



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** **22 February 2008** **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.

18 February 2008

Sharlene Riley
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8851

MEMBERSHIP:

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

Chief Executive Officer
Director: City Services
Director: Corporate & Civic Services
Director: Strategic Performance
Director: Strategic Planning
Director: Public Affairs
Director: Finance

Mayor RA Harvey, QSO, JP (ex officio)
Deputy Mayor PA Hulse (ex officio)

(Quorum 3 members)

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(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD AT
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON FRIDAY, 22 FEBRUARY 2008,
COMMENCING AT 9.00 AM**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairman has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFLICTS OF INTEREST

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



4 CONFIRMATION OF MINUTES

Meeting Minutes - Friday, 8 February 2008

RECOMMENDATION

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 8 February 2008, as circulated, be taken as read and now be confirmed.



5 **CONTRACT NO. TA07017B - GREAT NORTH ROAD: SABULITE ROAD TO NO. 4175 REHABILITATION**

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA07017B - Great North Road: Sabulite Road to No. 4175 Rehabilitation.

BACKGROUND

In June 2007, a professional services contract was awarded to Opus International Consultants Limited to investigate the road carriageway of Great North Road, between West Coast Road and Awaroa Road, due to the deteriorating condition of the road. The professional services contract required the Consultant to prioritise two sections to be rehabilitated within the 2007/2008 and 2008/2009 financial years. The investigation determined that the first priority section for rehabilitation is a 450 metre carriageway section of Great North Road between Sabulite Road to property No. 4175 (south of Hepburn Road).

Pavement investigation concluded that the failure is within the underlying pavement base course layers and not solely within the surface wearing layer. Several rehabilitation options were considered in the design stage. Of these options, foam bitumen stabilisation was considered the most cost effective option.

Funding was approved by the Council in the Annual Plan 2007/2008 for this work.

SCOPE OF WORK

This contract provides for the rehabilitation of the carriageway section of Great North Road, between Sabulite Road to property No. 4175, using foam bitumen stabilisation. Final surfacing will be asphaltic concrete. The contract also includes minor kerb, channel, vehicle crossing and footpath repair.

TENDERS RECEIVED

Tenders were publicly advertised through Tenderlink, with 12 sets of documents being downloaded. There were three tenders received by the closing date of 5 February 2008. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)	ALTERNATIVE TENDER PRICE (excl. GST)
Blacktop Construction Limited	Manukau City	\$746,195.70	\$736,915.70
Downer EDI Works Limited	Manukau City	\$986,285.00	
Fulton Hogan Limited	Christchurch	\$829,455.21	\$786,936.81
Pre-tender contract estimate		\$636,070.00	

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 Land Transport 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 \$5,000.

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.

Both Fulton Hogan Limited and Blacktop Construction Limited submitted an alternative tender, and these were evaluated in accordance with Section 2.8 of the Land Transport New Zealand Manual. This requires all non-alternative tenders to be evaluated first, with acceptable alternative tenders being compared against the best of the non-alternative tenders.

The alternative tender submitted by Fulton Hogan Limited offered a price reduction if the depth of milling prior to stabilisation was reduced from 100mm to 60mm. This was considered unacceptable as it would not have achieved the required technical outcomes.

The alternative tender submitted by Blacktop Construction Limited offered a price reduction if the membrane chipseal layer was replaced with a light application of sprayed bitumen (fog coat) prior to final sealing. This could only be considered following a visual inspection of the completed stabilised pavement and, if acceptable, could be dealt with as a variation (with a price reduction) during the course of the contract works. Therefore, the alternative tender submitted by Blacktop Construction Limited was not considered during the tender evaluation phase.

Therefore both alternative tenders were not considered further.

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 TA07017B
									Total Weights
	Weights	8	8	3	3	3	5	70	100
Tenderer	Tender Sum	Grades							INDEX
Blacktop Construction Limited	\$741,195.70	82	69	71	80	67	68	60	64
Fulton Hogan Limited	\$824,455.21	77	70	78	86	74	69	50	57
Downer EDI Works Limited	\$981,285.00	88	86	84	87	84	84	31	47
Med.n Tender Price	\$824,455.21								

Table 2 - Summary of Tender Evaluation

There is a significant difference between the pre-tender contract estimate and the submitted tenders. The pre-tender contract estimate was carried out by Opus International Consultants Limited and is based on recent tendered rates on contracts they have administered within the Auckland region. It was concluded that the increase in tendered rates are likely to be related to a lower daily productivity in stabilisation work as a result of reasonable restrictions imposed to the working hours and workable area permitted on Great North Road. These restrictions were imposed to ensure reasonably acceptable noise levels at night time for local residents and to minimise the impact on traffic during the day time.

TAGS, ERRORS OR OMISSIONS

There were no errors or omissions in any of the tenders received. The tender submitted by Blacktop Construction Limited contained no tags.

The tenders submitted by Downer EDI Works Limited and Fulton Hogan Limited contained minor tags and clarifications that were considered acceptable.

CREDIT CHECK

A credit check dated 7 February 2008 on Blacktop Construction Limited revealed no adverse information.

JOB COSTS

	excl. GST
Tender sum - Blacktop Construction Limited	\$746,195.70
Contingency	\$ 74,600.00
Engineering & Supervision	\$ 72,000.00

Total Job Cost	\$892,795.70

SOURCE OF FUNDING

Budget description	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Great North Rd, Awaroa Rd to West Coast Rd Smoothing	8AMTA-008-005	1,195,000	103,054	892,800	199,146

SUMMARY

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

Blacktop Construction Limited was founded in 1977. They are a privately owned civil construction company and specialise in road surfacing, road maintenance and road rehabilitation. Current and past clients include Transit New Zealand, Auckland City Council and Manukau City Council.

Blacktop Construction Limited has recently successfully completed a number of significant foam bitumen stabilisation projects for Manukau City Council, including Kirkbride Road and Te Irirangi Road, both busy arterial roads.

Reference checks made on a selection of clients indicated a well-resourced, well-managed and capable contractor.

Blacktop Construction Limited also successfully completed the rehabilitation of Great North Road, from Edsel Street to McLeod Road for Waitakere City Council in the 2006/2007 financial year.

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. TA07017B - Great North Road: Sabulite Road to No. 4175 Rehabilitation report be received.
2. That the tender from Blacktop Construction Limited for Contract No. TA07017B - Great North Road: Great North Road: Sabulite Road to No. 4175 Rehabilitation in the sum of \$746,195.70 plus \$93,274.46 GST, totalling \$839,470.16 be accepted.
3. That authority to enter into Contract No. TA07017B - Great North Road: Sabulite Road to No. 4175 Rehabilitation on behalf of Council be delegated to the Group Manager: Project Services.

Report prepared by: Dave Jiggins, Principal Engineer.



6 CONTRACT NO. SP06005F - HENDERSON TOWN CENTRE - GREAT NORTH ROAD STREETScape AND ROADING UPGRADE - CONFIRMATION OF AWARD

PURPOSE OF THE REPORT

The purpose of this report is to inform the Tenders Subcommittee of the actions taken to award Contract No. SP06005F - Henderson Town Centre - Great North Road Streetscape and Roading Upgrade.

BACKGROUND

At the meeting on 21 December 2007 the Tenders Subcommittee resolved:

That authority to enter into Contract No. SWP06005F - Henderson Town Centre - Great North Road Streetscape and Roading Upgrade on behalf of Council be delegated to the Chief Executive Officer.

That a report be submitted to the Tenders Subcommittee in February 2008 confirm the action taken with regard to Contract No. SWP06005F - Henderson Town Centre - Great North Road Streetscape and Roading Upgrade.
(4001/2007)

TENDER ADJUDICATION AND AWARD

The Tender Evaluation Report entitled "*Contract No.SP06005F Henderson Town Centre - Great North Road Streetscape and Roading Upgrade*" was signed by the Chief Executive Officer on 31 January 2008, accepting the tender of HEB Smithbridge Limited in the amount of \$3,417,012.21 plus \$427, 126.53 GST, totalling \$3,814,138.74.

A1-A5

The Tender Evaluation Report, which is attached at pages A1 to A5 and outlines the process followed in reaching the recommendation to award Contract No.SP06005F - Henderson Town Centre - Great North Road Streetscape and Roading Upgrade to HEB Smithbridge Limited.

A letter of award for the Contract has been sent to HEB Smithbridge Limited.

RECOMMENDATION

That the Contract No.SP06005F - Henderson Town Centre - Great North Road Streetscape and Roothing Upgrade - Confirmation of Award report be received.

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

