



**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD AT  
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,  
WAITAKERE, ON FRIDAY, 25 JULY 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, 27 June 2008

**RECOMMENDATION**

It is recommended that the Tenders Subcommittee resolve to:

**Receive** the minutes of the meeting of the Tenders Subcommittee held on Friday, 27 June 2008, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. EW07034C – SEWER RENEWALS AT GLEN EDEN MINI CATCHMENT 5 AREA 1**

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW07034C – Sewer Renewals at Glen Eden Mini Catchment 5 Area 1.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW07034C – Sewer Renewals at Glen Eden Mini Catchment 5 Area 1 report.
2. **Approve** that the tender from Land & Marine Limited for Contract No. EW07034C - Sewer Renewals at Glen Eden Mini Catchment 5 Area 1 in the sum of \$386,660 plus \$48,332.50 GST, totalling \$434,992.50 be accepted.
3. **Approve** that authority to enter into Contract No. EW07034C – Sewer Renewals at Glen Eden Mini Catchment 5 Area 1 on behalf of Council be delegated to the Group Manager: Project Services.

**BACKGROUND**

1. The existing wastewater pipelines in the project area are unable to cope with existing peak flows causing wastewater overflows onto private properties and streams. The capacity of the current system is not adequate for projected future demands. Therefore the proposed pipelines are designed with larger diameters and will be installed on improved alignments and gradients, providing adequate capacity to meet maximum estimated future demands.

**SCOPE OF WORK**

2. The scope of work includes installation of approximately 430 metres of new polyethylene wastewater pipeline using directional drilling and pipe bursting techniques, construction of 10 new manholes and replacement of 20 existing service connections.

**TENDERS RECEIVED**

3. With the approval of City Services Group Managers, three contractors were invited to tender for this contract. This was considered necessary because:
  - A reliable and proven contractor is essential to carry out the physical works.
  - Directional drilling and pipe bursting are the technologies proposed for installation of pipes under this contract. These require specialist skills and resources and only a few contractors possess these skills in New Zealand.

4. Three (3) tenders were received. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Land & Marine Limited	8B Derry Street, Greenlane, Auckland	\$386,660.00
JB Contractors Limited	26 Glasgow Avenue, Papatoetoe, Auckland	\$403,495.00
The Fletcher Construction Company Limited Trading as PipeWorks Rehabilitation Solutions	18 Gabador Place, Mt Wellington, Auckland	\$692,792.63
<b>Pre-tender contract estimate</b>		<b>\$378,005.00</b>

Table 1 - Summary of Tender Prices

5. The lowest tender is 2% above the pre-tender contract estimate.

### TENDER EVALUATION

6. 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".
7. A summary of the evaluation results is shown in Table 2 below:

Tender Evaluation	Attributes	Exper	Track Record	Tech Skill	Resource	Manage Skill	Method	Price	Contract Number EW07034C
									Total Weights
	<b>Weights</b>	<b>10</b>	<b>15</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>5</b>	<b>40</b>	<b>100</b>
Tenderer	Tender Sum	Grades							INDEX
Land & Marine Limited	\$386,660.00	70	75	75	70	65	70	54	64
JB Contractors Limited	\$403,495.00	70	75	75	65	70	70	50	63
PipeWorks Rehabilitation Solutions	\$692,792.63	70	75	75	65	70	70	-22	34
<b>Median Tender Price</b>	<b>\$403,495.00</b>								

Table 2 – Summary of Tender Evaluation

8. Scores for the non-price attributes were determined on the basis of information provided in each tender, on the information gathered from the referees nominated by the tenderers and on any recent Council experience with the tenderers.
9. Land & Marine Limited is a company which has been operating in the Auckland region for 30 years and has successfully completed a number of water, wastewater and stormwater projects for Council as well as for MetroWater.

### TAGS, ERRORS OR OMISSIONS

10. There were no conditions or tags in the tender submitted by Land & Marine Limited but arithmetic errors were detected resulting in the tender sum being \$1,210 less than the true total. These errors were discussed with Land & Marine Limited and they confirmed that the tender sum stands.
11. The tender from JB Contractors Limited contained no omissions, arithmetic errors or tags.
12. There were no omissions in the tender submitted by PipeWorks Rehabilitation Solutions but 10 tags were included. These were not taken up with the tenderer as resolution of the tags would not affect the outcome of the tender evaluation.

### CREDIT CHECK

13. A credit check dated 8 July 2008 on Land & Marine Limited revealed no adverse information.

### JOB COSTS

14. Excluding GST	
Tender sum – Land & Marine Limited	\$386,660.00
Contingency	\$ 38,666.00
Engineering and Supervision	\$ 38,666.00
	-----
Total Job Cost	\$463,992.00

### SOURCE OF FUNDING

15. Source of funding is shown in Table 3 below:

Budget Description (from Annual Budget line item)	Codes	Budget	Committed to Other Projects	Allocation to this Project	Unallocated Balance
WW Renewals I/I Programme	74000-6740-8AMEW-08-027	\$3,700,000.00	\$308,400.00	\$463,992.00	\$2,927,608.00

Table 3 – Source of Funding

### IMPLEMENTATION ISSUES

16. The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Land & Marine Limited achieved the highest index of 64. This tender is also the lowest priced tender.
17. It is considered that Land & Marine Limited has the necessary expertise and resources to satisfactorily carry out the works.

18. As part of Council's contracting process "Quality and Health and Safety are not negotiable" and 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.

Report prepared by: Disna Pathirage, Principal Engineer: Water Projects.



## 6 CONTRACT NO. EW08005A – PROJECT TWIN STREAMS – WAIKUMETE STREAM REHABILITATION PROJECT 2008/2009 AND 2009/2010

### GLOSSARY

Project Twin Streams (PTS)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW08005A – Project Twin Streams – Waikumete Stream Rehabilitation Project 2008/2009 and 2009/2010.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW08005A – Project Twin Streams – Waikumete Stream Rehabilitation Project 2008/2009 and 2009/2010 report.
2. **Approve** that the tender from Te Ngahere Limited for Contract No. EW08005A – Project Twin Streams – Waikumete Stream Rehabilitation Project 2008/2009 and 2009/2010 in the sum of \$872,335.72 plus \$109,041.97 GST, totalling \$981,377.69 be accepted.
3. **Approve** that \$501,168.65 be committed to Contract No. EW08005A – Project Twin Streams – Waikumete Stream Rehabilitation Project 2008/2009 and 2009/2010 for the 2009/2010 financial year.
4. **Approve** that authority to enter into Contract No. EW08005A – Project Twin Streams – Waikumete Stream Rehabilitation Project 2008/2009 and 2009/2010 on behalf of the Council be delegated to the Group Manager: Asset Management.
5. **Agree** that subject to acceptable contractor performance Contract No. EW08005A – Project Twin Streams – Waikumete Stream Rehabilitation Project 2008/2009 and 2009/2010 be reported back to the Tenders Subcommittee in June 2009 for approval to renew for the second year of the contract term.

### BACKGROUND

1. Project Twin Streams (PTS) is a large, innovative project that formally began works in 2003. Its focus is on restoring six streams: Waikumete Stream, Opanuku Stream, Henderson Creek, Oratia Stream, Swanson Stream and Pixie Stream (now completed) and their environs, principally through innovative stormwater management and weeding and planting of stream banks. Over time this focus broadened into a Quadruple Bottom Line approach, which recognises and weaves together the social, economic, cultural, spiritual and environmental aspects of the project.

2. At the end of 2004, a local community organisation was contracted to engage local residents in the aims of PTS, including local stewardship of the streams. There are now six community organisations contracted in five areas within the catchment to work with local residents to restore the streams and improve the sustainability of our ecosystems.
3. PTS has regional funding of \$39.5 million over ten years from 2002 to 2012, which is held by Auckland Regional Holdings Ltd (formerly Infrastructure Auckland). In order to facilitate and enhance the stream restoration programme and community participation process, technical assistance needs to be made available to community groups to supply them with experienced mentors/supervisors who can provide:
  - weed identification knowledge;
  - weed removal skills;
  - an understanding of plant species and communities and their distribution zones; and
  - proper planting techniques.

### **SCOPE OF WORK**

4. In terms of the Auckland Regional Holdings Limited grant terms and conditions, PTS is required to successfully deliver the stream restoration programme at the Waikumete Stream by 2012. To achieve this, a Contractor is required to carry out the weed control and revegetation programme as well as assist community groups where necessary.
5. Environmental weeds are a major problem along the riparian margins of the Waikumete Stream. In order for PTS restoration planting to be successful, these weeds must be removed, as otherwise they have the potential to damage or destroy the restoration effort. Even after revegetation, sites may need some maintenance works to control weeds and allow for establishment of the planted plants. Some species require long term management in order to successfully eradicate them, for example bamboo can take on wards of 18 months to be completely eradicated.
6. Community groups are constantly being engaged by PTS to assist with and take responsibility for the restoration of their local stream. While community groups may have the interest to become involved, they do not necessarily have the skills or knowledge to do so. To empower community groups to become involved and grow their skill sets, it is essential that the groups are provided with resources that will impart these skills and knowledge. In the past, Contractors experienced in weed management, revegetation and/or stream restoration were utilised to work alongside community groups and provide the community with training in this field.
7. There are many parts of the Waikumete Stream that are too dangerous for community groups to work in due to problems such as stream bank stability, stream flows or stream bank topography. Competent contractors experienced with dealing with these conditions are required to undertake all aspects of the restoration works at such sites.

## TENDERS RECEIVED

8. Tenders were publicly advertised with twelve (12) sets of documents being uplifted. One (1) tender was received by the closing date of 12 June 2008. This is summarised in Table 1 below:

TENDERER	REGD. OFFICE	TENDER PRICE (excl. GST)
Te Ngahere Limited	Newton	\$872,335.72
<b>Pre-tender contract estimate</b>		\$890,000.00

Table 1 - Summary of Tender Prices

9. The Engineer's pre-tender contract estimate for this contract works was \$890,000.00. Additionally, a further 10% was allowed as contingency, providing a total available budget of \$980,000. Te Ngahere Limited's tendered sum is 2% below the Engineer's pre-tender contract estimate. Hence, the tendered sum is within the available allocated budget.

## TENDER EVALUATION

10. 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".
11. 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.
12. There is no Provisional Sum in this contract.
13. 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.
14. 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 EW08005A
									Total Weights
	<b>Weights</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>13</b>	<b>9</b>	<b>40</b>	<b>100</b>
Tenderer	Tender Sum	Grades							INDEX
Te Ngahere Limited	\$872,335.72	<b>80</b>	<b>80</b>	<b>80</b>	<b>70</b>	<b>70</b>	<b>75</b>	<b>50</b>	<b>65</b>
<b>Med.n Tender Price</b>	\$872,335.72								

Table 2 - Summary of Tender Evaluation

15. The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Te Ngahere Limited was the only tender received.
16. Staff nominated by Te Ngahere Limited for this contract are highly skilled and knowledgeable in the field of restoration.

17. Te Ngahere Limited is highly specialised in ecological restoration works. The contractor has extensive experience working for local councils and government departments. Te Ngahere holds similar contracts with Auckland City and Rodney District councils, where they are highly recommended and utilised as preferred suppliers. They have also previously worked on the Oratia and Waikumete streams for PTS, and performed to a good standard. Te Ngahere is highly innovative, and utilise technology to record and report their works. This technology is also used for improving works management, field methodology, and future job costing. The quality of the contractor is expressed in the high scores allocated to its non-price attributes, resulting in an overall rating of 65.

#### TAGS, ERRORS OR OMISSIONS

18. The tender from Te Ngahere Limited contained no tags, errors or omissions.

#### CREDIT CHECK

19. A credit check on Te Ngahere Limited dated 11 July 2008 revealed no adverse information.

#### JOB COSTS

20. For the 2008/2009 financial year (excluding GST)	
Tender sum – Te Ngahere Limited	\$416,727.86
Contingency	\$ 41,672.79
Engineering and Supervision	Nil
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Total Job Cost	\$458,400.65
For the 2009/2010 financial year (excluding GST)	
Tender sum – Te Ngahere Limited	\$455,607.86
Contingency	\$ 45,560.79
Engineering and Supervision	Nil
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Total Job Cost	\$501,168.65

#### SOURCE OF FUNDING

21. Source of funding is shown in Tables 3.1 and 3.2 below:

Budget Description (from Annual Budget line item) 2008/2009 Annual Plan	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	8AMEW-07-191/02	\$470,000.00	-	\$458,400.65	\$11,599.35
	<b>Total</b>	<b>\$470,000.00</b>	<b>-</b>	<b>\$458,400.65</b>	<b>\$11,599.35</b>

Table 3.1 – Funding source for the 2008/2009 financial year.

Budget Description (from Annual Budget line item) 2009/2010 Annual Plan	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance
Project Twin Streams	8AMEW-07-191/02	\$510,000.00	-	\$501,168.65	\$8,831.35
	<b>Total</b>	<b>\$510,000.00</b>	<b>-</b>	<b>\$501,168.65</b>	<b>\$8,831.35</b>

Table 3.2 – Funding source to be committed for the 2009/2010 financial year.

### IMPLEMENTATION ISSUES

22. 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.

Report prepared by: Shuaib Chota, Sustainable Engineering Manager

