



**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, 17 APRIL 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 - Friday, 27 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, 27 March 2009, as circulated, and that they be taken as read and now be confirmed.



**5 CONTRACT NO. TA08032B - TE ATATU CYCLEWAY**

**EXECUTIVE SUMMARY**

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA08032B - Te Atatu Cycleway.

**RECOMMENDATIONS**

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA08032B - Te Atatu Cycleway report.
2. **Approve** that the tender from HEB Construction Limited for Contract No. TA08032B - Te Atatu Cycleway in the sum of \$268,085.80 plus \$33,510.73 GST, totalling \$301,596.53 be accepted.
3. **Approve** that authority to enter into Contract No. TA08032B - Te Atatu Cycleway on behalf of the Council be delegated to the Group Manager: Project Services.

**BACKGROUND**

1. The Council has a programme to construct cycle paths and cycle lanes to achieve integrated networks for walking and cycling. Consultation with the community for this project took place in late 2008.
2. The Te Atatu Cycleway project has been identified as a key link for the Te Atatu Peninsula area and work has been coordinated with a New Zealand Transport Agency interchange improvement project of the North Western motorway.
3. Funding for this project is provided for in the Annual Plan 2008/2009.

**SCOPE OF WORK**

4. The scope of work includes construction of a shared concrete path/cycleway along the boundary of Harbour View Park to connect with a cycleway being constructed as part of motorway interchange improvements, and on-road cycle lanes on Te Atatu Road, between Gloria Avenue and Gunner Drive.

**TENDERS RECEIVED**

5. Tenders were publicly advertised on Tenderlink with 51 sets of documents being uplifted. Nine tenders were received by the closing date of 5 March 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
HEB Construction Limited	Drury	\$268,085.80
Traffic Systems Limited	Mission Bay	\$353,443.97
North Harbour Paving & Construction Limited	Birkenhead	\$361,453.25
McKenzie & Parma Limited	Takanini	\$370,316.94
Infrastructure & Civil Works Limited	North Harbour	\$380,988.00
John Fillmore Contracting Limited	Mangere	\$391,623.00
Rogers Civil Limited	Avondale	\$398,369.45
Adams Landscapes Limited	Mangere	\$522,391.25
Kirrane & Malone Limited	Mangere	Disqualified
Pre-tender contract estimate		\$396,318.50
Budget estimate		\$420,000.00

**Table 1 - Summary of Tender Prices**

### TAGS, ERRORS OR OMISSIONS

6. The tender from Kirrane and Malone Limited did not include all the required non-price tender attributes information resulting in their disqualification from further evaluation.
7. The tender submitted by Adams Landscapes Limited contained a minor tag within their non-price attribute submission. This tag had no effect on the outcome of the tender evaluation and was not pursued.
8. There were no other errors or omissions in the other tenders.

### TENDER EVALUATION

9. 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".
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 \$1,500.
12. 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.
13. 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 Weights
	<b>Weights</b>	<b>8</b>	<b>8</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>70</b>	<b>100</b>
Tenderer	Tender Sum	Grades							INDEX
HEB Construction Limited	\$266,585.80	75	55	70	70	60	65	79	<b>75</b>
Traffic Systems Limited	\$351,943.97	76	76	73	73	68	65	56	<b>61</b>
North Harbour Paving & Construction Limited	\$359,953.25	75	70	68	68	61	75	54	<b>59</b>
McKenzie & Parma Limited	\$368,816.94	68	64	63	73	65	56	51	<b>56</b>
Infrastructure & Civil Works Limited	\$379,488.00	65	55	60	55	45	65	49	<b>51</b>
John Fillmore Contracting Limited	\$390,123.00	73	66	62	71	62	53	46	<b>52</b>
Rogers Civil Limited	\$396,869.45	70	65	73	66	63	55	44	<b>51</b>
Adams Landscapes Limited	\$520,891.25	55	48	51	59	40	73	11	<b>23</b>
<b>Median Tender Price</b>	\$374,152.47								

**Table 2 - Summary of Tender Evaluation**

14. 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.
15. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by HEB Construction Limited achieved the highest index of 75. This tender is also the lowest priced tender.
16. HEB Construction Limited was founded in 2005 and is a member of the HEB Group. It is a privately owned company and specialises in civil contracting, roading and bridge construction, subdivisions, landscaping, infrastructure maintenance, drainage, precast and pre-stressed concrete, wharves and marinas, piling and foundations. Current and past clients include Transit, New Zealand Transport Agency, Western Bay of Plenty District Council and Waitakere City Council.
17. HEB Construction Limited has carried out a significant number of projects for Council to a generally satisfactory level of quality, budget and time objectives. A recent project within Henderson main street has encountered delays. This is reflected in the scores given for Track Record and Management Skills within the non-price attributes and is currently being addressed by Council and the Contractor.
18. The lowest tender is 32% below the pre-tender contract estimate. The tender price submitted is significantly lower than all the other tender prices. HEB Construction Limited has confirmed in writing that they are satisfied as to the correctness and sufficiency of their tender price.
19. 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**

20. A credit check on HEB Construction Limited dated 10 February 2009 revealed no adverse information.

#### **JOB COSTS**

21.	<b>excl. GST</b>
Tender sum - HEB Construction Limited	\$268,085.80
Contingency	\$ 27,000.00
Engineering and Supervision	\$ 47,000.00
Services Relocation	\$ 14,620.00
	-----
Total Job Cost	\$356,705.80

## SOURCE OF FUNDING

22. 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
Cycleway On Road	8AMTA-07-104	\$5,730,000	\$5,248,380	\$356,706	\$124,914	\$124,914
	<b>Total</b>			\$356,706		

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

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

**Report prepared by:** Jagath Rupasinghe, Engineer Roading.



## 6 CONTRACT NO. SW08004A - LANDFILL LOADING AND TRANSPORTATION

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SW08004A - Landfill Loading and Transportation.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SW08004A - Landfill Loading And Transportation report.
2. **Approve** that the tender from Smith & Davies Limited for Contract No. SW08004A - Landfill Loading and Transportation in the sum of \$15.71 per tonne plus \$1.96 GST, totalling \$17.67 per tonne be accepted.
3. **Approve** the commitment of \$1,386,533 excluding GST to the draft Annual Plan 2009/2010 for Contract No. SW08004A - Landfill Loading and Transportation.
4. **Approve** the commitment of \$1,386,533, excluding GST and cost escalation, to the financial year 2010/2011 for Contract No. SW08004A - Landfill Loading and Transportation.
5. **Approve** that authority to enter into Contract No. SW08004A - Landfill Loading and Transportation on behalf of the Council be delegated to the Group Manager: Service Management.

6. **Approve** that authority to award cumulative contract variations to Contract No. SW08004A - Landfill Loading and Transportation up to the value of the contingency sum of \$138,653 plus GST on behalf of the Council in each year of the contract be delegated to the Group Manager: Service Management.
7. **Agree** that future renewals for Contract No. SW08004A - Landfill Loading and Transportation under the 1 + 1 + 1 right of renewal provisions be reported back to the Council for approval.

### BACKGROUND

1. The existing contract for refuse loading and transportation is due to expire on 30 June 2009
2. Approximately 130,000 tonnes of waste of all types is received annually at the transfer station. Waste is sorted and separated to remove materials that can be recycled/reused or recovered. The remainder is loaded into bulk haulage vehicles which then take the residual waste to Redvale Landfill owned by Waste Management Ltd.
3. Funding has been allocated by the Council in the draft Annual Plan 2009/2010 for this work.

### SCOPE OF WORK

4. The scope of work includes non-exclusive right to load and transport refuse from the Council's Refuse and Recycling Transfer Station at The Concourse, Henderson to the Waste Management Limited owned landfill site at Redvale or to any other landfill site nominated by the Council.
5. A five year term comprising an initial term of two years with the right of renewal for a further 1+1+1 gives the contractor ability to gain a return on the specialised equipment purchased for the waste industry. The existing contractor spent over \$1.4 million (excluding the trucks) on this type of equipment five years ago.
6. The decision on whether or not to exercise the renewals provided for under the contract is wholly at the discretion of the Council.

### TENDERS RECEIVED

7. Tenders were publicly advertised on Tenderlink. One tender was received by the closing date of 3 March 2009. This is summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Smith & Davies Limited	Corner Lake Road & Kawana Street, Northcote	\$15.71 per tonne
Pre-tender contract estimate (based on most up-to-date tender rate)		\$16.18 per tonne
Budget estimate (includes contingency)		\$17.80 per tonne

**Table 1 - Summary of Tender Prices**

### TAGS, ERRORS OR OMISSIONS

8. There were no tags, errors or omissions in the tender.

## TENDER EVALUATION

9. In accordance with the conditions of tendering the tender was evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
10. 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 SW08004A
									Total Weights
	<b>Weights</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>20</b>	<b>5</b>	<b>5</b>	<b>50</b>	<b>100</b>
Tenderer	Tender Sum	Grades							INDEX
Smith & Davies Limited	\$15.71	85	75	80	85	60	70	50	65
Med.n Tender Price	\$15.71								

**Table 2 - Summary of Tender Evaluation**

11. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Smith & Davies Limited achieved an index of 65. This tender is also the only tender received.
12. Smith & Davies Limited successfully completed refuse loading and transportation for the past 6 years, and have provided a good level of service.
13. Smith & Davies Limited has the necessary expertise and resources to satisfactorily carry out the works.
14. 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

15. A credit check on Smith & Davies Limited dated 25 March 2009 revealed no adverse information.

## JOB COSTS

16.		<b>excl. GST</b>
	Tender sum - Smith & Davies Limited based on \$15.71 per tonne for an estimated 88,258 tonnes	\$1,386,533
	Contingency	\$ 138,653
		-----
	Total Job Cost	\$1,525,186

## SOURCE OF FUNDING

17. 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
<i>Refuse Cartage</i>	3530	\$1,571,000	Nil	\$1,525,186	\$45,814	\$45,814
	<b>Total</b>			\$1,525,186		

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

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

**Report prepared by:** Ben Somaratne, Solid Waste Engineer.



## 7 CONTRACT NO. SW09001A - MANUFACTURE AND SUPPLY OF OFFICIAL COUNCIL REFUSE BAGS

### EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags report.

### RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags report.
2. **Approve** that, subject to a satisfactory credit check, the tender from Hi-Tech Packaging Ltd for Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags report in the sum of \$139.47 per 1000 bags plus \$13.95 GST, totalling \$153.42 per 1000 bags be accepted.
3. **Approve** the commitment of \$461,293 excluding GST to the draft Annual Plan 2009/2010 for Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags.
4. **Approve** the commitment of \$461,293 excluding GST and inflation to the draft Annual Plan 2010/2011 for Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags.
5. **Approve** that authority to enter into Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags on behalf of the Council be delegated to the Group Manager: Service Management.

6. **Approve** that authority to award cumulative contract variations to Contract No. SW09001A - Manufacture And Supply of Official Council Refuse Bags, up to the value of the contingency sum of \$46,129 plus GST on behalf of the Council be delegated to the Group Manager: Service Management.

### BACKGROUND

1. As the current contract for the manufacture, warehousing, supply, marketing and distribution of official Council refuse bags expires on 30 June 2009, the City has invited public tenders from interested parties.
2. The tenderers were requested to submit prices for two term options, being defined as 2+1+1+1 year and 5 year term contracts each with the right of renewal for a further period of one year.
3. The refuse collection is on 'user pays' since 1 July 1999. The contractor retains the cost of manufacture and distribution of refuse bags from bag sales and returns the balance to the Council.

### SCOPE OF WORK

4. The scope of work includes Manufacturing, supplying, warehousing, marketing and distribution to all potential resellers and retailers of official Council refuse bags.
5. The contractor must ensure that (a) continuous supply of official Council refuse bags is available to the City and resellers and retailers servicing the City and its consumers, (b) Ensuring at all times that the official Council refuse bags meet the acceptance standards by continually testing and monitoring the manufacturing process and components used. And negotiate with retailers and resellers appropriate shelf or checkout space for marketing and displaying the official council refuse bags and ensuring stock levels are maintained.

### TENDERS RECEIVED

6. Tenders were publicly advertised on Tenderlink and New Zealand Herald. Three tenders were received by the closing date of 17 March 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Pacrite Industries Limited	220, Bush Road, Albany	\$204.80/1000 bags
Hi-Tech Packaging	70, Central Park Drive, Henderson	\$139.47/1000 bags
Elldex Packaging Group	8, Antares Place, Albany	\$189.75/1000 bags
Pre-tender contract estimate (based on most up-to-date tender rate)		\$142.67/1000 bags
Budget estimate		\$144.70/1000 bags

**Table 1 - Summary of Tender Prices**

### TAGS, ERRORS OR OMISSIONS

7. The tender submitted by Elldex Packaging Group contained a number of tags within their non-price attribute submission.

8. Elldex Packaging Group had four main tags:
- (a) They require price review on a quarterly basis for the resin and foreign exchange portion of the manufacturing process rather than six monthly review, and at annual intervals for labour and energy components.
  - (b) They wish to review the bond requirement of \$1million in the tender with the Council prior to commencement of an agreement, and offered only \$100,000.
  - (c) They wish to review the payment process due to slow and overdue payments by some purchasers of refuse bags.
  - (d) They will only sign the agreement with the Council based on a successful outcome for variations requested.
9. There were no other errors or omissions in the other tenders.

### TENDER EVALUATION

10. 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".
11. 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 SW09001A
									Total Weights
	<b>Weights</b>	<b>5</b>	<b>5</b>	<b>20</b>	<b>0</b>	<b>5</b>	<b>15</b>	<b>50</b>	<b>100</b>
Tenderer	Tender Sum				Grades				INDEX
Pacrite Industries	\$204.80	60	55	70	80	80	75	6	38
Hi-Tech Packaging	\$139.47	70	65	75	70	75	65	52	61
Elldex Packaging Group	\$189.75	90	85	65	90	85	85	17	47
<b>Engineer's Estimate</b>	<b>\$142.67</b>								

**Table 2 - Summary of Tender Evaluation**

12. Hi -Tech Packaging has indicated in their tender that they work on a 10 - 12 week lead time for importing the first consignment of bags. This would necessitate the Council having to buy the remaining stocks from the current supplier at end of June.
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 Hi-Tech Packaging Ltd achieved the highest index of 61. This tender is also the lowest priced tender.

15. Hi-tech Packaging has been supplying refuse bags to a number of councils through their contractors since 1999. Currently, they supply bags to Tauranga and Western Bay councils through Waste Management Limited since 2006, Metropolitan Waste Limited since 2000, Thames and Hauraki district councils through Street Smart since 2006 and Central Hawkes Bay district council since 2003.
16. Reference checks made on a selection of clients indicated a well-resourced, well-managed and capable contractor.
17. The lowest tender is 2% below the pre-tender contract estimate.
18. 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

19. A credit check on Hi-Tech Packaging Ltd has been requested.

### JOB COSTS

20.		<b>excl. GST</b>
	Tender sum - (Hi-Tech Packaging Ltd)	\$461,293
	Contingency	\$ 46,129
		-----
	Total Job Cost	\$507,422

### SOURCE OF FUNDING

21. The contract is based on a user pays system, with Council recovering the total cost of waste collection, transportation and disposal services. Estimates on bags sales from the past three contract years indicated approximately 3.6 million bags sold per year, with a recovery by Waitakere City Council of approximately \$3.8 million per annum. This recovery is based on the current contract. It is expected that the new contract will retain a similar recovery.
22. Source of funding is shown in Table 3 below:

Budget Description (from annual budget line item) Annual Plan 2009/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
<i>Refuse bag sales</i>	3550/46000	478,600	Nil	507,422	Nil	Nil
	<b>Total</b>			\$507,422		

**Table 3 - Source of Funding**

## IMPLEMENTATION ISSUES

23. Hi-Tech Packaging have indicated that they need a decision as early as 17 April 2009 to allow sufficient time for production and sea freight of the product.
24. There are no other expected implementation issues with this contract.

**Report prepared by:** Ben Somaratne, Solid Waste Engineer.

