down pipes and monitoring the wastewater night flow after rain events;
- Providing assistance as necessary (mainly in the field) to Water Project Engineers in feasibility studies and detailed designs;
- Assisting in the property owner consent process; and
- Quality Control Audits on site.

## **COUNCIL'S PROCUREMENT POLICY**

It is Council's policy when procuring goods, works or services to:

- Achieve the right outcomes and best value for money for its ratepayers and citizens;
- Manage risk while allowing staff to exercise business judgement and be innovative;
- Be able to demonstrate fairness;
- Reflect best management practice which includes:
  - Value for money, competitive prices, and cost controls;
  - Timeliness;
  - Technical standards of workmanship, physical quality and performance;
  - Increase staff effectiveness and efficiency in the management of tenders and contracts;
  - Avoidance of legal actions or disputes; and
  - Meeting all corporate, political, legal and other obligations (e.g. Health and Safety).

Any procurement option adopted must be consistent with these principles.

## **ATTRIBUTES OF GILLESPIE CONSULTANTS LIMITED**

Gillespie Consultants Limited has excellent relevant experience for this project having successfully undertaken this sort of work in the past for Council. They have long term first hand knowledge of the City and of Council's wastewater system. They also have an excellent rapport with residents which is critical for this work.

Gillespie Consultants Limited has a proven track record with Council. With the two contracts undertaken during the 2006/2007 financial year delivery has been exceptional. There have been compliments from residents and Ecowater have also requested that we seek approval to utilise the services of Gillespie Consultants again.

The technical skills of Gillespie Consultants Limited staff are excellent, particularly those of their owner, John Gillespie, who is a registered drain layer with over 40 years of experience. The "hands on" approach of John Gillespie ensures that the management of such work by Gillespie Consultants Limited is excellent.

Gillespie Consultants Limited has demonstrated through their delivery of similar projects that they have the necessary resources to successfully deliver the same work again during the 2007/2008 financial year.

### **Team Approach**

In delivering the 2006/2007 contracts Gillespie Consultants Limited have demonstrated a willingness and ability to work as part of the Water Projects team in a proactive and efficient way. Their approach is one of partnership.

The fact that Gillespie Consultants Limited and more specifically their owner John Gillespie, already has a good working relationship with other members of the design/project team is a major advantage. This relationship is built upon mutual trust, respect, compatible values, credibility, capability, capacity and collaboration.

## Value for Money

During the 2006/2007 financial year Gillespie Consultants Limited (then JAG Consultants Limited) won an invited tender for Contract No. EW06027A - Property Inspections for Peak Flow Reduction in the sum of \$223,000 and were the lowest priced tenderer.

The work done by Gillespie Consultants Limited is invariably right first time and rates are very competitive for contract No. EW06028A - Assistance to Water Projects.

During the 2003/2004 financial year JB Pipelines Limited did property inspections in New Lynn at a rate of \$12.00 per property. The quality of the work was high but when compared to the Gillespie Consultants Limited 2006/07 rate of \$9.80 per property it shows that Gillespie Consultants Limited provide very good value for money especially when inflation or the Construction Index which is traditionally double the value of inflation is taken into account.

## Quality Comparison

During the 2004/2005 financial year, property inspections in New Lynn were contracted to City Care Limited after they won a public tender process (\$9.72 per property). Subsequent audits revealed that nearly 50% of inspections reports were incorrect with many defective gulley traps being misidentified as "good". This meant that all of the inspections had to be repeated and although this was at City Care Limited's expense, it caused great disruption to residents to have the Contractor return to re-inspect as well as extra contract management costs for Council.

The quality of work done by Gillespie Consultants Limited is invariably high and re-inspections are not needed.

## Other Suppliers

JB Pipeline Services Limited and Techscape Limited also have a good track record in identification of gulley trap faults but neither company are as good as Gillespie Consultants Limited in answering customer queries. Gillespie Consultants Limited's superior performance in this area has resulted in a heightened public understanding of the issues and greater public satisfaction.

Gillespie Consultants Limited also surpass expectation in after inspection service as residents and ratepayers have been contacting John Gillespie for guidance on how to remedy their faults and he is always happy to meet the public after hours or on weekends as needed. This high level of customer service, which goes beyond normal contractual requirements, has not been seen in the other suppliers.

## PROCESS

### Negotiation Process

It is proposed to enter into negotiations with Gillespie Consultants Limited for work identical to the work done for Council during the 2006/2007 financial year for the contracts:

- **Contract No. EW06027A** - Property Inspections for Peak Flow Reduction; and
- **Contract No. EW06028A** - Assistance to Water Projects.

The scope of works will remain the same as previous but with significant proposed increases in budget the volume of work is likely to increase.

The negotiations over cost will be benchmarked against the rates used in the above contracts which will ensure that a good price can be obtained.

## RESOURCES

The proposed budget for the 2007/2008 Infiltration and Inflow Programme is \$5.3 million. The estimated cost of the proposed contract with Gillespie Consultants Limited is \$390,000 plus GST.

## CONCLUSION

In terms of Council's Procurement Policy the procurement option recommended is consistent with the principles.

The reasons for not publicly tendering this proposed contract are as follows:

- There is a critical shortage of companies who can do this work to the desired level and it is unlikely a better outcome could be achieved for either cost or quality by publicly tendering the work;
- The attributes of Gillespie Consultants Limited, as experienced by both the Water Projects team and EcoWater, are excellent;
- The public relations record of Gillespie Consultants Limited is excellent;
- Because of the desire for continuity of personnel and processes in this project;
- Because of the desire to continue to utilise the site specific knowledge and experience which Gillespie Consultants Limited have gained over many years;
- Because of the desire to create a strong team approach in delivering the project with a proven team; and
- The proposed negotiation process will demonstrate value for money.

## RECOMMENDATIONS

1. That the Consultant Support for Infiltration and Inflow Peak Flow Reduction Programme report be received.
2. That authority be given to deviate from the Council procurement policy and enter into negotiation with Gillespie Consultants Limited on the basis of a preferred supplier for work identical to Contract No. EW06027A - Property Inspections for Peak Flow Reduction, and Contract No. EW06028A - Assistance to Water Projects, subject to a formal negotiation process being undertaken prior to any contract award.
3. That Gillespie Consultants Limited be informed that an award of the contract is not guaranteed.
4. That the outcome of the negotiation process with Gillespie Consultants Limited for the Consultant Support for Infiltration and Inflow Peak Flow Reduction Programme be reported back to the Tenders Subcommittee for approval to award a contract.

Report prepared by: David Nelson, Water Projects Manager, Project Services.



## **6 SUSTAINABLE MANAGEMENT FUND CONTRACT**

### **PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Tenders Subcommittee to enter into a contract with the Ministry for the Environment (MfE) who administer the funding from the Sustainable Management Fund.

### **BACKGROUND**

The Council lodged an expression of interest with the MfE to seek funding of \$192,000 as a contribution towards the Sustainable Community Development Pilot Study project. The project seeks to test a triple bottom line definition of sustainability on a 77-unit community housing pilot study, so that long-term environmental benefits are maximised and social 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 such as HNZA.

The MfE has approved the funding for this project but it is necessary for Council to enter into the contract for this project.

As the project requires a contract, as well as financial contributions by Council from existing budgets, approval by the Tenders Subcommittee is required before the contract can be entered into.

### **ISSUES**

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.

### **SUSTAINABLE COMMUNITY DEVELOPMENT PILOT STUDY**

The scope of this contract with the MfE 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, 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 duration of project and consist of a small cabin of which half is dedicated to this project and half 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, innovative stormwater features (swales, rain gardens, etc).

**Undertake a Sustainability Assessment** - An assessment of the social and environmental benefits will be undertaken, utilizing the TUSC tool and with reference to other research (Beacon, LIUDD, Green Building Council, EECA Home Energy Rating Scheme if available). Will 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 KPIs. 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 VIPs.

## RESOURCES

The total cost of the project is estimated to be \$327,000, 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
<b>Total cash funding (excluding GST)</b>	<b>\$199,000</b>	<b>\$70,000</b>	<b>\$269,000</b>

In-kind contribution	Total FY1 2007/2008	Total FY2 2008/2009	TOTAL
New Zealand Housing Foundation	\$35,000	\$13,000	\$48,000
University of Auckland	\$7,000	\$3,000	\$10,000
<b>Total in-kind contribution (excluding GST)</b>	<b>\$42,000</b>	<b>\$16,000</b>	<b>\$58,000</b>

	Total FY1 2007/2008	Total FY2 2008/2009	TOTAL
<b>Total Project Cost</b>	<b>\$241,000</b>	<b>\$86,000</b>	<b>\$327,000</b>

## FUNDING

The funding sources are as follows:

Source of Funding	Total FY1 2007/2008	Total FY2 2008/2009	TOTAL
Sustainable Management Fund	\$142,000	\$50,000	\$192,000
Waitakere City Council Ecowater's Demand Management Budget (85-7520-37510-022)	\$57,000	\$20,000	\$77,000
External Funding in kind	\$42,000	\$16,000	\$58,000
<b>Total Project Funding</b>	<b>\$241,000</b>	<b>\$86,000</b>	<b>\$327,000</b>

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 Ecowater's Demand Management budget for each of the two financial years.

### 2007/2008

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

### 2008/2009

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

## CONCLUSION

The funding offer from the MfE will enable Council to enhance projects included in the Annual Plan 2007/2008, assist in the further promotion of sustainable design and development within the City and support the further refinement and development of TUSC.

## RECOMMENDATIONS

1. That the Sustainable Management Fund Contract report be received.
2. That the offer from the Ministry for the Environment of \$142,000 during 2007/2008 and a further \$50,000 during 2008/2009 for the Sustainable Community Development Pilot Study Project be approved.
3. That authority be given to enter into a contract with the Ministry for the Environment, who administer the funding from the Sustainable Management Fund, for the Sustainable Community Development Pilot Study Project.
4. That the Group Manager: Asset Management be delegated authority to execute the relevant documents with the Ministry for the Environment for the Sustainable Community Development Pilot Study Project.

Report prepared by: Lawrence Butcher, Sustainable Engineering Manager.



## 7 CONTRACT NO. PK06005A - KEEP WAITAKERE BEAUTIFUL TRUST PROJECTS RENEWAL 2007/2008

### PURPOSE OF THE REPORT

The purpose of this report is to seek the Tenders Subcommittee's approval for the first renewal of Contract No. PK06005A - Keep Waitakere Beautiful Trust Projects 2007/2008 for the period 1 August 2007 to 30 June 2008.

### BACKGROUND

Contract No. PK06005A - Keep Waitakere Trust Projects was awarded for the period 1 January 2007 - 30 June 2007 with renewals of 1+1 years subject to approval of this committee.

Keep Waitakere Beautiful has worked in partnership with Waitakere City Council since 1993 to create a beautiful functional environment through community action and pride.

In August 2002 Keep Waitakere Beautiful moved outside of Council and was incorporated as a Charitable Trust. In September 2002 a Memorandum of Understanding between Keep Waitakere Beautiful Trust and Council was signed. The purpose of the Memorandum of Understanding is to provide the basis of an ongoing working relationship between Keep Waitakere Beautiful and Council and to manage the delivery of an annual programme of community based events and projects. The Memorandum of Understanding also clarifies and strengthens the relationship and commitment between Keep Waitakere Beautiful Trust and Council.

In December 2006 the Tenders Subcommittee passed the following resolutions relating to the contract with KWB:

- "1. That the Contract No. PK06005A - Keep Waitakere Beautiful Trust Projects 2007 report be received.
2. That subject to a satisfactory credit check, the tender from Keep Waitakere Beautiful for Contract No. PK06005A - Keep Waitakere Beautiful Trust Projects 2007 in the sum of \$106,380.00 plus \$13,279.00 GST, covering the period 1 January 2007 to 30 June 2007 together with renewals for a further 1 plus 1 years, subject to performance, be accepted.
3. That authority to enter into the Contract No. PK06005A - Keep Waitakere Beautiful Trust Projects 2007 on behalf of Council be delegated to the Group Manager: Planning and Community Services.
4. That the renewals for Contract No. PK06005A - Keep Waitakere Beautiful Trust Projects 2007 be brought back to the Tenders Subcommittee for approval.
5. That a retrospective variation to extend the 2005/2006 contract awarded to Keep Waitakere Beautiful Trust be approved for the period 1 July 2006 to 31 December 2006 totalling \$136,620.000 plus GST.
6. That commitment of funds for the 2007/2008 and 2008/2009 financial years for Contract No. PK06005A - Keep Waitakere Beautiful Trust Projects 2007 in the sum of \$241,120.00 be approved."

2541/2006

## ISSUES

### Scope of Work

The annual Keep Waitakere Beautiful Trust work programme is agreed and delivered on a yearly basis through a Service Performance Contract. The work includes the supply of all management, supervision, labour, materials, plant and incidental requirements necessary to carry out and complete the tasks described in the contract documents.

### Performance

Performance in the period of the contract from 1 January 2007 to 30 June 2007 has been satisfactory and all required key performance indicators have been met and/or exceeded. Therefore renewal of the contract is recommended.

### Period of Renewal

Due to timing issues the renewal period is from 1 August 2007 to 30 June 2008. No variation is required for the period 1 July 2007 to 31 July 2007 as no work is undertaken on Councils behalf at that time.

### Job Costs

The value of this contract is \$241,200 and is paid in quarterly instalments based on programmed works.

### Source of Funding

Budget Description	Project SFL Code	Budget Amount	Committed to Other Projects	Allocation to this Project	Unallocated Balance to be Completed
KWB Project Funds	46-6170-24110	182,000	0	175,200	6,800
KWB Trees for Babies	46-6170-35660	12,000	0	12,000	0
KWB Trees for Babies	75-9828-35660	21,000	0	21,000	0
KWB Community Tree Planting	75-9828-39710	33,000	0	33,000	0
<b>Total</b>		<b>\$248,000</b>	<b>0</b>	<b>\$241,200</b>	<b>6,800</b>

### CONCLUSION

The performance of Keep Waitakere Beautiful for the contract period of 1 January 2007 to 30 June 2007 has been satisfactory and therefore renewal of this contract is recommended.

### RECOMMENDATIONS

1. That the Contract No. PK06005A - Keep Waitakere Beautiful Trust Projects Renewal 2007/2008 report be received.
2. That renewal of the Contract No. PK06005A - Keep Waitakere Beautiful Trust Projects for the period 1 August 2007 to 30 June 2008 be approved.

Report prepared by: Estee Farrar, Parks Planner.



## 8 CONTRACT NO. PK07009A - WEEDFREE WAITAKERE TRUST MEMORANDUM OF UNDERSTANDING PROFESSIONAL SERVICES 2007/2008

### PURPOSE OF THE REPORT

The purpose of this report is to seek approval of the Tenders Subcommittee to award Contract No. PK07009A to Weedfree Waitakere Trust (The Trust) as the sole preferred supplier for the period 1 July 2007 to 30 June 2008. Approval is also sought for the delegation of resulting amendments to the Waitakere City Council and Weedfree Waitakere Trust Memorandum of Understanding appendices relating to the Annual Work Programme and Key Staff to be made to the Group Manager of Planning and Community Services.

### BACKGROUND

In June 2001 a Memorandum of Understanding was signed between The Weedfree Waitakere Trust and Waitakere City Council. The Memorandum of Understanding provides a basis for an ongoing working relationship between the Trust and the Council in their shared objectives to address environmental weed issues in Waitakere.

The Memorandum of Understanding was endorsed by the Finance Policy and Property Committee need to put resolutions (1342/2001) and the Works and Services Committee need to put resolutions (1283/2001).

The purpose of weed control is to restore the health and function of the important native plant and animal communities in Waitakere. The Council recognises that The Trust has considerable expertise and experience in the area of weed control and native vegetation. This knowledge can be used to empower voluntary community groups throughout Waitakere through education, training, mentoring and assisting community groups. This knowledge can also be used to write management plans to assist private property owners through the Green Network Community Assistance Programme.

Waitakere City Council engages The Trust to supply professional services on an annual basis, on behalf of the Council for:

- Mentoring and assisting community groups with environmental weed issues;
- Production of Green Network management plans for private landowners.

The professional services contracts are drawn up in accordance with the duties set out in the Memorandum of Understanding.

## ISSUES

### Professional Services Contract

A1-A7

Weedfree Waitakere Trust has been chosen as the preferred supplier for this contract (attached at pages A1 to A7) due to the Memorandum of Understanding between Council and the Trust.

The Memorandum of Understanding states that as partners, The Trust and Council shall agree to an annual work programme for Weedfree Waitakere Trust that complements the strategic direction of Council and maximises community involvement in The Trust's activities.

The budget is allocated to The Trust through a service performance contract and all expenditure is supplied in accordance with the Memorandum of Understanding and the agreed annual work programme.

Waitakere City Council have entered into contracts with Weedfree Waitakere Trust since 2001, and this has resulted in a steady increase in awareness of both the Council's and Weedfree Waitakere Trust's weed initiatives. Strong relationships have developed between Council and The Trust, and continued engagement with The Trust will ensure that contracts can be managed efficiently and effectively.

### Memorandum of Understanding

The Memorandum of Understanding has been written with the background of the document and basic duties outlined in the body of the document, with Key Staff and the Annual Work Programme attached as appendices.

These appendices require updating on a regular basis as staff change, and annual work programmes are updated. It is recommended that the value of contract approvals for any resulting amendments to the Key Staff and Annual Work Programme appendices be delegated to the Group Manager of Planning and Community Services.

## SCOPE OF WORKS

### Outputs of the Professional Services Contract

These outputs relate to the contract for professional services. The outputs listed below are in addition to, and not replacements for, the work of The Trust in fulfilling its own objectives.

#### Mentoring and assisting targeted community groups

- Target established and establishing community groups that require focus or direction to help them become self-sustaining;
- To attend events or sessions whereby The Trust can provide mentoring and assistance to community groups. Such events or sessions are to be discussed and agreed upon by The Trust and Council;
- Provision of information that would include health and safety issues, weed identification, weed control methods, ecological and restoration principles and practices;
- Feedback information is to be forwarded to Council at the end of each month.

#### Production of management plans

- The Trust is to produce a maximum of 81 management plans using the management plan template that Council provides;
- Management plans should details of each property as follows:
  - Date;
  - Size of property (Ha);
  - Target/objectives;
  - Name of property owner;
  - Address of property;
  - Phone number/other contact details.
- Trust staff can accompany the Community Project Co-ordinator for on site training at any time during this contract;
- The Trust is to respond to management plan referrals from Council within five (5) working days;
- An Office Use Form is to be filled out, photocopied and returned to Waitakere City Council. The original Management Plan is to be left with the client;
- Follow up management plans with a phone call three (3) months after the initial management plan. Provide follow up site visit if required;
- Provide ongoing follow up phone calls and/or site visits on as required basis, as requested by client;
- Feedback information is to be forwarded to Council at the end of each month.

## PERFORMANCE

Performance to date by The Trust has been satisfactory, with key contract management relationships developed between both parties. Through promotional work, and continual interaction with the community, Weedfree Waitakere Trust has built up a reputation as the Council's weed initiative representative. It is valuable to continue this relationship and strengthen the communities understanding of weed management in Waitakere.

## **JOB COSTS**

The value of this contract is \$19,000, \$5,250 is for mentoring professional services and \$13,807 covers the provision on management plans.

## **SOURCE OF FUNDING**

The contract is fully funded through the Green Network Incentives Budget.

## **CONCLUSION**

Council and Weedfree Waitakere Trust have signed a Memorandum of Understanding which provides for a partnership relationship. Council has many long standing finding agreements with a range of organisations, each of which contributes to the delivery of a range of Council's strategic objectives.

The services provided to the community by The Trust are unique because the organisation relies on the voluntary participation of residents to carry out its annual work programme. This provides an added cost benefit to Council through volunteer contributions.

The continuation of the engagement of The Trust will ensure a high level of quality is provided to Waitakere's residents, and to the Green Network Community Assistance Programme.

## **RECOMMENDATIONS**

1. That the Contract No. PK07009A - Weedfree Waitakere Trust Memorandum of Understanding Professional Services 2007/2008 report be received.
2. That the Contract No. PK07009A - Weedfree Waitakere Trust Memorandum of Understanding Professional Services 2007/2008 be approved.
3. That the authority to approve resulting amendments to the Key Staff and Annual Work Programme appendices of the Waitakere City Council and Weedfree Waitakere Trust Memorandum of Understanding be delegated to the Group Manager: Planning & Community Services.

Report prepared by: Danielle Hancock, Parks Planning.



## **9 CONTRACT NO. EW07008D - WATERMAIN RENEWALS 2007/2008 - CONTRACT 4**

### **PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW07008D - Watermain Renewals 2007/2008 - Contract 4.

### **BACKGROUND**

The proposed watermain renewal works are required due to the recurrent faults in the existing AC pipelines.

## SCOPE OF WORK

The contract works comprise the construction of a total of approximately 722 metres of 125 mm O/D SDR11 PE 80 pipe at Preston Avenue, Scanlen Terrace and Titoki Street in Waitakere, together with service connections, associated valves and fittings.

## TENDERS RECEIVED

Tenders were publicly advertised and four (4) tenders were received by the closing date of 5 June 2007. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Auckland Truck Hire Limited	PO Box 27 835, Mount Roskill	\$117,981.00
Underground Connections limited	PO Box 70 103, Ranui	\$118,592.00
Murray & Buckley Contractors Limited	8 Elcoat Road, Henderson	\$126,824.00
Excell Corporation Limited	PO Box 58-740, Greenmount	\$147,565.21
Pre tender contract estimate		\$132,095.00

**Table 1 - Summary of Tender Prices**

## TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attributes Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skill	Resource	Mgmt. Skill	Method	Price	Contract # EW07008D Total Weights
	Weights	10	10	10	10	5	5	50	100
Tenderer	Tender Sum	Grade							INDEX
Underground Connections Limited	\$118,592.00	80	75	80	80	75	65	53	65
Murray & Buckley Contractors Limited	\$126,824.00	80	80	80	80	75	65	47	62
Auckland Truck Hire Limited	\$117,981.00	65	65	65	65	65	65	54	59
Excell Corporation Limited	\$147,565.21	80	70	75	75	75	65	30	52
<b>Median Tender Price</b>	\$122,708.00								

**Table 2 - Summary of Tender Evaluation**

The various scores given to each tenderer for the non-price attributes were based on their performance in the previous contracts of a similar nature with the Council and their tender submission.

The scores given to Auckland Truck Hire Company Limited are lower because of the relative inexperience of the Company on similar projects. They have the lowest tender price but not the highest in the overall score.

Underground Connections Limited has completed several contracts for Council and other local authorities. They have the resources and experience to complete this project satisfactorily.

## TAGS, ERRORS OR OMISSIONS

There were no errors, tags or omissions identified in any of the tenders received.

## CREDIT CHECK

A credit check dated 18 June 2007 for Underground Connections Limited did not show any adverse results.

## SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Underground Connections Limited achieved the highest overall index of 65. According to the Transit New Zealand Competitive Price Procedure Manual Council should enter into contract with the tenderer achieving the highest overall index.

As part of Council's contracting procedure "Quality and Health and Safety are 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

	<b>excl. GST</b>
Tender sum (Underground Connections Limited)	\$118,592.00
Contingency	\$ 11,858.00
Engineering & Supervision	<u>\$ 16,675.00</u>
Total Job Cost	<u>\$147,125.00</u>

## SOURCE OF FUNDING

Project	Budget description (from Annual Plan line item)	Project SFL Code	Budget Amount	Committed to other projects	Allocation to this project	Unallocated balance
WMR 2007/2008 - Contract 4	Water Network Renewal Programme	85-9855-60000-999	\$2,296,500	292,993	\$147,125	\$1,856,382

## RECOMMENDATIONS

1. That the Contract No. EW07008D - Watermain Renewals 2007/2008 - Contract 4 report be received.
2. That the tender from Underground Connections Limited for Contract No. EW07008D - Watermain Renewals 2007/2008 - Contract 4, in the sum of \$118,592.00 plus \$14,824.00 GST, totalling \$133,416.00 be approved.
3. That authority to enter into Contract No. EW07008D - Watermain Renewals 2007/2008 - Contract 4, on behalf of Council be delegated to the Group Manager: Project Services

Report prepared by: V Thavarajah, Principal Engineer, Project Services.



**10 CONTRACT NO. PY05017C - CITYWIDE CLEANING - APPROVAL TO EXTEND**

**PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. PY05017C - Citywide Cleaning for a nine month period from 1 July 2007 to 31 March 2008.

**BACKGROUND**

The Citywide Cleaning contract covers thirty-nine Council owned and leased properties. The services provided include planned and responsive cleaning and supply of consumables. This contract excludes the cleaning of the Civic Wing of Waitakere Central, and West Wave Aquatic Centre.

The contract was initially awarded for a three month period, with two one year renewals at Council's discretion. The first of the one year renewal options was taken up for the 2006/2007 Annual Plan. This report seeks approval to extend the above contract for a nine month period, from 1 July 2007 to 31 March 2008.

At its meeting 10 March 2006 it was resolved:

*"6. That the renewal for Contract PY05017C - Waitakere City Council Citywide Cleaning for the 2006/2007 and 2007/2008 financial years be reported back to the Tenders Subcommittee for approval."*

245/2006

This contract has been active since 1 April 2006, and Council retains an option to extend the contract for a further one year period from July 2007 to June 2008.

The current contract details are as follows:

Contract No	Type	Contractor	Description	Annual \$	Variations	Revised Annual Sum
PY05017C	Cleaning	Professional Property and Cleaning Services	Year 1 : April - June 06	73,054.09	2,836.22	75,890.31
			Year 2 : July 06 - June 07	328,067.76	40,117.31	368,185.07
			Year 3 : July 07 - March 08	280,460.88	-	280,460.88
<b>Total Revised Contract Sum</b>						<b>724,536.26</b>

**PERFORMANCE ISSUES**

Professional Property and Cleaning Services Ltd have had a number of performance issues over the contract term to date. The issues have mainly centred on attention to detail for a number of Council sites. These issues have been raised and addressed according to the terms of the contract and the Contractor has been performing to a satisfactory standard for the past two months.

However, it has been identified that the current contract does need to be improved in terms of the consequences for non-performance and thus it is intended to undertake a full review of contract specifications. This process is expected to take two months, and once completed it is intended to tender the Citywide Cleaning Contract.

The entire process of reviewing the specifications and tendering the contract is expected to take approximately six months, however as this would then fall within the Christmas holiday period, with impacts on staff resources, a nine month renewal of the current contract is requested, to allow for this undertaking.

## RESOURCES

The costs associated with this contract are provided for in the Long Term Council Community Plan 2006-2016.

## SUMMARY

It is proposed to extend Contract No. PY05017C - Citywide Cleaning for nine months of the available second of two one-year renewals from 1 July 2007 to 31 March 2008.

The renewal of this contract is recommended to allow time for a full review of specifications to be undertaken, prior to re-tendering the contract.

## RECOMMENDATIONS

1. That the Contract No. PY05017C - Citywide Cleaning - Approval to Extend report be received.
2. That the renewal of Contract No. PY05017C - Citywide Cleaning, totalling \$280,460.88 plus GST, for the period 1 July 2007 to 31 March 2008 be approved.
3. That authority to extend Contract No PY05017C - Citywide Cleaning, on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Tina Hemsworth, Property Assets Manager.



## 11 CONTRACT NO. PY07001C - CITYWIDE CLEANING - PUBLIC TENDERING PROCESS

### PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to publicly call for tenders for Contract No. PY07001C - Citywide Cleaning, for a three year term.

### BACKGROUND

The Citywide Cleaning Contract covers thirty nine Council-owned and leased properties, excluding the West Wave Aquatic Centre and the Henderson Recreation Centre and the Civic Wing of Waitakere Central.

The services provided will include scheduled cleaning, one off cleans and urgent work. The current Citywide Cleaning Contract was awarded in April 2005 for three months, with two one year renewals at Council's discretion, with a final expiry date of 30 June 2008. Due to a number of issues, reported separately to the Tenders Subcommittee, it is proposed to reduce the final one year term of the current contract to nine months, with final expiry on 31 March 2008.

In line with Council's Procurement Policy, namely transparency and fairness, it is necessary to re-tender the above contract.

## SCOPE OF WORK

It is proposed to let the contract for a three year term. The estimated contract value is \$400,000 plus GST per annum.

The request for a three year term is in line with Council's Procurement Policy and based on the following:

- The longer term will promote value for money setting a platform for competitive pricing due to the volume of work over this period;
- The longer term allows the prospective Contractor to become established and gain specific property knowledge to operate the contract efficiently;
- The risk to Council is minimised through the inclusion of performance criteria within the terms and conditions of the contract, which allow for early termination for non-performance.

## RESOURCES

As this contract has the potential to commit funding from future annual budgets the approval of the Tenders Subcommittee is sought prior to tendering. The costs associated with this contract are provided for in the Long Term Council Community Plan 2006-2016.

## CONCLUSION

A three year term for the contract allows economies to be achieved by the contractor in regards to amortising capital costs and reduces the internal cost to Council associated with annual tendering. It provides a platform for competitive pricing and allows Council the flexibility to continue for the full term, if the contractor performs to expected standards.

The outcomes of the tender process will be reported back to the Tenders Subcommittee for approval.

## RECOMMENDATIONS

1. That the Contract No. PY07001C - Citywide Cleaning - Public Tendering Process report be received.
2. That approval be given to publicly call for tenders for Contract No. PY07001C - Citywide Cleaning for three year term, with reporting back to the Tenders Subcommittee for acceptance of tenders.

Report prepared by: Tina Hemsworth, Property Assets Manager.

