



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 23 February 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.

19 February 2007

Ngareta Delamere
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8552

MEMBERSHIP:

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

Chief Executive Officer

Director: City Services

Director: Corporate & Civic Services

Director: Strategy & Development

Director: Quality Assurance

Director: Finance

Maori Issues Manager

Mayor RA Harvey, QSO, JP (ex officio)

Deputy Mayor CA Stone (ex officio)

(Quorum 4 members)

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

(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, 23 FEBRUARY 2007,
COMMENCING AT 9.00 AM**

TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE NO.</u>
1	APOLOGIES	1
2	URGENT BUSINESS	1
3	CONFIRMATION OF MINUTES	1
4	CONTRACT NO. PK06017A - BUILDINGS AND SERVICES - PROFESSIONAL SERVICES	2
5	CONTRACT NO. PK06029A - TITIRANGI BEACH RESERVE DEVELOPMENT	5
6	CONTRACT NO. EW06040A - INFRASTRUCTURE WORKS PROGRAMME RMA COMPLIANCE	9
7	CONTRACT NO SP06002D - PROJECT TWIN STREAMS - LOWER WAIKUMETE STREAM WALK AND CYCLEWAY	12

**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 23 FEBRUARY 2007,
COMMENCING AT 9.00 AM**

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 CONFIRMATION OF MINUTES

Meeting Minutes - 9 February 2007

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 9 February 2007, including the Public Excluded minutes, as circulated, be taken as read and now be confirmed.



4 **CONTRACT NO. PK06017A - BUILDINGS AND SERVICES - PROFESSIONAL SERVICES**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK06017A - Buildings and Services - Professional Services for a period of three (3) years.

BACKGROUND

At the 8 September 2006 meeting of the Tender Subcommittee meeting the following was resolved:

“That approval be given to invite public tenders for Contract No. PK06017A - Buildings and Services - Professional Services for three (3) years.”

1666/2006

This contract forms part of Council’s Parks Asset development and renewal programme as provided for in the Long Term Council Community Plan 2006-2016.

SCOPE OF WORK

This contract is for the professional services associated with the upgrade of five existing buildings (toilet blocks, changing rooms etc) and associated services in Waitakere City, valued at \$660,000 over a period of three (3) years.

The scope of work for this contract involves the following:

- **2006/2007** - Undertaking investigation and designs, consultation, obtaining of consents and preparation of contract documents in readiness for physical works in 2007/2008;
- **2007/2008** - Tendering and supervision of physical works contract (designed in 2006/2007). Undertaking investigation and designs, consultation, obtaining of consents and preparation of contract documents in readiness for physical works in 2008/2009;
- **2008/2009** - Tendering and supervision of physical works contract (designed in 2007/2008).

TENDERS RECEIVED

Contract No. PK06017A - Buildings and Services - Professional Services was publicly tendered and three (3) tenders were received by the closing date of 21 December 2006. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
The Architecture Office	Ponsonby, Auckland City	\$114,300.00
GHD Ltd	Wellesley Street, Auckland City	\$208,550.00
Andrew Stewart Ltd	Victoria Quarter, Auckland City	\$217,032.50
Pre-tender contract estimate		\$180,000.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

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

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

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skills & Resources	Manag. Skill	Method.	Price	Contract No. PK06017A
								Total Weights
	Weights	15	15	20	10	10	30	100
Tenderer	Tender Sum							INDEX
The Architecture Office	\$151,440.00	85	85	85	80	90	66	79
Andrew Stewart Ltd	\$214,682.50	90	90	90	80	80	31	70
GHD Ltd	\$220,768.00	85	80	85	85	90	27	67
Engineer's Estimate	\$180,000.00							

Table 2 - Summary of Tender Evaluation

There is significant specialist architectural and structural engineering skills required in undertaking this contract. The weighting for the price attribute is set at 30% to reflect the importance of the specialist skills required.

All tenders received contained tags or errors that impacted the tender sum. As such, all tenderers were given the opportunity to correct errors or remove tags. This enabled the tenders to be evaluated on the same scope of work and with the same expectations.

TAGS, ERRORS OR OMISSIONS

The tender from The Architecture Office contained two tags which have an impact on the tendered sum. The first tag noted that disbursements were excluded from the tender sum. The second tag identified that only architectural services had been allowed for. The Architecture Office were given the opportunity to re-submit their tender sum to reflect the removal of these tags. They increased their tender sum to \$151,440 to include disbursements and any other professional services (such as structural engineering) required for the design of the toilet blocks.

The tender from Andrew Stewart Ltd contained an incomplete schedule of prices and a minor arithmetical error. Andrew Stewart Ltd re-submitted their schedule of prices after correcting the errors. They decreased their tender sum to \$214,682.50.

The tender from GHD Ltd contained one tag that had an impact on the tendered price. The tag requested the opportunity to re-submit prices each financial year in December based on economic movement and the CCI index. Cost fluctuations were not allowed for in the request for tender. GHD Ltd were asked to remove the tag and requested the opportunity to re-submit their tender sum using forecasted economic movement. They increased their tender sum to \$220,768.

CREDIT CHECK

A credit check on The Architecture Office has been requested.

JOB COSTS

excl. GST

Tender sum - The Architecture Office	\$151,440.00
Contingency	\$ 15,000.00

Total Job Cost	\$166,440.00

SOURCE OF FUNDING

2006/2007

Budget Description	Codes	Budget	Committed to Other Projects	Allocation to This Project	Un-allocated Balance
Building Renewals	75-9823-31560	\$449,000	\$439,117	\$9,883	Nil
Buildings Upgrades - associated with renewals	75-9825-53200	\$85,000	\$53,000	\$32,000	Nil
Waitakere Railway and Town Centre Duoloo	75-9825-53240	\$472,000	\$440,783	\$31,217	Nil
TOTAL				\$73,100	

2007/2008

Budget Description (From LTCCP 2006-2016)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Buildings Upgrades - associated with renewals	\$247,000	\$0	\$75,500	\$171,500
TOTAL			\$75,500	

2008/2009

Budget Description (From LTCCP 2006-2016)	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Buildings Upgrades - associated with renewals	\$180,000	\$0	\$17,840	\$162,160
TOTAL			\$17,840	

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by The Architecture Office achieved the highest index of 79. This is the lowest priced tender and also lower than the pre-tender contract estimate.

The Architecture Office has the necessary skills and experience to successfully complete this project and there are efficiencies and reduced risk for Council to use a firm with proven experience and capabilities.

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. PK06017A - Buildings and Services - Professional Services report be received.
2. That subject to a satisfactory credit check, the tender from The Architecture Office for Contract No. PK06017A - Buildings and Services - Professional Services in the sum of \$151,440.00 plus \$18,930.00 GST, totalling \$170,370.00 be accepted.
3. That the commitment to the 2007/2008 financial year for Contract No. PK06017A - Buildings and Services - Professional Services totalling \$75,500.00 plus GST be approved.
4. That the commitment to the 2008/2009 financial year for Contract No. PK06017A - Buildings and Services - Professional Services totalling \$17,840.00 plus GST be approved.
5. That authority to enter into Contract No. PK06017A - Buildings and Services - Professional Services on behalf of Council be delegated to the Group Manager: Asset Management.

Report prepared by: Debbie Chapman, Parks Project Development Officer.



5 CONTRACT NO. PK06029A - TITIRANGI BEACH RESERVE DEVELOPMENT

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK06029A - Titirangi Beach Reserve Development.

BACKGROUND

Titirangi Beach Reserve is located at the end of Titirangi Beach Road. Waitakere City Council took over the management of this reserve from the Auckland Regional Council in 2002. Subsequent investigation work has led staff to conclude that significant upgrading and development work is required. A set of swings has already been replaced due to safety reasons.

The 2006/2007 draft Annual Budget allows \$404,957.80 for the development of Titirangi Beach Reserve. This provides for a playground, paths and drainage, park furniture, planting and the toilet block replacement. The development of Titirangi Beach Reserve is provided for in the Manukau Foreshore Reserves Management Plan adopted by Council in August 2001.

The development of the concept design was undertaken with the community through two surveys and two public meetings.

At the 29 May 2006 meeting of the New Lynn Community Board, it was resolved:

- “2. That the New Lynn Community Board approves the Titirangi Beach Reserve Concept Plan.
3. That the New Lynn Community Board approves the Titirangi Beach Playground Concept Plan.”

912/2006

This contract forms part of Council’s Parks Asset development and renewal programme as provided for in the Long Term Council Community Plan 2006-2016.

SCOPE OF WORK

This contract is for the development of Titirangi Beach Reserve (approx 11,000m²). Works include site works, the installation of a playground, concrete paths and steps, gravel paths, site furniture, lawns and planting.

TENDERS RECEIVED

Tenders were publicly advertised with five (5) sets of documents being uplifted. Three (3) tenders were received by the closing date of 16 January 2007. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
HEB Smithbridge Ltd	PO Box 226, Drury	\$209,471.75
Auckland Civil Ltd	PO Box 100441, North Shore	\$228,661.00
Civil Underground Ltd	PO Box 1131007, Onehunga	\$251,515.00
Engineers Estimate		\$250,606.07

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 \$450 in relation to HEB Smithbridge Ltd’s price. This was for vandalism remediation if such a situation eventuated. No figure was specified in the Tender document Item 1.11 and the Principal may choose to exclude this item from the Contract if not deemed necessary.

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 No. PK06029A
								Total Weights
	Weights	5	5	15	5	10	60	100
Tenderer	Tender Sum	Grades						INDEX
HEB Smithbridge Ltd	\$209,471.75	85	72	85	75	90	58	68
Auckland Civil Ltd	\$228,661.00	85	89	85	85	74	50	63
Civil Underground Ltd	\$251,515.00	78	74	70	75	59	40	52
Med.n Tender Price	\$228,661.00							

Table 2 - Summary of Tender Evaluation

HEB Smithbridge Ltd is very skilled in this particular type of construction and have good portfolios of relevant projects completed. This was communicated very well in their submitted tender.

HEB Smithbridge Ltd scored lower in the track record and management skills in response to feedback from some referees about quality and management of sub-contractors. However, referees were satisfied with the end result of HEB Smithbridge Ltd's construction projects.

HEB Smithbridge Ltd was very thorough and specific about the methodology for undertaking this particular project which demonstrates a good understanding of the requirements. This is reflected in their high score of 90 for methodology.

TAGS, ERRORS OR OMISSIONS

HEB Smithbridge Ltd did not acknowledge acceptance of Notice to Tenderers numbers 1 and 2. They confirmed via fax on the 23 January 2007 that both Notice to Tenderers were received and due allowance was made in their tender submission to include the information in the notices.

Auckland Civil Ltd did not price for item 1.11 (provisional vandalism sum). This has no bearing on the outcome of the tender evaluation.

Civil Underground Ltd submitted Form E4 with their schedule of prices but were missing items 4.6-6.4. These were received by fax dated 24 January 2006.

Civil Underground Ltd did not acknowledge acceptance of Notice to Tenderer number 2. A copy of this was faxed to Civil Underground Ltd on 23 January 2007. They were asked to alter their price accordingly and this was received by fax dated 24 January 2007. There was one change to item 5.0 only which would have increased their price by a further \$2,156.60. Civil Underground Ltd also submitted referees and contacts on this date via fax which was also omitted from their original Tender submission. This additional information did not alter the evaluated order of the tenderers.

CREDIT CHECK

A credit check on HEB Smithbridge Ltd has been requested.

JOB COSTS

excl. GST

Tender sum - HEB Smithbridge Ltd	\$209,741.75
Contingency	\$ 20,974.18

Total Job Cost	\$230,715.93

Engineering and supervision will be provided by Parks staff and SOUL Environments through a separate contract therefore there is no additional cost associated with this contract.

SOURCE OF FUNDING

Budget Description	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Titirangi Beach Park Development	75-9825-53140	\$335,000.00	\$104,284.07	\$230,715.93	Nil

SUMMARY

The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by HEB Smithbridge Ltd achieved the highest index of 68. 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. PK06029A - Titirangi Beach Reserve Development report be received.
2. That subject to a satisfactory credit check, the tender from HEB Smithbridge Ltd for Contract No. PK06029A - Titirangi Beach Reserve Development in the sum of \$209,471.75 plus \$26,183.97 GST, totalling \$235,655.72 be accepted.
3. That authority to enter into Contract No. PK06029A - Titirangi Beach Reserve Development on behalf of Council be delegated to Group Manager: Asset Management.

Report prepared by: Debbie Chapman, Parks Project Development Officer.



6 **CONTRACT NO. EW06040A - INFRASTRUCTURE WORKS PROGRAMME RMA COMPLIANCE**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to invite tenders for Contract No. EW06040A -Infrastructure Works Programme RMA Compliance, for a period of three (3) years (1+1+1).

BACKGROUND

The Council, in order to implement its strategic direction, must initiate and implement a number of projects. A large number of these projects require resource consent and ongoing monitoring of consent conditions. Project managers within Council are responsible for applying and adhering to the consent conditions. Failure to meet any condition or monitoring of consents can lead to prosecution and adverse publicity. As a Council, and regulator it is important that the Council complies with rules, regulations and conditions of consents which it holds.

To minimise the Council's exposure to risk it is desirable to have compliance monitored independently. To ensure that the Council complies with the same rules/regulations and conditions of consent as any other resident, business and manage these in a way that is both professional and best practice.

In order to meet service levels specified within the Council's Long Term Council Community Plan 2006-2016 (LTCCP), an integrated system to track and manage compliance obligations associated with resource consents and other statutory approvals is required.

A pilot project was carried out in 2005/2006 to monitor RMA compliance of consents using the processes envisaged in this contract.

At the Tenders Subcommittee on 14 July 2006, a process was approved for the provision of professional services in the Asset Management Group, as follows:

- Registration of interest to be publicly advertised, including professional services for Project Twin Streams and work programmes for the Asset Management Group;
- All organisations that submit a Registration of interest will then be considered to invite tenders as appropriate;
- Tenders will be invited based on normal tendering procedures with acceptance in accordance with delegated authority and reporting to the Tenders Subcommittee when the value of contracts exceed the delegated authority;
- Tenders will generally be for fixed sum contracts, with the exception of projects where an hourly rate is more appropriate;
- Tenders will generally be evaluated using Land Transport New Zealand's Competitive Pricing Procedures Manual, with the exception that hourly rate contracts will be awarded to the lowest price complying tenderer;
- The Group Manager: Asset Management will maintain a register for providers of professional services. The Register will be updated on a regular basis to allow for new entrants and also record the performance of service providers and any issues that may arise.

The Tenders Subcommittee resolved as follows:

- “2. *That the Group Manager: Asset Management be delegated authority to maintain a register for providers of professional services and to implement the procurement process set out in the report.*”

SCOPE OF WORK

The scope of work includes the provision of:

- Automatic upload of consent and conditions from Auckland Regional Council;
- Identification and tracking compliance requirements;
- Storage and timely retrieval of consent and other relevant data;
- Archiving and closing-out completed consents;
- Records of compliance inspections;
- Records of fees paid where necessary;
- Keeping consent records safe, secure and updated in terms of technology;
- Storage of information off-site;
- Security in the event of a major disaster - part of Business Continuity Plan;
- Collection of data, inspections, consents compliance information;
- Physical inspection of conditions in the field;
- Exception reporting to relevant project manager;
- Appropriate escalation of any breaches/potential breaches;
- KPIs developed showing compliance;
- Ensuring that Council does not breach any consent conditions;
- Expertise in the training for Council staff and contractors.

PROPOSAL

It is proposed to invite seven tenders to tender for Contract No EW06040A – Infrastructure Works Programme RMA Compliance from the registration of interest database for a period of three (3) years (1+1+1) subject to the consultant's quality and performance and at the sole discretion of the Council.

A public tendering process is required for the following reasons:

- A specialist skill set not available within Council is required;
- The works are a requirement unable to be resourced internally at present;
- External involvement is appropriate for the work requirements;
- The cost estimate for the contract will exceed \$50,000.

The registration of interest was publicly notified during August 2006 and the database at 19 January 2007 shows the following companies have expressed interest in tendering for the proposed professional services as described in the scope:

- Andrew Stewart Ltd;
- Fraser Thomas Consultants Ltd;
- Connell Wagner Ltd;
- TSE Group Ltd;
- Maunsell Ltd;
- Opus Consultants Ltd;
- URS Ltd.

It is proposed to invite all the above to tender.

The proposal to tender the works over three (3) year (1+1+1) period provides the following benefits to Council:

- Long term contracts provide the best basis for achieving a cost effective contract;
- It takes time to train staff in the process and gain efficiencies;
- Provides dedicated services from the consultants;
- Compliance is monitored independently of the Council;
- Extension of the Contract is linked to performance.

CONFLICT OF INTEREST

It is considered that the risk of any conflict of interest is low as the Consultant will be monitoring the Consents issued to the Council. However, in the Conditions of Contract a specific clause (Clause 2.8) provides for circumstances where the Consultant may have a conflict of interest.

The Consultant must try to ensure that conflicts of interest do not arise and notify the Client immediately in writing where a conflict of interest may arise or has arisen.

In the unlikely event, the contract will specifically state the effects of any identified conflict are minimised by the Consultant.

RESOURCES

Funding for this contract has been included in the Long Term Council Community Plan 2006-2016.

SUMMARY

It is proposed to invite tenders for Contract No. EW06040A - Infrastructure Work Programme RMA Compliance for a period of three (3) years (1+1+1) and authority is required to commence the procurement process.

RECOMMENDATIONS

1. That the Contract No. EW06040A - Infrastructure Work Programme RMA Compliance report be received.
2. That approval is given to the Group Manager: Asset Management to invite tenders for Contract No. EW06040A - Infrastructure Work Programme RMA Compliance for a period of three (3) years (1+1+1).
3. That approval is given to the Group Manager: Asset Management to invite tenders for Contract No. EW06040A - Infrastructure Work Programme RMA Compliance to:
 - Andrew Stewart Ltd;
 - Fraser Thomas Ltd;
 - Connell Wagner Ltd;
 - TSE Group Ltd;
 - Maunsell Ltd;
 - Opus Consultants Ltd;
 - URS Ltd.

4. That the result of the tender evaluation process for Contract No. EW06040A - Infrastructure Work Programme RMA Compliance be reported back to the Tenders Subcommittee for approval.

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



7 **CONTRACT NO SP06002D - PROJECT TWIN STREAMS - LOWER WAIKUMETE STREAM WALK AND CYCLEWAY**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SP06002D - Project Twin Streams - Lower Waikumete Stream Walk and Cycleway.

BACKGROUND

The Council has a programme of construction of walk and cycleways as part of Project Twin Streams. The Lower Waikumete Stream project is the third stage of these walk and cycleways.

The work is partly funded by a grant from Infrastructure Auckland, which is being administered by Auckland Regional Holdings.

SCOPE OF WORK

The contract is for the construction of 530 linear metres of 3 metre wide walk/cycleway and 1,200 square metres of wetland, and works include the following:

- clearing and earthworks;
- concrete soldier piles;
- concrete path construction;
- timber boardwalk with steel handrails;
- wetland construction;
- stormwater drainage;
- signage and markings;
- landscaping and planting; and
- various miscellaneous works.

TENDERS RECEIVED

In September 2006, contractors were requested via public advertising to register an expression of interest for the Project Twin Streams walk and cycleway projects. Fourteen contractors were approved following this process. All of these contractors were contacted by phone to determine if they were willing to tender for the Lower Waikumete Stream Walk and Cycleway contract. Nine contractors said they were interested in pricing the work and that they would submit their tender by the given deadline. Five (5) tenders were received by the closing date of Tuesday, 30 January 2007. These are summarised in Table 1 below:

TENDERER	REG. OFFICE	TENDER PRICE (excl. GST)
Infrastructure NZ Limited	North Harbour	\$496,996.75
P & M Paving and Construction Limited	Parnell	\$577,664.40
Traffic Systems Limited	New Lynn	\$613,256.00
HEB Smithbridge Limited	Drury	\$673,376.00
Auckland Paving Services Limited	Remuera	\$740,253.00
Pre-tender Contract Estimate		\$585,000.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

Three tenderers, P&M Paving and Construction Limited, Infrastructure NZ Limited and Auckland Paving Services Limited, either failed to nominate or nominated an alternative sub-contractor to the Waitakere City Council approved sub-contractors for the wetland planting and maintenance that were required in Specific Clause 2.2, effectively tagging their tenders.

The Council's Standard Conditions of Tendering and Tender Process state the policy that *"The Principal reserves the right to:*

- *Seek clarification of any Tender;*
- *Enter into discussions and/or negotiations with any one or more Tenderers at any time and upon any terms and conditions."*

Under these clauses, P&M Paving and Construction Limited, Infrastructure NZ Limited and Auckland Paving Services Limited were contacted, and asked to nominate one of the Council approved sub-contractors and to adjust their tender price, if required. The revised tender sums are summarised in Table 2 below.

TENDERER	REG. OFFICE	TENDERED SUM (excl. GST)	REVISED TENDERED SUM (excl. GST)
Infrastructure NZ Limited	North Harbour	\$496,996.75	\$504,355.75
P & M Paving and Construction Limited	Parnell	\$577,664.40	\$577,664.40
Traffic Systems Limited	New Lynn	\$613,256.00	\$613,256.00
HEB Smithbridge Limited	Drury	\$673,376.00	\$673,376.00
Auckland Paving Services Limited	Remuera	\$740,253.00	\$746,523.00
Pre-tender Contract Estimate		\$585,000.00	\$585,000.00

Table 2 - Revised Tender Sums

An evaluation of the revised tender sums did not affect the rankings and shows Infrastructure NZ Limited as the lowest tenderer.

In accordance with the conditions of tendering, tenders were evaluated in line with the Lowest Price Conforming Tender 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 using the revised tender sums is shown in Table 3.

ATTRIBUTE EVALUATION AND GRADING:

Tender Evaluation	Attributes	Experience	Track Record	Technical Skills	Resources	Management Skills	Method	Lowest Price Conforming Tender
Tenderer	Tender Sum	Grades						
Infrastructure NZ Limited	\$504,355.75	Pass	Pass	Pass	Pass	Pass	Pass	Yes
P & M Paving and Construction Limited	\$577,664.40	Pass	Pass	Pass	Pass	Pass	Pass	Yes
Traffic Systems Limited	\$613,256.00	Pass	Pass	Pass	Pass	Pass	Pass	Yes
HEB Smithbridge Limited	\$673,376.00	Pass	Pass	Pass	Pass	Pass	Pass	Yes
Auckland Paving Services Limited	\$746,523.00	Pass	Pass	Pass	Pass	Pass	Pass	Yes

Table 3 - Summary of Tender Evaluation

Infrastructure NZ Limited is a small construction company, newly formed in late 2005. As such, it has not undertaken work for the Council before. It has, however, carried out contracts for other local authorities, including Rodney District Council, North Shore City Council and Auckland City Council, over the last year. Works included large scale earthworks, concrete works, roads, footpaths, retaining walls and stormwater drainage.

Evaluation was based on references obtained from other client organisations, including North Shore City Council, and the tender submission. Referees reported work to be of a high standard, on time and within budget. The Contract Manager has 25 years experience in the industry, including 10 years in high level managerial roles with Works Infrastructure Limited.

TAGS, ERRORS OR OMISSIONS

The tenders from P & M Paving and Construction Limited and Infrastructure NZ Limited had tags attached. These were reviewed and accepted prior to the opening of the tender prices.

As described above, P & M Paving and Construction Limited, Infrastructure NZ Limited and Auckland Paving Services Limited either failed to nominate or nominated alternatives to the Council approved sub-contractors for the wetland planting and maintenance. These tenderers were asked to nominate an approved sub-contractor and to adjust their tender price, if required.

The tenders from Infrastructure NZ Limited, Auckland Paving Services Limited and Traffic Systems Limited all had arithmetic errors in their schedules of prices. These were addressed but had no impact on the lowest tenderer's price.

There were no other tags, errors or omissions.

CREDIT CHECK

A credit check on Infrastructure NZ Limited dated 8 February 2007 revealed no adverse information.

JOB COSTS

	excl. GST
Tender Sum - Infrastructure NZ Limited	\$504,355.75
Contingency	\$ 50,500.00

Total Job Cost	\$554,855.75

Engineering and supervision are outside the scope of this contract and are funded elsewhere.

SOURCES OF FUNDING

Codes	Budget	Committed to other projects	Allocation to this project	Unallocated Balance
85-9815-62900	\$4,300,000.00	\$2,146,643.25	\$274,522.85	\$1,878,833.90
85-9815-47940	\$350,000.00	\$23,650.00	\$280,332.90	\$46,017.10
		Total	\$554,855.75	

An amount of \$274,522.85 of this construction contract is the Project Twin Steams component and will be claimed back from Auckland Regional Holdings, with the balance being other works in the Annual Plan 2006/2007, which are included in this contract for efficiencies and are funded by the Council.

SUMMARY

The results of the tender evaluation as summarised in Table 3 shows that the tender submitted by Infrastructure NZ Limited was a conforming tender and achieved the lowest revised tender sum.

Infrastructure NZ Limited has demonstrated with their previous clients that they provide excellent workmanship and management skills. They are experienced in this type of contract.

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. SP06002D - Project Twin Streams - Lower Waikumete Stream Walk and Cycleway report be received.
2. That the tender from Infrastructure NZ Limited for Contract No. SP06002D - Project Twin Streams - Lower Waikumete Stream Walk and Cycleway, in the sum of \$504,355.75 plus \$63,044.47 GST, totalling \$567,400.22 be accepted.
3. That the authority to enter into Contract No. SP06002D - Project Twin Streams - Lower Waikumete Stream Walk and Cycleway, on behalf of Council be delegated to the Group Manager: Project Services.

Report prepared by: Jacqui Robson, Senior Engineer, Special Projects.

