



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,                27 March 2009                               **TIME:**           9.00 am  
**MEETING**  
**ROOM:**           Manukau Room  
**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.

23 March 2009

Sharlene Riley  
**SENIOR COMMITTEE ADMINISTRATOR**

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 and Business Services

Director: Community Wellbeing

Director: Strategic Planning

Director: Public Affairs

Director: Finance

Mayor RA Harvey, QSO, JP (ex officio)

Deputy Mayor PA Hulse (ex officio)

(Quorum 3 members - one of whom must be a Councillor)

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(Meeting Room could be subject to change)

(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 IN THE  
MANUKAU ROOM AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD,  
HENDERSON, WAITAKERE, ON FRIDAY, 27 MARCH 2009,  
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 - 13 March 2009

**RECOMMENDATION**

It is recommended that the Tenders Subcommittee resolve to:

**Receive** the minutes of the meeting of the Tenders Subcommittee held on Friday, 13 March 2009, as circulated, and that they be taken as read and now be confirmed.



5 **NEW LYNN TRANSIT ORIENTED DEVELOPMENT PROJECT NEGOTIATION FOR PROFESSIONAL SERVICES AND PHYSICAL WORKS**

**GLOSSARY**

Architectus Auckland Limited	(Architectus)
Auckland Regional Transport Authority	(ARTA)
New Zealand Transport Agency	(NZTA)
Target Outturn Cost	(TOC)
Transit Oriented Development	(TOD)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award a renegotiated contract for professional services to Architectus Auckland Limited (Architectus) subject to approval from the New Zealand Transport Agency (NZTA), and to note that negotiations have been concluded with ONTRACK for the Council's share of their Target Outturn Cost (TOC)1 contract costs for physical works being provided on the Council's behalf by ONTRACK.

The Council's funding application to NZTA was approved by NZTA's Board on 27 February 2009. This approval signified a major milestone in the ongoing development of the New Lynn Transit Oriented Development (TOD) design scope, which commenced in February 2007. During the design period, the Council collaboratively engaged with ONTRACK and Auckland Regional Transport Authority (ARTA) to develop and enhance the New Lynn TOD design and to agree the boundaries of accountability between these organisations. Establishment of these boundaries facilitated the novation to ARTA of portion of the Council's professional services contract and also defined the extent of the physical works that would be constructed by ONTRACK on the Council's behalf.

Integration of projects under the New Lynn TOD Integrated Programme, together with confirmation of accountabilities between the Council, ONTRACK and ARTA has necessitated the renegotiation of the Council's professional services contract with Architectus. In addition, this has also lead to confirmation by ONTRACK of the Council's share of its TOC1 contract costs.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the New Lynn Transit Oriented Development Project Negotiation For Professional Services And Physical Works report.
2. **Approve** that, subject to approval by the New Zealand Transport Agency, the renegotiated tender from Architectus Auckland Limited for Contract No. SP06004A - New Lynn TOD Design of Roads, a Bus Interchange and Associated Works in the sum of \$5,782,339.00 plus \$722,792.38 GST, totalling \$6,505,131.38 be accepted.
3. **Approve** that authority to enter into a renegotiated Contract No. SP06004A - New Lynn TOD Design of Roads, a Bus Interchange and Associated Works on behalf of the Council be delegated to the Deputy Director: City Services.
4. **Note** that negotiations between the Council and ONTRACK have been completed for the Council's share of costs under ONTRACK's Target Outturn Cost contract stage 1.

## BACKGROUND

1. On 9 February 2007, the Council awarded a professional services contract to Architectus. This contract covered the concept, final design and construction monitoring of the New Lynn TOD transport interchange, roads and associated works as it was defined at that time. The original contract provided for a fixed lump sum for the concept design and for an estimated indicative price for the final design and construction monitoring that was subject to confirmation once concepts had been developed and the final project scope agreed upon.
2. The concept design was approved by the Council at its meeting on 10 October 2007 whereby the Council resolved as follows:

- “1. *That the New Lynn Transit Oriented Development Project - Progress Report and Concept Design Approval report be received.*
2. *That the New Lynn Transit Orientated Development Concept Design be approved.*
3. *That as necessary due to the upcoming election process, the Chief Executive Officer be delegated authority to act in all matters relating to the New Lynn Transit Orientated Development project, including:*
  - *Lodgement of any consents or regulatory applications that may be required under the Resource Management Act;*
  - *Submission of any funding applications to LTNZ and ARTA;*
  - *Taking of any land identified as necessary for the project that has not already been specifically approved by Council;*
  - *Letting of any contracts; and*
  - *Finalising any financial agreements between Council and ONTRACK or ARTA.*
4. *That the draft partnering and funding agreement between Council and ONTRACK regarding the New Lynn Transit Orientated Development Project be approved.*
5. *That a further report be submitted to Council in December 2007 on implementation and funding issues for the New Lynn Transit Orientated Development project.”*

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3. A further report was submitted to the Council meeting on 17 December 2008, whereby it was resolved as follows:

*The Council resolved to:*

1. **Receive** the New Lynn Transit Oriented Development Project - Delegated Authority To Make Payments To ONTRACK report.
2. **Agree** that the Chief Executive Officer be authorised to make payments to ONTRACK for the New Lynn Transit Oriented Development project, provided that the payments do not exceed the amounts in the Annual Plan 2008/2009 and Long Term Council Community Plan 2009-2019 once approved.
3. **Direct** the Chief Executive Officer to provide regular reports to the Infrastructure and Works Committee on payments made to ONTRACK and cash flow forecasts for the New Lynn Transit Oriented Development project.

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4. The Council's foresight in committing to the transport interchange and roads project early, while permitting flexibility within its design process, has had the combined effect of catalysing other developments and maximising integration potential between these developments, as they mature. The net benefits that will be achieved through this synergy are greater than could have been achieved independently.

#### SCOPE OF WORK

5. Through the Council's establishment of a New Lynn TOD Integrated Programme governance team, ongoing planning of the wider New Lynn Town Centre between the Council and various land owners, developers, Lynnmall, Infratil, ONTRACK and ARTA significantly influenced the direction and scope of the developing New Lynn transport interchange and roading infrastructure project. Ongoing consultations with these organisations shaped the developing project scope for the transport interchange and associated roads to maximise benefits and enhance future development potential opportunities in New Lynn.
6. At programme commencement, the Council's transport interchange project was more advanced than those of ONTRACK and ARTA and hence the Council's initial project scope was largely based on assumptions upon which neither ONTRACK or ARTA were in a position to provide input. The Council's subsequent engagement with ONTRACK and ARTA as their programmes gained momentum, progressively evolved during the Council's design development and through growing collaboration between their respective teams. The project scope was further developed and enhanced to provide the best benefit/cost ratio upon which the Council's funding application to NZTA was based, and the boundaries of accountability between these organisations was determined. Establishment of these boundaries facilitated the novation to ARTA of the portion of the Council's professional services contract associated with the rail platform and concourse building and also defined the extent of the physical works that would be constructed by ONTRACK on the Council's behalf, under their TOC contract with Fletcher Construction Consortium.
7. The approval of the Council's funding by NZTA on 27 February 2009, effectively confirmed the developed scope for the Council's professional services contract, necessitating renegotiation of the professional services contract with Architectus for the final design and construction monitoring stage, as required in the original contract. NZTA have been approached by Council officers for approval of the renegotiated professional services contract with Architectus.
8. Management of the New Lynn TOD project is extremely complex in comparison to a conventional project in which there would normally be an autonomous client body. The New Lynn TOD project has three large organisations simultaneously acting as client bodies, each with their own complex individual projects that are enmeshed with multiple potential conflict fronts. The degree of coordination required between the three teams is substantial and requires considerable time inputs from all. Hence, while there are benefits to be reaped from the synergies of working collaboratively together, these come at a marginal cost of increased management demands.
9. Over a number of years and past projects, Council officers have cultivated a long standing positive relationship with Architectus. This positive relationship and the associated goodwill has greatly contributed to the successful novation of portion of the professional services contract scope to ARTA, as well as renegotiation of the balance of the developed project scope, despite the extreme complexities of the project.

10. The renegotiated professional services tender that has been submitted by Architectus has achieved efficiencies through value engineering as well as clear scope definition to produce an outcome with improved fee/construction cost ratio. The fee/construction cost ratio on the original contract at 8.4% has now been improved through efficiencies to 6.8%. This renegotiated tender has been evaluated independently by Council's professional quantity surveyor by measurement against current industry data and deemed to be good value.
11. The scope adjustments made to the Council's transport interchange and roading project during the collaborative programme integration process, over those assumed in the original design brief, include additions and enhancements to the following key items:
  - **Transport Interchange (Option 1)** comprising a second platform entry point, shifted platform location, extended island platform as opposed to side platforms, passive ventilation solutions, fire engineering solutions, enclosed escalators and stairs, greater trench coverage, rearranged concourse to allow for future ticketing, public waiting areas, bicycle storage, larger overhead canopy structure, greater bus shelter coverage, artistic treatment to trench walls, prop beams and street level works and contract supervision;
  - **Transport Interchange (Option 2)** comprising additional trench coverage to enable above-rail land development, including architecture, structural design, building services, fire engineering, ventilation design, acoustic design, design coordination and contract supervision;
  - **Stage 1:** Roading design comprising additional roads, cycle lanes and walkways along Portage, Neville and Astley Roads, intersection design to convert the Portage roundabout to a signalised four-way intersection, street parking, tree plantings, storm water outfall, services relocation, land acquisition, traffic modelling and seismic strengthening for a building to be partly demolished at 4 Clark Street;
  - **Stage 2:** Roading and bridge design for the expanded Clark Street flyover, alternative access lane at Ambrico Place, extensive geotechnical exploration for the bridge foundations across the rail trench and a signalised intersection at Great North Road;
  - **Stage 3:** Roading design for the street works at Totara Avenue west to support the planned merchant quarter development, intersection design with the Todd Triangle and Great North Road, and alternative access to the Community Centre; and
  - Management and coordination between the design and construction teams of three client bodies.
12. Following the concept development process, ARTA independently obtained funding for the rail station and concourse elements that had previously been incorporated into the Council's contract with Architectus. The Council agreed to novate the relevant portion of Architectus' contract to ARTA. This novation was negotiated between senior officers of the Council and ARTA on 15 October 2008 in the value of \$636,830.00 plus GST.

## TENDERS RECEIVED

13. A negotiated tender was received from Architectus that is based on the confirmed scope contained in the Council's funding application to NZTA. This tender is provided in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Architectus Auckland Limited	Level 2, 3-13 Shortland Street, Auckland	\$5,782,339
<b>Pre tender contract estimate</b>		\$5,800,000
<b>Budget estimate</b>		\$5,800,000

**Table 1 - Summary of Tender Price**

14. This tender from Architectus includes the deducted sum for the contract portion novated to ARTA.

## TAGS, ERRORS OR OMISSIONS

15. The variation submitted by Architectus contained the following tags:
- The price for the design and construction monitoring of the Option 2 Interchange is fixed until the end of 2009. However, should elements of this work continue beyond the end of 2009, fees for this will require adjustment for escalation. A provisional sum has been set aside to cover this escalation cost; and
  - A tag included in a sub contractor's (Parsons Brinckerhof) offer to Architectus in regard to construction monitoring is being addressed. A provisional sum of \$20,000 has been set aside to cover this item and this has been included in the tender sum.

## TENDER EVALUATION

16. In accordance with the conditions of tendering, the tender was evaluated in line with the Lowest Price Conforming Tender Method contained in NZTA's "Competitive Pricing Procedures Manual".
17. Under this method, the tender is assessed against each of the non-price attributes to determine the tender acceptability. Each attribute is scored on a pass / fail basis.
18. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exp.	Track Record	Tech. Skill	Res.	Manage. Skill	Method.	Lowest Price Conforming Tender
<b>Tenderer</b>	<b>Tender Sum</b>	<b>Grades</b>						
Architectus Auckland Limited	\$5,782,339	Pass	Pass	Pass	Pass	Pass	Pass	<b>Yes</b>

**Table 2 - Summary of Tender Evaluation**

19. The negotiated tender price was reviewed by the Council's independent professional quantity surveyors WT Partnership, who reported that the tendered price is reasonable. In assessing whether the price was reasonable, the quantity surveyors have based their opinion on guidance from the standard fee percentages prescribed by the Institution of Professional Engineers of New Zealand and benchmarked against their knowledge of current market values for similar projects.

20. An evaluation of Architectus' performance to date indicates that:
- They have a sound working relationship with Council staff;
  - They are well resourced and have adequate skilled staff and professional subcontractors able to undertake the work;
  - They respond well to Client queries and changes;
  - They have a good technical grasp of interchange and roading design;
  - Their design work is consistently of a high standard;
  - They interface well with key ONTRACK and ARTA staff;
  - They have performed well, particularly in meeting very tight deadlines required for the NZTA funding application submitted in October 2008;
  - They have a high degree of creativity and have a proven track record with Council; and
  - During the early design process, some delayed delivery issues from engineering sub-consultants Beca were recorded. These issues were taken up with Beca at the time by senior Council officers and subsequent performance by Beca has been acceptable. Architectus has provided written assurance to the Council that the past delivery issues have been addressed and rectified.

### CREDIT CHECK

21. A credit check on Architectus Auckland Limited dated 6 March 2009 revealed no adverse information.

### JOB COSTS

22.		<b>excl. GST</b>
	Tender sum - Architectus Auckland Limited	\$5,782,339
	Contingency 10%	\$ 580,000
		-----
	Total Job Cost	\$6,362,339

### SOURCE OF FUNDING

23. The source of funding is shown in Table 3 below:

Budget Description	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
New Lynn TOD Project / Infrastructure / Interchange/ Professional Services	8AMTA-07-192/2/3/9	\$3,550,550	\$1,429,770	\$2,120,780	\$0	\$0
New Lynn TOD Project / Infrastructure / Roading Projects/ Professional Services	8AMTA-07-192/2/2/12	\$6,638,268	\$2,396,709	\$4,241,559	\$0	\$0
	<b>Total</b>	\$10,188,818	\$3,826,479	\$6,362,339	\$0	\$0

**Table 3 - Source of Funding**

### IMPLEMENTATION ISSUES

24. There are no expected implementation issues with this contract.

**Report prepared by:** John Schermbrucker, Special Projects Manager.



6 **REGISTRATION OF INTEREST NO. NL08002J - NEW LYNN TOD CONSTRUCTION STAGE 1**

**GLOSSARY**

Dempsey and Wood Civil Contractors Limited	(Dempsey and Wood)
Dominion Constructors Limited & Blacktop Construction Limited	(Dominion Blacktop)
Fletcher Construction Limited	(Fletcher)
Hawkins Infrastructure (Division of Hawkins Construction Limited)	(Hawkins)
Registration of Interest	(ROI)
Transit Oriented Development	(TOD)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee of a short list of four pre-approved contractors to submit tenders for Contract No. NL08002J - New Lynn Transit Oriented Development (TOD) Construction Stage 1.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Registration Of Interest No. NL08002J - New Lynn TOD Construction Stage 1 report.
2. **Approve** that the following four contractors be invited to submit tenders for Contract NL08002J - New Lynn TOD Construction Stage 1:
  - Dempsey and Wood Civil Contractors Limited
  - Fulton Hogan Limited
  - HEB Construction Limited
  - Dominion Construction Limited and Blacktop Construction Limited joint bid.
3. **Approve** that Downer EDI Works Limited be held in reserve in case one or more of the pre- approved registrants withdraw from the tender process.

**BACKGROUND**

1. Commencement of a Registration of Interest (ROI) process was approved by the Tenders Subcommittee at its meeting on 28 November 2008, whereby it was resolved as follows:

*“The Tenders Subcommittee resolved to:*

1. **Receive** the Registration of Interest - Construction Of Stage 1 Of The New Lynn Transit Oriented Development report.
2. **Agree** that a Registration of Interest process be commenced to prepare a shortlist of suitably experienced civil engineering contractors for the Construction of Stage 1 of the New Lynn Transit Oriented Development, with reporting back to the Tenders Subcommittee for approval prior to tendering.

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## SCOPE OF WORK

2. The scope of work for Stage 1 comprises roadworks on Rankin Avenue, Clark Street (between Rankin Avenue and Portage Road), signalised intersections with Clark Street at Rankin Avenue, Memorial Drive, Hetana Street, Ward Street and the Portage/Astley Roundabout, walkways and cycleways, service diversions, bus canopies, streetlights and landscaped areas. The proposed work is to be let by the Council under a single physical works contract. Temporary traffic and pedestrian management during construction will be required to ensure a free flow of vehicles and that pedestrians are able to go about their business efficiently and safely.
3. The Council's proposed works will be constructed in close collaboration with the works being constructed by Fletcher Construction Limited (Fletcher) on the Council's behalf, through their contract with ONTRACK.

## REGISTRATIONS OF INTEREST RECEIVED

4. Invitations to submit an ROI were publicly advertised on Tenderlink with 35 sets of documents being uplifted. Seven (7) ROIs were received by the closing date of 27 January 2009. These are summarised in Table 1 below:

REGISTRANT	REG OFFICE
Dempsey and Wood Civil Contractors Limited	100B Hugo Johnston Drive, Penrose, Auckland
Fulton Hogan Limited	40 Flexman Place, Silverdale, Auckland
HEB Construction Limited	Firth Street, Drury, Auckland
Dominion Constructors Limited and Blacktop Construction Limited joint bid	170 Marua Road, Ellerslie, Auckland
Downer EDI Works Limited	103 Carbine Road, Mt. Wellington, Auckland
Hawkins Infrastructure, a Division of Hawkins Construction Limited	Level 2, 70 Stanley Street, Auckland
McKenzie and Parma Limited	14 Rawdon Way, Takanini, Auckland

**Table 1 - Summary of Registrant Names**

5. Fletcher was invited to submit an ROI for the Stage 1 works, as they are already established on site and are currently constructing the rail trench, bridges and roads for ONTRACK. The Project Team believed that there could have been efficiencies in having Fletcher undertake the works as this would eliminate a potential interface conflict problem. However, Fletcher declined to submit a registration of interest for the Council's project.

## TAGS, ERRORS OR OMISSIONS

6. There were no tags, errors or omissions from any of the ROIs received.

## REGISTRATION OF INTEREST EVALUATION

7. The formal conditions of the ROI require that prospective bidders submit detailed submissions on five key attributes, namely Relevant Experience, Track Record, Technical Skills, Resources and Management Skills.
8. In accordance with the conditions of registration, submissions were evaluated in line with the Weighted Attribute Method contained in the New Zealand Transport Agency's "Competitive Pricing Procedures Manual".

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

Registration of Interest Evaluation	Attributes	Rel. Exper.	Track Record	Tech. Skill	Resour.	Manag. Skill	ROI Number NL08002J
		Weights	25	25	20	15	15
<b>Registrant</b>		<b>Grades</b>					<b>INDEX</b>
Dempsey and Wood Civil Contractors Limited		80	80	75	75	75	77.5
Fulton Hogan Limited		80	80	70	80	75	77.3
HEB Construction Limited		80	55	75	75	60	69.0
Dominon Constructors Limited and Blacktop Construction Limited		70	70	65	75	60	68.3
Downer EDI Works Limited		60	70	60	70	70	65.5
Hawkins Infrastructure, a Division of Hawkins Construction Limited		50	75	75	55	70	65.0
McKenzie and Parma Limited		35	55	50	50	50	Disqualified

**Table 2 - Summary of Registration of Interest Evaluation**

10. Scores for the attributes were determined on the basis of information provided in each ROI, on the information gathered from the referees nominated by the registrants and on any recent Council experience with the registrants.
11. The results of the ROI evaluation, as summarised in Table 2, show that the ROI submitted by Dempsey and Wood Civil Contractors Limited (Dempsey and Wood) achieved the highest index of 77.5. This contractor has relevant experience on past projects that are similar to the planned works. This ROI includes a strong team with three reputable and experienced subcontractors, Higgins Contractors Limited, Hiway Stabilisers Limited and Traffic Systems Limited, who will do the pavements and surfacing, the road stabilisation and the traffic control respectively.
12. The next five registrants, being Fulton Hogan Limited, HEB Construction Limited, a joint registration of Dominion Constructors Limited and Blacktop Construction Limited (Dominion Blacktop), Downer EDI Works Limited and Hawkins Infrastructure, a Division of Hawkins Construction Limited (Hawkins) all have the ability to undertake the works successfully, scoring attributes between 77.3 and 65.0.
13. Reference checks made on a selection of referees for the top five registrants indicated that:
- Dempsey and Wood have recently completed a number of successful roading projects for many Territorial Local Authorities and private sector clients in the Auckland region. Referee feedback on these contracts was very positive;
  - Fulton Hogan Limited has an excellent reference received from a referee commenting on Fulton Hogan Limited's recent work on the Wellington Inner City roading project. A number of awards on this project were won by the registrant;

- While HEB Construction Limited has a history of a number of successfully executed contracts for the Council with favourable references received, they have managed one very poorly executed contract last year. HEB Construction Limited's scores for Track Record and Management Skills were marked accordingly. The Project Team that HEB Construction Limited proposes for the works does not include any of the members from the poorly managed contract. In addition, the team proposed includes persons who are known to have strong proven technical performance. The issues from the poorly managed contract were largely to do with pedestrian management, timeliness and progress. Recently the Council has tightened up on its requirements for pedestrian management in construction zones with the drafting of a new specification covering this work. HEB Construction Limited would be closely managed by the Project Team to ensure compliance against this specification in the event that they are awarded the work. As the majority of HEB Construction Limited's referees have indicated favourable performance, the evaluation panel are of the opinion that with adequate management, they would be able to make a positive contribution to the project;
  - Dominion Constructors Limited received positive references on four recent contracts and is highly recommended by ONTRACK. Blacktop Construction Limited received reference reports from Council staff employed to supervise the specific project works. On the whole, their referee reports were favourable with positive comments regarding technical ability, and one adverse comment about the control of subcontractors; and
  - Downer EDI Works Limited received a fair reference from a referee commenting that there were some issues, but in the end the project was delivered satisfactorily.
14. The ROI submitted by McKenzie and Parma Limited was disqualified as their ROI failed to demonstrate sufficient relevant experience associated with road works construction in line with that required for this project. A score of 35 or lower on any attribute leads to automatic disqualification. Therefore this ROI was not considered further.
15. For a project of this scale, it is recommended that a shortlist of the top four registrants be invited to submit tenders for the construction of the Stage 1 road works and that a fifth registrant should be held in reserve in case one or more registrants withdraw from the tender process. The four top scoring registrants are as follows:
- Dempsey and Wood;
  - Fulton Hogan Limited;
  - HEB Construction Limited; and
  - Dominion Blacktop.
16. The fifth highest scoring registrant, Downer EDI Works Limited would be held in reserve in case one or more registrants withdraw from the tender process.
17. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance 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.

## CREDIT CHECK

18. A credit check on the following companies, dated 10 February 2009 revealed no adverse information on:
- Dempsey and Wood;
  - Fulton Hogan Limited;
  - HEB Construction Limited;
  - Dominion Construction Limited;
  - Blacktop Construction Limited; and
  - Downer EDI Works Limited.

## JOB COSTS

19. Job costs for this contract will be reported following the formal tender process.

## SOURCE OF FUNDING

20. Project funding details relevant to this contract will be reported following the formal tender process.

## IMPLEMENTATION ISSUES

21. There are no expected implementation issues with the formal tender process that is to follow this ROI.

Report prepared by Joe Schady, Senior Engineer, Special Projects.



## 7 OPERATIONAL MAINTENANCE CONTRACTS FOR WATER SUPPLY, WASTEWATER AND STORMWATER

### GLOSSARY

Key Performance Indicators (KPIs)

### EXECUTIVE SUMMARY

The purpose of this report is to seek permission to tender a number of operational maintenance contracts for a two year contract period, with the option to extend for a further two years, for various ongoing activities associated with the provision of water supply, wastewater and stormwater services in the City.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Operational Maintenance Contracts For Water Supply, Wastewater And Stormwater report.
2. **Approve** the tendering of the operational maintenance contracts listed in this report for a two year period with the option to extend up to a further two years for various ongoing maintenance activities associated with the provision of water supply, wastewater and stormwater services in the City, with the outcomes reported back to the Tenders Subcommittee for approval.

## BACKGROUND

1. There are a number of contracts let each year for ongoing maintenance activities related to providing three water services in the City. These contracts are distinct from the major term maintenance contracts such as the term maintenance contract with Bilfinger Berger Services Limited and the on-site wastewater system pump-out contract where longer term contracts are already in place. Several of these contracts have been identified where the need for the work is assured, and where efficiencies can be gained by changing from year on year contracts to a longer term contract.

## SCOPE OF WORK

2. In order to maintain current levels of service in the provision of water services, a number of contracts are let each year for various activities associated with the maintenance of assets (e.g. leak detection), the monitoring of asset performance and service provision (e.g. network inspection programme and flow and pressure testing), specialist maintenance (maintenance of proprietary stormwater treatment devices), and work associated with customer service (e.g. testing water seepage samples for fluoride).
3. The annual preparation and letting of these contracts is very time consuming for staff and transferring some of these contracts to longer term contracts will reduce staff time spent on contract administration.
4. When tendering a contract that is longer than one year, contractors should be able to factor in savings that could be gained from the following:
  - certainty of having long-term work and income stream;
  - better utilisation and commitment of resources; and
  - better planning of the firm's activities.
5. It is expected that contractors will then pass on the savings to Council and to the community in the form of lower prices.

## PROPOSAL

6. In order to ensure that the successful contractor continues to perform throughout the duration of the contract, key performance indicators (KPIs) will be incorporated into the proposed contracts. Should the contractor not meet expected performance targets, early termination provisions will be available to Council in the proposed contracts.
7. Additionally, where extended term contracts include the right to renew for additional years, the Council should be able to benefit from:
  - lower administration costs;
  - continuity of contract; and
  - consistency of service
8. The right of renewal of a contract can also provide benefits to Council as this process is likely to result in lower contract costs than may arise from re-tendering the work. Any extension of a 'right-of-renewal' contract will be conditional on the Contractor meeting the following requirements:
  - Consistently meeting the KPIs throughout the Contract Period;
  - Demonstrating efficiency improvements as measured by the KPIs; and
  - Maintaining a good working relationship with the Principal and Engineer.

- A1
9. The contracts identified for transferring from annual contracts to extended term contracts are listed below. More specific information including current annual expenditure and procurement method is provided in the schedule attached at page A1:
- Leak Detection Contract (water supply);
  - Fluoride Testing (testing of water samples for fluoride to confirm a 'mains' leak);
  - Flow and Pressure Testing (water supply);
  - Backflow Survey Contract (water supply);
  - Backflow Device Installation and Testing (water supply);
  - Paremuka Pond Geotechnical Monitoring Contract;
  - Maintenance of Stormwater 360 Devices;
  - Maintenance of Upflow Filter Stormwater Treatment Devices;
  - Stormwater Close Circuit TV Pipeline Inspections; and
  - Pipe Fabrication and Mechanical Maintenance (water supply).

## RESOURCES

10. Letting a two year contract for each activity will involve committing future year's budgets. All of the contracts listed above have sufficient budget in the draft Annual Plan 2009/2010 and for subsequent years as per the draft Long Term Council Community Plan 2009-2019. Each contract will be reported individually to the Tenders Subcommittee for approval as required under current financial authority delegations, and after the Annual Plan 2009/2010 and Long Term Council Community Plan 2009-2019 is confirmed.

## IMPLEMENTATION ISSUES

11. There are no expected implementation issues anticipated with letting two year contracts for the operational contracts outlined in this report. Overall, implementation costs will be lower compared with letting annual contracts.

## CONCLUSION

12. The ability to let a two year term contract with right of renewal for an additional two years for the maintenance contracts listed above will result in less staff time spent on preparing contracts and contract administration, and will result in Council being able to achieve cost savings while maintaining or improving service delivery.

**Report prepared by:** Richard Taylor, Assets and Network Manager.



8 **CONTRACT NO. PY08003B - HOUSING FOR OLDER ADULT REFURBISHMENT PROJECT: WESTVIEW VILLAGE**

**GLOSSARY**

Housing for Older Adults	(HFOA)
Housing New Zealand Corporation	(HNZC)
Housing Innovation Fund	(HIF)

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PY08003B - Housing for Older Adult Refurbishment Project: Westview Village.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PY08003B - Housing For Older Adult Refurbishment Project: Westview Village report.
2. **Approve** that the tender from Great Kauri Construction Limited for Contract No. PY08003B - Housing for Older Adult Refurbishment Project: Westview Village in the sum of \$867,715.32 plus \$108,464.42 GST, totalling \$976,179.74 be accepted.
3. **Approve** that authority to enter into Contract No. PY08003B - Housing for Older Adult Refurbishment Project: Westview Village on behalf of the Council be delegated to the Deputy Director: City Services.
4. **Approve** that authority to award cumulative contract variations to Contract No. PY08003B - Housing for Older Adult Refurbishment Project: Westview Village, up to the value of the contingency sum of \$86,771.53 plus GST on behalf of the Council be delegated to the Deputy Director: City Services.
5. **Approve** the commitment of \$205,000.00 excluding GST to the draft Annual Plan 2009/2010 for Contract No. PY08003B - Housing for Older Adults Refurbishment Project: Westview Village.

**BACKGROUND**

1. The Council owns 336 Housing for Older Adult (HFOA) units throughout Waitakere.
2. The Council is undertaking a major revitalisation project on 11 of the 12 HFOA villages. The project was expected to be completed over 3 years, between July 2007 and June 2010. The third and final year of the project has been postponed indefinitely, due to funding cuts related to the current economic conditions. The remaining 5 villages will be maintained at the current standard until such a time as funding is available for major refurbishment.
3. Sustainability and eco-friendly options have been incorporated into the design features of the refurbishments. The most significant contributions will be the reduction of condensation and heat loss through insulation, draught-stopping and ventilation, and water savings through the installation of low water use taps, shower heads and toilets.

4. Council applied for and was successful in obtaining funding of \$1.5 million from Housing New Zealand Corporation's (HNZC's) Housing Innovation Fund (HIF) towards the costs of the first stage of renovations.
5. The first stage of renovations on the 11 villages was completed in June 2008. This included refurbishment of 79 units over 4 villages.
6. The Council applied for and was successful in obtaining additional funding of \$1.5 million from HNZC's HIF towards the costs of the second stage of renovations.
7. This funding together with Council funding is being used to upgrade 86 units over 5 of Council's HFOA villages. The units included in the current year's works are:
  - Flagstaff Village - 1 unit;
  - Kaumatua Court - 29 units;
  - 19 Karaka Street - 14 units; and
  - Westview Village - 42 units.
8. Funding was approved by the Council in the Annual Plan 2008/2009 for this work.

#### SCOPE OF WORK

9. The scope of work for Contract No. PY08003B - Housing for Older Adult Refurbishment Project: Westview Village is for internal renovations on all 42 units at 100 West Coast Road, Glen Eden, including the following:
  - Insulation, new paint and floor coverings throughout;
  - Full bathroom refurbishment;
  - Full kitchen refurbishment;
  - Additional security items including exterior sensor light, security chain and viewer, security screen door and restrictor stays on windows; and
  - New electrical switch board, light fittings, switches and power points.
10. The work is to be completed in 4 stages:
  - Stage 1 (11 Units) - 13 April 2009 to 08 May 2009;
  - Stage 2 (11 units) - 13 May 2009 to 10 June 2009;
  - Stage 3 (11 units) - 15 June 2009 to 10 July 2009; and
  - Stage 4 (9 units) - 15 July 2009 to 11 August 2009.

#### TENDERS RECEIVED

11. Tenders were publicly advertised on Tenderlink with 20 sets of documents being downloaded. Ten tenders were received by the closing date of Thursday, 29 January 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Great Kauri Construction Limited	PO Box 300169, Albany NORTH SHORE CITY	\$872,715.00
Canam Interiors Limited	Private Bag 93116, Henderson WAITAKERE CITY	\$927,342.80

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Shakthi Construction Limited	PO Box 40603, Glenfield NORTH SHORE CITY	\$935,266.96
Edgecity Builders Limited	PO Box 15 320, New Lynn WAITAKERE CITY	\$949,488.60
United Construction Services Limited	Unit F, 5 Lorien Place, East Tamaki MANUKAU CITY	\$980,449.20
Tribro Construction Limited	PO Box 517, Drury FRANKLIN	\$1,090,926.43
Coastline Construction Limited	50-52 Porana Road, Takapuna NORTH SHORE CITY	\$1,166,496.00
Bourke Construction Limited	PO Box 76-236, Manukau CITY	\$1,175,473.00
Ask Metro Limited	PO Box 84103, Westgate WAITAKERE CITY	\$1,291,848.00
Masta Dec Auckland Limited	PO Box 76-342, Manukau MANUKAU CITY	\$1,311,896.40
Pre-tender contract estimate (based on most up-to-date tender rate)		\$1,092,000.00
<b>Budget Estimate:</b>		\$1,100,000.00

**Table 1 - Summary of Tender Prices**

#### TAGS, ERRORS OR OMISSIONS

12. The tender from Great Kauri Construction Limited included a provisional sum for items not included in the scope of works. It was confirmed in writing that this has been removed, and that the correct tender sum is \$867,715.32. The corrected tender sum has been used for the tender evaluation.
13. The tender from Canam Interiors Limited contained tags for items included in the scope of works but not priced. Canam Interiors Limited also included items in their tender sum that were not included in the scope of works. These errors were addressed and confirmed in writing advising that the correct tender sum was \$891,109.80. This has been included in tender evaluation.
14. The tender from Shakthi Construction Limited contained a tag for an additional cost of \$667.00 per unit for drainage costs of toilet waste if required due to repositioning. Clarification was sought and the tag has been accepted. This tag has not been included in the tender sum, as it is not in the scope of works.
15. The tender from United Construction Services Limited included prices for items not included in the scope of works, and were removed from the tender sum. This tender also had a calculation error, which has been corrected. Confirmation has been received in writing that the correct tender sum is \$911,047.50. This has been included in the tender evaluation.

16. The tender from Edgecity Builders Limited contained tags for items included in the scope of works but not priced. Additional items priced outside of the scope were removed from their tender. All changes were addressed and it was confirmed in writing that the correct tender sum was \$895,746.60. This has been included in the tender evaluation.
17. The tender from Masta Dec Auckland Limited was disqualified as their submitted tender did not include sufficient information in the non-price attributes to enable consideration.
18. There were no tags, errors or omissions in the other tenders.

## TENDER EVALUATION

19. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
20. 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 PY08003B
									Total Weights
	Weights	10	10	5	10	5	10	50	100
Tenderer	Tender Sum	Grades							INDEX
Great Kauri Construction Ltd	\$867,715.32	60	65	60	60	65	55	57	59
Shakthi Construction Ltd	\$935,266.96	70	65	65	70	60	60	50	58
Canam Interiors Ltd	\$891,109.80	60	55	60	65	65	65	55	58
United Construction Ltd	\$911,047.50	65	55	50	60	60	65	53	56
Edgecity Builders Ltd	\$895,746.60	70	55	60	60	55	40	54	55
Tribro Construction Ltd	\$1,090,926.43	70	60	65	70	65	55	33	49
Coastline Construction Ltd	\$1,166,496.00	50	55	55	60	55	50	25	40
Bourke Construction Ltd	\$1,175,473.00	55	55	50	55	55	45	24	38
Ask Metro Ltd	\$1,291,848.00	65	65	60	65	60	65	12	38
Masta Dec Auckland Ltd								100	Disqualified
<b>Med.n Tender Price</b>	\$935,266.96								

\* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

**Table 2 - Summary of Tender Evaluation**

21. 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.
22. Great Kauri Construction Limited recently completed a project for the extension and refurbishment of the Green Bay Community House. The Contractor completed the work to a good standard. There were initially some issues with regard to compliance with Resource Consent conditions, variation requests and general site management. These issues were addressed, and the appointment of a new Project/Site Manager resulted in significant improvements to the ongoing site management.
23. Further clarification was requested from Great Kauri Construction Limited to ensure that the full scope of works was understood. Confirmation was received in writing, stating that the pricing for all works was included in the tender sum.

24. Great Kauri Construction Limited have confirmed on request that they have nominated an experienced and well-qualified Project Manager to be dedicated to this contract. The nominated Project Manager will be the person who filled the position of Project Manager for the Green Bay Community House Extension who has proven to have good technical skills and management skills. This has been reflected in the scoring of the non-price attributes.
25. Shakthi Construction Limited is currently carrying out the refurbishments of Kaumatua HFOA Village (Stage 1) and 19 Karaka HFOA Village, and has recently completed the refurbishment of 2 units at Kaumatua HFOA Village (Stage 2) and 2 units at Flagstaff HFOA Village. Although the contractor had earlier demonstrated good management skills, a recent issue with regard to a decision by the contractor to undertake uninstructed variations which require reinstatement has raised concerns about the management skill and methodology of the contractor. This has been reflected in the scoring for these attributes.
26. The results of the tender evaluation as summarised in Table 2 show that the tender submitted by Great Kauri Construction Limited achieved the highest index of 59. This tender is also the lowest priced tender.
27. Great Kauri Construction Limited has the necessary expertise and resources to satisfactorily carry out the works.
28. The tender from Great Kauri Construction Limited is 20% below the pre-tender contract estimate.
29. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance 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.

#### CREDIT CHECK

30. A credit check on Great Kauri Construction Limited dated 19 November 2008 revealed no adverse information.

#### JOB COSTS

31.		<b>excl. GST</b>
	Tender sum - Great Kauri Construction Limited	\$ 867,715.32
	Contingency	\$ 86,771.53
	Other Project Costs	\$ 145,513.15
		-----
	Total Job Cost	\$1,100,000.00

## SOURCE OF FUNDING

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

Budget Description (from annual budget line item) 2008/2009 Annual Plan	Codes	Budget	Committed to other projects	Allocation to this project	Unallo- cated balance	Potential surplus
Housing for Older Adults Refurbishment Project	8AMPP -09-002	\$3,192,430	\$2,092,430	\$1,100,000	\$0	\$0
	<b>Total</b>			\$1,100,000		

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

33. There are no expected implementation issues with this contract.

**Report prepared by:** Tina Hemsworth, Manager: Property Assets and Jeanine McMullien, Project Manager Property.



## 9 CONTRACT NO. TA08042A ORATIA STREAM BRIDGE ARTWORK

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA08042A - Oratia Stream Bridge Artwork.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA08042A - Oratia Stream Bridge Artwork report.
2. **Approve** that the tender from Nasey Contractors Limited for Contract No. TA08042A - Oratia Stream Bridge Artwork in the sum of \$272,091.00 plus \$34,011.38 GST, totalling \$306,102.38 be accepted.
3. **Approve** that authority to enter into Contract No. TA08042A - Oratia Stream Bridge Artwork on behalf of the Council be delegated to the Deputy Director: City Services.

### BACKGROUND

1. The Council has just completed the upgrade of the streetscape in the Henderson Town Centre. As part of the development of the design, the bridge that crosses the Oratia Stream on Great North Road approximately 30 metres west of Edmonton Road was identified as being a site for integration of a significant artwork to act as a gateway to the Henderson Central Business District.
2. The selected design was chosen from three concepts and presented to the Culture Arts and Events Special Committee on 14 March 2007. The Culture Arts and Events Committee approved the concept produced by Jason Hall to proceed to detailed design and implementation stage.

3. In April 2008, the Council produced a detailed design for the implementation of the artwork. The design group identified three construction companies that would be capable of meeting the high standards of the contract and they are:
  - Nasey Contractors Limited;
  - Fort Project Management Limited; and
  - Global Engineering Limited.
4. On 27 January 2009, approval was obtained from the Director/Group Managers of City Services to engage the above contractors to tender for the implementation of the bridge artwork.

### SCOPE OF WORK

5. This contract is for the construction of a suspended structural steel pedestrian walkway and associated balustrade and artwork at the Oratia Stream Bridge. The works are to be undertaken on both sides of the bridge and shall include the following:
  - Traffic management;
  - Removal of existing footpaths and steel balustrades;
  - Scaffolding and temporary working platforms;
  - Structural steel works;
  - Concrete works; and
  - Lighting.

### TENDERS RECEIVED

6. Tenders were invited from selected tenderers with three sets of documents being uplifted. Two tenders were received by the closing date of 24 February 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Nasey Contractors Limited	Albany	\$272,091.00
Fort Project Management Limited	Auckland Central Business District	\$423,600.00
Pre-tender contract estimate (based on most up-to-date tender rate)		\$276,000.00
Budget estimate		\$300,000.00

**Table 1 - Summary of Tender Prices**

### TAGS, ERRORS OR OMISSIONS

7. The tender submitted by Nasey Contractors Limited contained no tags, error or omission.
8. The tender submitted by Fort Project Management Limited contained some tags and minor summation errors in the schedule of prices. These were not investigated as they did not affect the outcome of the tender evaluation process.

### TENDER EVALUATION

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

10. 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.
11. In this contract the value of Provisional Sums is \$10,000.
12. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exp.	Track Record	Tech Skill	Res.	Manage . Skill	Method.	Price	Total Weight
	Weights	5	5	5	5	5	15	60	100
Tenderer	Tender Sum	Grades							INDEX
Nasey Contractors limited	\$262,091.00	80	83	80	75	78	82	72	76
Fort Project Management Limited	\$413,600.00	78	80	80	75	80	80	28	48
<b>Median Tender Price</b>	<b>\$337,845.50</b>								

**Table 2 - Summary of Tender Evaluation**

13. 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.
14. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Nasey Contractors Limited achieved the highest index of 76. This tender is also the lowest priced tender.
15. Nasey Contractors Limited successfully completed work of a similar nature to this contract for Council. They constructed the Olympic Park Footbridge and the Oratia Cycleway Bridges for Council. These contracts were carried out to a very good standard. They have the necessary expertise and resources to satisfactorily carry out the works under this contract.
16. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance 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.

### CREDIT CHECK

17. A credit check on Nasey Contractors Limited dated 10 February 2009 revealed no adverse information.

### JOB COSTS

18.		<b>excl. GST</b>
	Tender sum - Nasey Contractors Limited	\$272,091.00
	Contingency	\$ 27,000.00
		-----
	Total Job Cost	\$299,091.00

## SOURCE OF FUNDING

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

Budget Description (from annual budget line item) Annual Plan 2008/2009	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Streetscape: Great North Road - Henderson Valley to Edmonton	8AMTA-07-142/01	\$3,200,000	\$2,897,000	\$299,091	\$3,909	\$3,909

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

20. There are no expected implementation issues with this contract.

**Report prepared by:** Vinh Bui, Senior Transport Engineer.



## 10 CONTRACT NO. SW08005A - STAFF AMENITIES CONSTRUCTION

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SW08005A - Staff Amenities Construction.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SW08005A - Staff Amenities Construction report.
2. **Approve** that the tender from Great Kauri Construction Ltd for Contract No. SW08005A - Staff Amenities Construction in the sum of \$342,869.00 plus \$42,858.63 GST, totalling \$385,727.63 be accepted.
3. **Approve** that authority to enter into Contract No. SW08005A - Staff Amenities Construction on behalf of the Council be delegated to the Group Manager - Service Management.
4. **Approve** that authority to award cumulative contract variations to Contract No. SW08005A - Staff Amenities Construction, up to the value of the contingency sum of \$34,286.90 plus GST on behalf of the Council be delegated to the Group Manager - Service Management.

### BACKGROUND

1. The current single level staff amenities at the Refuse & Recycling Station was built in 1979 to cater for up to 7 staff. Some minor refurbishments were carried out in 1998 to create a larger lunchroom and additional showers.

2. The site now requires amenities for a total of 38 staff consisting of 12 Refuse Station staff and 5 weighbridge staff, who do not use the facilities due to hygiene and overcrowding and 6 contractual staff. Onyx our (onsite domestic collection sorters) need to create amenities for 15 of their own staff.
3. In addition Onyx have agreed to a financial contribution of \$166,725 (without return) towards the cost of this facility in order to gain compliant amenities for their staff over the remainder of their contract.
4. As part of the Collective Employment Agreement with the Union we are obliged to build a drying room which is now incorporated into the new design.
5. Funding was approved by the Council in the Annual Plan 2008/2009 for this work.

### SCOPE OF WORK

6. The scope of the work will be the demolition of the existing single level facilities and the extension of the lower concrete floor slab by 900mm in width.
7. The proposed new development includes a new ground level and first floor Amenities Block which comprises of:
  - First Floor - Lunchroom with deck and stairs, kitchen, office, store;
  - Lower Floor: - male and female toilets/showers/lockers, drying room and first aid room;
  - Solar water heating and solar power will also be incorporated into the new development;
  - New security access utilising security tags instead of keys; and
  - New electrical switchboard.
8. The lower level will be of standard block construction. The upper floor will be a standard light timber frame construction. Colorsteel vertical cladding to the exterior walls of the first floor, with timber louvers acting as a "brise soleil" over the first floor double glazing.

### TENDERS RECEIVED

9. Tenders were publicly advertised on Tenderlink with 31 sets of documents being uplifted. Six (6) tenders were received by the closing date of 3 March 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Great Kauri Construction Limited	339 Lincoln Road, Henderson, Waitakere City	\$342,869.00
Cassidy Construction Limited	Level 2 - 445 New North Road, Kingsland, Auckland	\$368,327.96
Canam Construction Limited	87 Central Park Drive, Henderson, Waitakere City	\$411,091.58
Hughes Construction Limited	13 Princess Street, Otahuhu, Manukau City	\$422,467.79
Meridian Construction Limited	18 Parity Place, Glenfield, North Shore City	\$425,583.33
Tibro Construction Limited	237-243 Great South Road, Drury, Auckland 2113	\$438,957.12
<b>Pre-tender contract estimate:</b>		\$525,000.00
<b>Budget estimate:</b>		\$531,725.00

Table 1 - Summary of Tender Prices

## TAGS, ERRORS OR OMISSIONS

10. Tenders submitted by both Hughes Construction Limited and Canam Construction Limited did not match the Schedule of Prices submitted in the tender. Further clarification of their tenders determined them to be in accordance with the contract specifications.
11. The tender from Tribro Construction Limited contained tags for items included in the Schedule of Prices but not priced. When requested the tenderer clarified the amount allowed for these items and confirmed the tender price in writing.
12. The tender submitted from Meridian Construction was disqualified as their submitted tender failed to include sufficient information in the non-price attributes to enable consideration.
13. There was one omission in the tender submitted by Cassidy Construction where one item was not priced. When requested the tenderer clarified the amount allowed for this item and confirmed the tender price in writing.
14. There were no other errors or omissions in the other tenders.

## TENDER EVALUATION

15. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
16. 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.
17. In this contract the value of Provisional Sums is \$20,000.00.
18. 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 SW08005A	
									Total Weights	
Weights		10	10	5	10	10	5	50	100	
Tenderer	Tender Sum	Grades							INDEX	
Great Kauri Construction Ltd	\$322,869.00	70	60	60	65	60	60	67	65	
Cassidy Construction	\$348,327.96	65	60	70	65	65	65	61	63	
Canam Construction Ltd	\$391,091.58	60	60	60	60	65	65	50	56	
Hughes Construction Ltd	\$402,467.79	60	60	60	60	70	65	47	55	
Tribro Construction Ltd	\$418,957.12	55	60	60	70	60	60	43	52	
Meridian Construction Ltd								100	Disqualified	
<b>Med.n Tender Price</b>	\$391,091.58									

\* Attribute grading as defined by Transit NZ in their CPP Tender Evaluation Manual Effective 1 March 1997

**Table 2 - Summary of Tender Evaluation**

19. 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.
20. There is a significant difference between the pre-tender contract estimate and the submitted tenders. The pre-tender contract estimate was carried out by Project Economics (quantity surveyors) and was based on recent tendered rates on contracts within the Auckland region over the past year. It was concluded that the decrease in tendered rates are likely to be related to a slow down in the building industry which was reflective in the amount of tender documents that were uplifted.
21. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Great Kauri Construction Limited achieved the highest index of 65. This tender is also the lowest priced tender.
22. The Great Kauri Construction Limited was founded in 2000 and are a privately owned construction company specialising in both Civil and Construction projects. They have recently completed a project in February 2009 for the extension of the Green Bay Community Centre. The contractor has completed the work to a good standard. There were some issues with regard to compliance with Resource Consent conditions and general site management. These issues were addressed with the appointment of a new Project/Site Manager who has made significant improvements to the ongoing site management.
23. Great Kauri Construction Limited have also recently successfully completed the refurbishment of the Animal Welfare Centre Administration Block.
24. Great Kauri Construction Limited have the necessary expertise and resources to satisfactorily carry out the works.
25. Reference checks made on a selection of clients indicated a well-resourced, well-managed and capable contractor.
26. The tender from Great Kauri Construction Limited is the lowest price tender and have the highest index rating on the weighted attributes and are therefore recommended for award.
27. The tender from Great Kauri Construction Limited is 28% below the pre-tender contract estimate.
28. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance 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.

#### **CREDIT CHECK**

29. A credit check on Great Kauri Construction Limited dated 16<sup>th</sup> March 2009 revealed no adverse information.

## JOB COSTS

30.		<b>excl. GST</b>
	Tender sum - Great Kauri Construction Limited	\$342,869
	Contingency	\$ 34,286
	Engineering and Supervision	\$ 20,000
		-----
	Total Job Cost	\$397,155

## SOURCE OF FUNDING

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

annual budget line item) Annual Plan 2008/2009	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Solid Waste Capital Works	74000 8RGSW 09009	\$365,000	\$0	\$397,155	\$134,570	\$0
Funding from Onyx		\$166,725				
	<b>Total</b>	\$531,725		\$397,155	\$134,570	\$0

**Table 3 - Source of Funding**

32. The \$134,570 is currently unallocated as it is intended that, subject to approval by the appropriate committee, this sum be utilised for lockers which were not included in the original scope due to cost restrictions and solar heating to reduce future operations' costs. If this is not approved, it will be available as savings.

## IMPLEMENTATION ISSUES

33. There are no expected implementation issues with this contract.

**Report prepared by:** Lawrie Blair, Operations Manager, Refuse & Recycling Station.



## 11 CONTRACT NO. PK09002A - CEMETERY LANDSCAPE MAINTENANCE

### GLOSSARY

Parks and Maintenance Services Limited (PMS)

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK09002A - Cemetery Landscape Maintenance for a period of 2 years from 1 July 2009 to 30 June 2011 on the basis of 1 year plus 1 year subject to the performance of the contractor, the availability of funding and at the sole discretion of the Council.

## **RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK09002A - Cemetery Landscape Maintenance report.
2. **Approve** that, subject to a satisfactory credit check, the tender from Parks and Maintenance Services Limited for Contract No. PK09002A - Cemetery Landscape Maintenance in the sum of \$329,941.62 plus \$41,242.70 GST, totalling \$371,184.32 be accepted.
3. **Approve** the commitment of \$329,941.62 excluding GST to the draft Annual Plan 2010/2011 for Contract No. PK09002A - Cemetery Landscape Maintenance.
4. **Approve** that authority to enter into Contract No. PK09002A - Cemetery Landscape Maintenance on behalf of the Council be delegated to the Deputy Director: City Services.
5. **Approve** that authority to award cumulative contract variations to Contract No. PK09002A - Cemetery Landscape Maintenance, up to the value of the contingency sum of \$32,994.16 plus GST on behalf of the Council be delegated to the Deputy Director: City Services.

## **BACKGROUND**

1. The current Cemetery Landscape Maintenance contract, Contract No. PK03600F - Cemetery Landscape Maintenance has been running for 6 years and will completed on 30 June 2009.
2. The purpose of the contract is to provide quality landscape maintenance within Waikumete and Swanson Cemeteries. Waikumete Cemetery is New Zealand's largest cemetery and is a high profile site in Waitakere.

## **SCOPE OF WORK**

3. This contract will require the contractor to plan, program and undertake litter collection, turf maintenance, garden maintenance, toilet cleaning and regular cleaning of roads and paths. The contractor is also required to provide monthly work programmes and attend fortnightly meetings.
4. The contractor's focus on following the programmed works to a high quality and with a customer focus will be key to the ongoing success of the contract.

## **TENDERS RECEIVED**

5. Tenders were publicly advertised on Tenderlink with 11 sets of documents being uplifted. Three tenders were received by the closing date of 10 March 2009. These are summarised in Table 1 below:

<b>TENDERER</b>	<b>REG OFFICE</b>	<b>TENDER PRICE (excl. GST)</b>
Parks and maintenance Services Limited	Henderson	\$329,941.62
City Parks Services	Onehunga	\$339,207.22
Bilfinger Berger (New Zealand) Limited	Albany	\$386,888.40
Pre-tender contract estimate (based on most up-to-date tender rate)		\$360,000.00
Budget estimate		\$374,000.00

**Table 1 - Summary of Tender Prices**

### TAGS, ERRORS OR OMISSIONS

6. The tender submitted by City Parks Services contained a minor tag which had no bearing upon the outcome of the tender process.
7. There were no other tags, errors or omissions in the other tenders.

### TENDER EVALUATION

8. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in the New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
9. 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 there are no Provisional Sums.
10. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skills	Resources	Manag. Skill	Method.	Price	Total Weight
		9	10	7	8	10	6	50	100
Tenderer	Weights Tender Sum	Grades							INDEX
Parks and Maintenance Services Limited	\$329,941.62	80	80	75	80	80	75	53	66
City Parks Services	\$339,207.22	85	80	75	80	80	75	50	65
Bilfinger Berger Services (New Zealand) Limited	\$386,888.40	85	75	80	85	75	80	36	58
Engineer's Estimate	\$360,000.00								

**Table 2 - Summary of Tender Evaluation**

11. 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.
12. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Parks and Maintenance Services Limited (PMS) achieved the highest index of 66. This tender is also the lowest priced tender.
13. PMS are a privately owned company that began operations over 18 years ago. PMS specialize in the development and maintenance of Parks and Reserves. Over the past 8 years the company has focused on local government contracts.
14. PMS have successfully completed work of a similar nature in the 2008/2009 financial year.
15. PMS has the necessary expertise and resources to satisfactorily carry out the works.

16. Reference checks made on a selection of clients indicated a well-resourced, well-managed and capable contractor.
17. The lowest tender is approximately 9% lower than the pre-tender contract estimate.
18. Contract No. PK09002A - Cemetery Landscape Maintenance is a performance based contract. Due to the scale and scope of works there are only certain companies within New Zealand that are able to provide the levels of service required to perform against the contract requirements. All tenderers are established professional companies with proven experience, track records, technical skills, resources and management skills in the discipline of parks maintenance and this is reflected in the high scores achieved across all non price related attributes.
19. Methodologies submitted by tenderers all met the requirements of Contract No. PK09002A - Cemetery Landscape Maintenance. All companies are incumbent park maintenance service providers for large scale term maintenance contracts to territorial local authorities, with tenderers able to provide examples of successful contracts.
20. All companies were either ranked equal to or above a 75% threshold for non price related attributes, meeting all the contract requirements in all material aspects. The fundamental difference between the successful and unsuccessful tenderers for Contract No. PK09002A - Cemetery Landscape Maintenance was the price submitted.
21. The price difference between the lowest and highest priced tenderers primarily related to scheduled rates for term of contract items. It is not considered that the difference between tendered prices represents a failure by any tenderer to understand the terms of Contract No. PK09002A - Cemetery Landscape Maintenance, nor is it considered that the lowest price submitted is inadequate to service the requirements of the contract.
22. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance 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.

#### **CREDIT CHECK**

23. A credit check on PMS has been requested.

#### **JOB COSTS**

24.	<b>excl. GST</b>
Tender sum - (PMS)	\$329,941.62
Contingency	\$ 32,994.16
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Total Job Cost	\$362,935.78

## SOURCE OF FUNDING

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

Budget Description (from annual budget line item) Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Cemetery Landscape Maintenance	4820 74000	\$374,000	\$0	\$362,935.78	\$11,064.22	\$11,064.22
	<b>Total</b>			\$362,935.78		

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

26. There are no expected implementation issues with this contract.

**Report prepared by:** Roscoe Webb, Principal Contracts Planner.

