

**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 27 APRIL 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. FNO7001A - READING OF WATER METERS	2
5	CONTRACT NO. CCSP06198A - COMMERCIAL OVERVIEW AND PROJECT MANAGEMENT FOR WILSHER VILLAGE PRE- DEVELOPMENT PLANNING	3
6	CONTRACT NO. EW06006F - RENEWAL AND REPAIR OF SEWER MANHOLES AT BEDFORD STREET, ROBERTS ROAD, AYRTON STREET AND DEVON STREET	6
7	CONTRACT NO. PK07003A - CITYWIDE PLAY FACILITIES MAINTENANCE AND RENEWALS	8

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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 CONFIRMATION OF MINUTES

Meeting Minutes - 13 April 2007

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 13 April 2007, as circulated, be taken as read and now be confirmed.



4 CONTRACT NO. FNO7001A - READING OF WATER METERS

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. FNO7001A - Reading of Water Meters for a period of three years, with an option for extension for a further three years subject to satisfactory performance.

BACKGROUND

Council collects water rates to fund the provision of water services to properties in the City. In the 2007/2008 rating year the collection of water rates is estimated to yield \$21,623,625. The rates are set under Section 19 of the Local Government (Rating) Act 2002 and are an integral part of Council's funding mechanisms.

Water rates are levied on properties according to the volume of water used on a property. This use is measured through 64,000 water meters all of which require reading on a regular basis. Council does not have the resources to read these meters. This service is provided by private contractors with the current contract expiring on 30 June 2007.

ISSUES

The reading of water meter's is a function that is performed continuously throughout the year. Water rates can be a contentious subject in the ratepayers eyes so it's important that a consistent and professional service is offered with water billing.

When tendering for a contract that will be longer than one year, contractors should be able to factor in savings that could be gained from the following:

- certainty of having a long-term work and income stream;
- better utilisation and commitment of resources; and;
- better planning of the firms activities.

Additionally, Council should be able to benefit from:

- lower administration costs;
- continuity of service and;
- consistency of service.

The current water meter reading contractor has been working with Council since 2003 with the original contract expiring on 31 August 2006.

The Tenders Subcommittee gave approval in July 2006 to extend the contract for 1 year to 30 June 2007 as follows:

1. *That the Contract No. EW03631C - Reading of Water Meters - Approval to Extend report be received.*
2. *That the renewal of Contract No. EW03631C - Reading of Water Meters for an additional one year to end on 30 June 2007 with Wells Instrument & Electrical Services Limited be approved.*
3. *That authority to extend Contract No. EW03631C - Reading of Water Meters on behalf of Council be delegated to the Group Manager: Asset Management.*

It is possible that the finalisation of this new tendering process may not be completed in time to meet the expiry of the current contract so it is desirable for the current contract to be rolled over on a month by month basis, if required.

RESOURCES

The budget provisions for this contract are included in the Long Term Council Community Plan 2006-2016.

CONCLUSION

It is proposed to publicly call for tenders for Contract No. FNO7001A - Reading of Water Meters for a period of three (3) years with an option for extension for a further three (3) years subject to satisfactory performance.

RECOMMENDATIONS

1. That the Contract No. FNO7001A - Reading of Water Meters report be received.
2. That approval be given to publicly call for tenders for Contract No. FNO7001A - Reading of Water Meters for a period of three (3) years, with an option for extension for a further three (3) years subject to satisfactory performance.
3. That authority to extend the existing Contract No. EW03631C - Reading of Water Meters over, on a month by month basis in the event that the tender process in 2 above is not finalised prior to 30 June 2007 be delegated to the Group Manager: Rates

Report prepared by: John MacKenzie: Group Manager: Rates.



5 CONTRACT NO. CCSP06198A - COMMERCIAL OVERVIEW AND PROJECT MANAGEMENT FOR WILSHER VILLAGE PRE-DEVELOPMENT PLANNING

PURPOSE OF THE REPORT

The purpose of this report is to inform the Tenders Subcommittee of the award of Contract No. CCSP06198A - Commercial Overview and Project Management for Wilsher Village Pre-Development Planning to a sole or preferred supplier, Waitakere Properties Ltd (wholly owned subsidiary of Waitakere City Holdings Ltd).

BACKGROUND

Council has the opportunity to meet several social housing and sustainable urban development objectives through comprehensive redevelopment of the Wilsher Village site. An innovative and significant housing redevelopment would support Council's Housing Action Plan. It would also contribute to Council's vision of future urban and economic development and community well-being, through the following strategic platforms: Urban and Rural Villages, Strong Communities, Strong Innovative Economy and Sustainable Energy & Clean Air.

The proposed redevelopment of Wilsher Village is currently in Project Feasibility - Scoping Phase. A fully-costed design is now required, to provide Council with a more robust and detailed project outline (including financial impacts) which will, in turn, enable Council to attract external investment and to inform a special consultative procedure which will need to be undertaken before Council provides final sign-off and funding for a final development proposal.

New funding was approved for this purpose through the Long Term Council Community Plan and Annual Plan Special Committee on 23 February 2007:

1. *That the New Funding - Wilsher Village Redevelopment Project report be received.*
- 2 (a) *That \$100,000 from the surplus identified at the half yearly review be allocated to the Wilshire Village Redevelopment Project to accelerate the completion of the project feasibility stage during 2006/2007.*
AND
- 2 (b) *That \$120,000 be included in the draft Annual Plan 2007/2008 to further progress pre-development planning for the Wilsher Village Redevelopment Project.*

244/2007

SCOPE OF WORK

This contract provides for the commercial overview and project management required to finalise the pre-development planning phase of the Wilsher Village Redevelopment Project. The work required will focus on the development of a baseline concept plan design, quantity survey and costing of that plan and financial modelling on the proposed development. Services will include the provision of advice and support to examine funding and development partnership models and opportunities for the project.

TENDERS RECEIVED

Waitakere Properties Ltd (wholly owned subsidiary of Waitakere City Holdings Ltd) was identified as a sole or preferred supplier for this contract.

Waitakere Properties Ltd is a Council Controlled Organisation that develops and manages council-owned properties and also exists for the purpose of providing property consultancy services to the Council. Council owns (and shall continue to own) the existing Wilsher Village site.

Waitakere Properties Ltd has relevant expertise, experience and a track record required to complete the work in a cost-effective and expedient manner. Outputs from the proposed scope of work are required to enable a clear decision on the future development of Wilsher Village in line with the agreed project timeframes. The scope of work is equivalent to work that this consultant has previously carried out satisfactorily and Council expects to obtain benefits through experience and efficiency.

Those internal Council officers who have specific skills and direct experience required in property development do not have the capacity to undertake the pre-development planning for this project and the work cannot be reasonably deferred to such time as those staff would become available to work on the project.

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Waitakere Properties Ltd	Floor 2 Waitakere Central Office Park 4 Henderson Valley Road	\$ 78,120.00
Pre-tender contract estimate		\$100,000.00

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with Council's procurement procedures and policies, a price has been negotiated and agreed to with Waitakere Properties Ltd as the sole preferred supplier for this work. The amount is within the estimate for the work.

The proposed work is within the financial delegation of the Director: Corporate & Civic Services and the value of work (under \$100,000) falls within approved approval protocols for award to other than a lowest priced tender (it is considered appropriate to apply this requirement to the use of a sole or preferred supplier).

TAGS, ERRORS OR OMISSIONS

There are no tags, errors or omissions to report.

CREDIT CHECK

Not Applicable.

JOB COSTS

	excl. GST
Tender sum - Waitakere Properties Ltd	\$78,120.00
Contingency	\$0
Engineering & Supervision	\$0

Total Job Cost	\$78,120.00

Contingency costs are built into the negotiated contract sum and contract supervision will be carried out by existing Council officers.

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
Wilsher Village	15-1052-28430-022	\$100,000	Nil	\$78,120	\$21,880

SUMMARY

The scope of work and contract price has been successfully negotiated with Waitakere Properties Ltd as the sole preferred supplier for this contract. Waitakere Properties Ltd has the skills and experience required to deliver on the requirements of this contract within the specified timeframes. This appointment is within the delegated authority of the Director: Corporate & Civic Services and is reported for the information of the Tenders Subcommittee.

RECOMMENDATION

That the Contract No. CCSP06198A - Commercial Overview and Project Management for Wilsher Village Pre-Development Planning report be received.

Report prepared by: Janet McDonald, Project Manager: Strategic Projects.



6 CONTRACT NO. EW06006F - RENEWAL AND REPAIR OF SEWER MANHOLES AT BEDFORD STREET, ROBERTS ROAD, AYRTON STREET AND DEVON STREET

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW06006F - Renewal and Repair of Sewer Manholes at Bedford Street, Roberts Road, Ayrton Street and Devon Street.

BACKGROUND

The Bedford Street Pump Station and sewer main are subject to high rates of infiltration from the old manholes and private drains in the catchment. To reduce sewer overflows the manholes are to be repaired or replaced.

SCOPE OF WORK

The scope of the work includes:

- Replacement of 35 wastewater manholes;
- Repair and rehabilitation of 16 wastewater manholes;
- Reinstatement.

TENDERS RECEIVED

Tenders were publicly advertised with eighteen (18) sets of documents being downloaded and one (1) hard copy supplied on request. Six (6) tenders were received by the closing date of Tuesday, 27 March 2007. The tender result is shown in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
H&H Contractors Ltd	PO Box 15-084, New Lynn	\$288,890.00
Horizontal Earth Drilling Ltd	PO Box 65133, Mairangi Bay	\$384,543.00
Hughes Civil Ltd	PO Box 20687, Glen Eden	\$390,625.00
Coastline Excavators Ltd	PO Box 57, Westpark Village	\$405,150.00
Suburban Drainage Ltd	PO Box 233, Hellensville	\$478,148.00
Civil Underground Ltd	PO Box 131007, Onehunga	\$510,020.76
Pre- tender contract estimate		\$361,050.00

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. Skill	Resour.	Manag. Skill	Method.	Price	Contract Number EW 06 006F
									Total Weights
	Weights	10	10	5	10	10	5	50	100
Tenderer	Tender Sum	Grades							INDEX
H&H Contractors Ltd	\$288,890.00	70	70	75	75	60	70	77	73
Horizontal Earth Drilling Ltd	\$384,543.00	70	65	70	65	65	70	53	60
Coastline Excavators Ltd	\$405,150.00	70	70	70	60	60	70	48	57
Hughes Civil Ltd	\$390,625.00	70	40	50	60	50	70	52	54
Suburban Drainage Ltd	\$478,148.00	65	75	70	65	65	70	30	49
Civil Underground Ltd	\$510,020.76	60	50	65	55	50	70	22	39
Median Tender Price	\$397,887.50								

Table 2 - Summary of Tender Evaluation

Scores for the non-price attributes were determined on the basis of information provided in the tender, and on recent Council experience with the tenderer.

The tender submitted by H&H Contractors Ltd is approximately 20% lower than the pre-tender contract estimate.

H&H Contractors Ltd have proposed a team with the necessary resources and expertise to manage and undertake the work. They have undertaken works of a similar nature for Council and this company has a good recent track record with Council projects.

TAGS, ERRORS OR OMISSIONS

The tenders from H&H Contractors Ltd, Civil Underground Ltd and Suburban Drainage Ltd all contained arithmetical errors. The errors contained within the tenders submitted by Civil Underground Ltd and Suburban Drainage Ltd were not addressed as resolution would not have affected the evaluation result.

The tender submitted by H&H Contractors Ltd contained a multiplication error which resulted in the tendered amount being \$1,350 less than the true total. H&H Contractors Ltd have conformed their tendered price.

CREDIT CHECK

A credit check on H&H Contractors Ltd dated 30 March 2007 revealed no adverse information.

SUMMARY

The results of the tender evaluation as summarised in Table 2 show that the tender submitted by H&H Contractors Ltd achieved an overall index of 73.

It is considered that H&H Contractors Ltd have the necessary expertise and resources to satisfactorily carry out the works.

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

JOB COSTS

excl. GST

Contract Price	\$288,890.00
Contingency(10%)	\$ 28,890.00
Engineering and Supervision (15%)	<u>\$ 43,330.00</u>
Total Job Cost	<u>\$361,110.00</u>

SOURCE OF FUNDING

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to This Project	Unallocated Balance
WW Renewals I/I Programme	85-9835-25220	\$4,145,000	\$3,178,024	\$361,110	\$605,866

RECOMMENDATIONS

1. That the Contract No. EW06006F - Renewal and Repair of Sewer Manholes at Bedford Street, Roberts Road, Ayrton Street and Devon Street report be received.
2. That the tender from H&H Contractors Ltd for Contract No. EW06006F - Renewal and Repair of Sewer Manholes at Bedford Street, Roberts Road, Ayrton Street and Devon Street, in the sum of \$288,890.00 plus \$36,111.25 GST, totalling \$325,001.25 be accepted.
3. That authority to enter into Contract No. EW06006F - Renewal and Repair of Sewer Manholes at Bedford Street, Roberts Road, Ayrton Street and Devon Street on behalf of Council be delegated to the Group Manager: Project Services.

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



7 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 publicly call for tenders for Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals for a total period of five (5) years from 1 July 2007 to 30 June 2012 on the basis of an initial two (2) year contract period with extensions of one (1) plus one (1) plus one (1) years subject to the performance of the contractor and the availability of funding.

BACKGROUND

Parks Assets currently manage one hundred and forty (140) play facilities, eleven (11) skate facilities and eighteen (18) basketball half courts. In order to fulfil Council's play facilities programme as provided for in the Long Term Council Community Plan 2006-2016 it is necessary to engage a maintenance contractor with the necessary skill set to achieve a high quality delivery of service to ensure the ongoing safety and integrity of the City's play facility assets.

In July 2001 Parks and Maintenance Services Ltd was awarded Contract No. PK10217 - Waitakere City Playground Maintenance for a contract period of three (3) years for 2001-2004. Parks and Maintenance Services Ltd were awarded Contract No. PK10217 - Waitakere City Playground Maintenance on the basis of their competitive contract rates established through a public tendering process. This contract was extended in October 2004 for a further two and a half (2.5) years. The current contract period terminates on 30 June 2007.

Although the contractor has performed well during the contract period it is now considered that there are potential benefits in Council revisiting the market and publicly calling for tenders.

SCOPE OF WORK

The contract work includes the supply of all material, labour, cartage, tools, plant and appliances necessary to maintain play facilities, skate facilities and basketball half courts within the City's Parks and Open Space. This specifically includes the following:

- Planning, programming and auditing of the contract works;
- Preparation of reports and compliance with Quality Assurance Plans;
- Maintenance of safety surfacing;
- Litter, weed and debris removal;
- Repair and maintenance of all play facilities and timber skate ramps;
- Repair and maintenance of basketball hoops, backings and poles;
- Inspections of facilities, basketball hoops and timber skate ramps;
- Ad hoc work that is generated by service requests to the Council's Call Centre.

In addition it is intended that the contract works include play facilities upgrades as part of the Parks Assets renewal programme as provided for in the Long Term Council Community Plan 2006-2016. This capital work involves improvements to play facilities to bring them to a quality standard.

ISSUES

It is proposed that there are benefits entering into a longer term maintenance contract due to cost savings to Council in reduced time producing contracts and reduced Council project management requirements. There are also benefits to Council in long term consistency in delivery of service, in developing an ongoing innovative relationship with the contractor and managing a contractor who has an intimate knowledge of the City's geography and play facility assets. Separating the contract into the specified periods will allow Council, in the event of unsatisfactory performance, to terminate and re-tender the contract accordingly.

It is also proposed that structuring a contract on these timelines will bring the extension periods in line with the three (3) yearly review periods of the Long Term Council Community Plan 2006-2016.

The maintenance and renewal of play facilities is a specialised and technical field and there is a high risk to Council of asset deterioration and potential failure in this area due to high use and vandalism.

The successful contractor will need to demonstrate:

- Performance and excellence in service delivery;
- Improvements in the quality of work;
- The ability to form a close working relationship with Council;

- The ability to provide innovative ideas and solutions in relation to play facility maintenance and design;
- Certified playground inspectors in accordance with New Zealand Playground Safety Standards NZS: 5828:2004.

Due to the high risk associated with providing child safety and in line with the delivery of quality play facility maintenance it is proposed that during the tender evaluation process increased importance be placed upon the quality of the contractor's non-priced attributes by weighting of ninety percent (90%) on these attributes and ten percent (10%) on price. It is proposed to allocate the following weightings to non-priced attributes: Experience 20%, Track Record 20%, Technical Skills and Resources 15%, Management Skills 15%, Methodology 20%. This deviation from standard methods of procurement is in response to Council's Strategic Priorities of First Call For Children, Safe City and Lifelong Learning and also meets the organisation's aspirations to be a New Zealand leader in health and safety in that, "health and safety is not negotiable". There is a significant risk to Council that if a contractor was engaged predominantly on the basis of price that failure to adequately acknowledge critical non-priced attributes in relation to the delivery of play facility maintenance could potentially lead to deterioration of the asset and or failure of elements of the asset and subsequent serious injury to a child.

SUMMARY

In order to ensure the ongoing delivery of service for Citywide play facilities maintenance and renewals, it is proposed to publicly tender Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals for a contract spanning period of five (5) years from 1 July 2007 to 30 June 2012 on the basis of two (2) years with extensions of one (1) year subject to the performance of the contractor and the availability of funding.

RECOMMENDATIONS

1. That the Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals report be received.
2. That approval be given to publicly call for tenders for Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals for a contract period spanning five (5) years from 1 July 2007 to 30 June 2012 on the basis of an initial two (2) year contract period with extensions of one (1) plus one (1) plus one (1) years.
3. That approval be given during the tender evaluation process for Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals to allocate ninety percent (90%) weightings to non-priced attributes and ten percent (10%) to price.
4. That the results of the tender evaluation process for Contract No. PK07003A - Citywide Play Facilities Maintenance and Renewals be reported back to the Tenders Subcommittee for approval.

Report prepared by: Roscoe Webb, Parks Operations Team Leader.

