

**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, 29 MAY 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 - 15 May 2009

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 15 May 2009, as circulated, and that they be taken as read and now be confirmed.



5 **STATE HIGHWAY 18 - PROPOSED WASTEWATER LINE - APPROVAL TO NEGOTIATE**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to negotiate with HEB-Smithbridge Limited for the construction of a proposed section of wastewater line across the motorway corridor in the vicinity of Brigham Creek Road.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the State Highway 18 - Proposed Wastewater Line - Approval to Negotiate report.
2. **Approve** that, negotiations proceed with HEB-Smithbridge Limited for the construction of a proposed section of wastewater line across the motorway corridor in the vicinity of Brigham Creek Road, State Highway 18.
3. **Agree** that the outcome of the negotiations with HEB-Smithbridge Limited for the construction of a proposed section of wastewater line across the motorway corridor in the vicinity of Brigham Creek Road, State Highway 18 be brought back to the Tenders Subcommittee for approval.

BACKGROUND

- A1*
1. The servicing for wastewater of Plan Change 14 - Hobsonville Village requires that a council owned gravity wastewater line be constructed across the motorway corridor in the vicinity of Brigham Creek Road to convey wastewater from the new development area to the proposed Watercare Services Limited's wastewater pump station on the opposite (northwestern) side of the motorway. A plan showing the location of this project has been included at page A1.
 2. HEB-Smithbridge Limited is the contractor currently on site constructing the new motorway. They have extensive experience in constructing wastewater infrastructure.
 3. The timeline for the proposed wastewater line is for completion of the physical works by September 2009.

DECISION MAKING

4. Due to contractual issues, it is preferable that HEB-Smithbridge Limited carry out this work. Negotiating an acceptable price for the project with HEB-Smithbridge Limited is therefore desirable, and hence it is proposed that this option be pursued in the first instance.
5. HEB-Smithbridge Limited have indicated that they have the resources and would like to submit a price to construct this proposed section of wastewater line.
6. Any rates negotiated with HEB-Smithbridge Limited will be independent reviewed and benchmarked against current contract rates and prices.

SOURCE OF FUNDING

7. Funding of \$400,000 has been provided for this project in year one (2009/2010) of the draft Long Term Council Community Plan 2009-2019.

IMPLEMENTATION ISSUES

8. There are no implementation issues arising from this project.

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



6 CONTRACT NO. TA08043B - STREETLIGHT MAINTENANCE 2009/2010

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA08043B - Streetlight Maintenance 2009/2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA08043B - Streetlight Maintenance 2009/2010 report.
2. **Approve** that Contract No. TA08043B - Streetlight Maintenance 2009/2010 be awarded to other than the lowest priced tender, as the Weighted Attributes Tender Evaluation Method requires the tendering authority to enter into a contract only with the tender that scores the highest overall index.
3. **Approve** that, the tender from Electrix Limited for Contract No. TA08043B - Streetlight Maintenance 2009/2010 in the sum of \$1,992,261.19 plus \$249,032.65 GST, totalling \$2,241,293.84 on the basis of 24 months, from 1 July 2009 to 30 June 2011 be accepted.
4. **Approve** the commitment of \$1,103,000.00 excluding GST to the draft Annual Plan 2009/2010 for Contract No. TA08043B - Streetlight Maintenance 2009/2010.
5. **Approve** the commitment of \$1,130,595.00 excluding GST to the 2010/2011 financial year for Contract No. TA08043B - Streetlight Maintenance 2009/2010.
6. **Approve** that authority to enter into Contract No. TA08043B - Streetlight Maintenance 2009/2010 on behalf of the Council be delegated to the Group Manager: Project Services.
7. **Agree** that authority to extend Contract No. TA08043B - Streetlight Maintenance 2009/2010 beyond 30 June 2011 on an annual basis until June 2014, subject to contractor's performance and availability of funding, be brought back to the Auckland Council for approval.

BACKGROUND

1. Waitakere City Council currently has 12,500 street lights and 27 illuminated belisha beacon pedestrian crossings.
2. The Council is committed to providing an enhanced customer service in relation to street light faults in Waitakere. To assist this Council has entered into a Service Level Agreement with Vector Limited to gain more certainty from them on response times to power supply faults.
3. The Tenders Subcommittee approved to proceed to tender at its meeting held on 13 March 2009 where it was resolved:

“The Tenders Subcommittee resolved to:

2. **Approve** to publicly call for tenders for Contract No. TA08043 - Streetlight Maintenance for a period of five (5) years from 1 July 2009 to 30 June 2014 on the basis of twenty four (24) months with extensions of one (1) year plus one (1) year plus one (1) year subject to the performance of the contractor, and the availability of funding and at the sole discretion of Council.”

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SCOPE OF WORK

4. The scope of work includes maintenance of streetlights on public roads and Council car parks within Waitakere. The work includes but is not limited to:
 - Maintenance and renewal of existing streetlights and pedestrian crossing lighting;
 - Regular patrols to locate faults;
 - Twenty four hour, seven days per week reception services for emergency callouts;
 - Supply and erection of new streetlights, components and pedestrian crossing lighting as required; and
 - Updating council database and asset management software.
5. The tender has been advertised for an initial period of two years with three possible 12 month extensions dependent on performance and at the sole discretion of Council.

TENDERS RECEIVED

6. Tenders were publicly advertised on Tenderlink with 16 sets of documents being uplifted. Four (4) tenders were received by the closing date of 7 May 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Traffic Systems Limited	Avondale	\$1,907,189.62
Electrix Limited	Mt. Wellington	\$1,992,261.19
Transfield Services Limited	Otara	\$2,088,028.29
McKay Electrical (Whangarei) Limited	Whangarei	\$2,117,650.00
Pre-tender contract estimate (based on most up-to-date tender rate)		\$1,916,730.16
Budget estimate		\$1,920,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

7. There was a summation error and omissions in the tender submitted by Traffic Systems Limited whereby minor items were not priced. This was not addressed as it did not affect the outcome of the tender evaluation process.
8. There were omissions in the tender submitted by Transfield Services Limited whereby minor items were not priced. This was not addressed as it did not affect the outcome of the tender evaluation process.
9. There were summation and rounding errors in the tender submitted by McKay Electrical (Whangarei) Limited. This was not addressed as it did not affect the outcome of the tender evaluation process.
10. There were no other tags, errors or omissions in the other tender.

TENDER EVALUATION

11. 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".
12. 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.
13. In this contract the value of Provisional Sums is \$305,000.
14. 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.
15. 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 TA08043B
									Total Weights
	Weights	5	5	5	5	5	5	70	100
Tenderer	Tender Sum (Excludes provisional sums)	Grades							INDEX
Electrix Limited	\$1,687,261.19	83	82	84	81	78	80	53	61
Traffic Systems Limited	\$1,602,189.62	52	70	55	52	62	54	58	58
Transfield Services Limited	\$1,783,028.29	81	79	73	75	76	75	47	56
Mckay Electrical (Whangarei) Limited	\$1,812,650.00	66	68	63	56	56	56	46	50
Med.n Tender Price	\$1,735,144.74								

Table 2 - Summary of Tender Evaluation

16. 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.
17. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by Electrix Limited achieved the highest index of 61. This tender is the second lowest priced tender.
18. Traffic Systems Limited were the lowest priced tender but scored lower in several attributes due to the size of the company resources, and their limited experience as they have not yet carried out a streetlight maintenance contract.
19. Electrix Limited was founded in 1955 and are specialised electrical engineers and contractors. Current and past clients include Auckland City Council, Manukau City Council and Waitakere City Council.
20. Electrix Limited has successfully carried out Contract No. TA06005B: Streetlight Maintenance and Renewal 2006/2007 since October 2006.
21. Electrix Limited has the necessary expertise and resources to satisfactorily carry out the works.
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 Electrix Limited dated 13 March 2009 revealed no adverse information.

JOB COSTS

24.	excl. GST
Tender sum - Electrix Limited	\$1,992,261.19
Contingency	\$ 129,615.81
Engineering and Supervision	\$ 111,595.00
Total Job Cost	<u>\$2,233,472.00</u>

SOURCE OF FUNDING

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

Budget Description (from annual budget line item) Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Streetlight- Maintenance	6130	\$1,069,000	\$0	\$1,048,000	\$21,000	\$0
Streetlight- Professional Service	6120	\$ 55,000	\$0	\$ 55,000	\$0	\$0
	Subtotal 2009/2010	\$1,124,000	\$0	\$1,103,000	\$21,000	\$0
Draft LTCCP 2010/2011						

Budget Description (from annual budget line item) Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Streetlight- Maintenance	6130	\$1,112,349	\$0	\$1,074,000	\$38,349	\$0
Streetlight- Professional Service	6120	\$ 56,595	\$0	\$ 56,472	\$123	\$0
	Subtotal 2010/2011	\$1,168,944	\$0	\$1,130,472	\$38,472	\$0
	Total			\$2,233,472		

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

Report prepared by: Jayantha Rajasooriya, Roading Engineer.



7 CONTRACT NO. TA08041A - PROFESSIONAL SERVICES FOR PAVEMENT REHABILITATION

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. TA08041A - Professional Services for Pavement Rehabilitation.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA08041A - Professional Services for Pavement Rehabilitation report.
2. **Approve** that the tender from GHD Limited for Contract No. TA08041A - Professional Services for Pavement Rehabilitation in the sum of \$188,036.00 plus \$23,504.50 GST, totalling \$211,540.50 be accepted.
3. **Approve** the commitment of \$188,036 excluding GST to the draft Annual Plan 2009/2010 for Contract No. TA08041A - Professional Services for Pavement Rehabilitation.
4. **Approve** the commitment of \$200,000 excluding GST to the draft Annual Plan 2010/2011 for Contract No. TA08041A - Professional Services for Pavement Rehabilitation.
5. **Approve** that authority to enter into Contract No. TA08041A - Professional Services for Pavement Rehabilitation on behalf of the Council be delegated to the Deputy Director, City Services.
6. **Agree** that authority to extend Contract No TA08041A - Professional Services for Pavement Rehabilitation beyond 30 June 2011 on a 1 plus 1 year basis, subject to contractor's performance and availability of funding, be brought back to the Auckland Council for approval.

BACKGROUND

1. Council has approximately 752 kilometres of sealed roads and 33 kilometres of unsealed roads. Current term maintenance contracts are due to expire on 30 June 2009 and the new Citywide maintenance contract that has been approved for commencement from 1 July 2009.
2. To enable the smooth transition from the current sealed road maintenance contract into this new maintenance contract, Council has identified 11 sites for rehabilitation in 2009/10. One of these sites has been designed in the current year and is ready for peer review. Therefore, this Contract No. TA08041A - Professional Services for Pavement Rehabilitation, need to be in place one month prior to the commencement of Citywide maintenance contract.
3. Council approved the use of publicly advertised tendering process to award a multiple year contract for providing Professional Services for Pavement Rehabilitation. This was approved at the Tenders Subcommittee meeting held on 23 January 2009 where it was resolved to:

“The Tenders Subcommittee resolved to:

2. ***Approve** to publicly call for tenders for Contract No. TA08041A - Professional Services for Pavement Rehabilitation for an initial four (4) months, followed by two (2) years with an option for two further extensions of one (1) year, subject to the performance of the Consultant, and the availability of funding and at the sole discretion of Council.”*

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SCOPE OF WORK

4. This contract is for providing professional services for pavement rehabilitation or reconstruction of existing road pavements within Waitakere. This contract will include investigation, prioritisation, design, costing, reporting and preparation of funding submission to the New Zealand Transport Agency. This contract will also include engaging an independent consultant to peer review the designs and economic analyses.
5. Council's Long Term Council Community Plan provides for rehabilitation / reconstruction of approximately five kilometres of carriageway within a financial year.
6. Tenderers were requested to price based on the sites confirmed for rehabilitation in 2009/2010. In the subsequent contractual years, Council will identify the sites from monthly inspections, Road Asset and Maintenance Management System (RAMM) and Deighton Total Infrastructure Management Software (dTIMS). The price will be negotiated based on the schedule of rates supplied for Contract No. TA08041A - Professional Services for Pavement Rehabilitation.

TENDERS RECEIVED

7. Tenders were publicly advertised on Tenderlink with 24 sets of documents being uplifted. Seven tenders were received by the closing date of 16 April 2009. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Dainty Alderton Consulting Engineers	Lincoln North	Disqualified
OPUS International Consultants Limited	Takapuna	\$275,442.76
Duffill Watts Consulting Group	Auckland	\$252,440.00
Bartley Consultants Limited	Auckland	\$274,900.00
GHD Limited	Auckland	\$188,036.00
Harrison Grierson	Auckland	Disqualified
Beca	Auckland	\$199,993.00
Pre-tender contract estimate		\$201,280.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

8. Dainty Alderton Consulting Engineers did not submit adequate information on the relevant experience related to similar works as required of tender submissions. As a result, they failed to comply with the standard conditions of tendering and were considered to be non-conforming and therefore excluded from further evaluation.
9. Harrison Grierson did not submit adequate information on the track record related to similar works as required of tender submissions. As a result, they failed to comply with the standard conditions of tendering and were considered to be non-conforming and therefore excluded from further evaluation.
10. There were no other errors or omissions in the other tenders.

TENDER EVALUATION

11. 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".
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	Exper.	Track	Tech.	Manag.	Method.	Price	Contract Number TA08041A
			Record	Skill	Skill			Total Weights
	Weights	20	20	20	20	10	10	100
Tenderer	Tender Sum							INDEX
GHD Limited	\$188,036.00	90	85	90	85	90	57	77
Bartley Consultants Limited	\$274,900.00	95	90	95	85	90	13	75
Beca	\$199,993.00	85	90	90	85	85	51	75
OPUS International Consultants Limited	\$275,442.76	90	80	80	85	85	13	68
Duffill Watts Consulting Group	\$252,440.00	70	70	80	70	80	25	62
Harrison Grierson	Not opened	50	35	-	-	-	-	Disqualified
Dainty Alderton Consulting Engineers	Not opened	35	-	-	-	-	-	Disqualified
Engineer's Estimate	\$201,280.00							

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 GHD Limited achieved the highest score. This tender is also the lowest priced tender.
16. GHD Limited successfully completed work of a similar nature to this contract for North Shore City Council and Manukau City Council. They have the necessary expertise and resources to satisfactorily carry out the works under this contract.

CREDIT CHECK

17. A credit check on GHD Limited dated 5 May 2009 revealed no adverse information.

JOB COSTS

18.	excl. GST
Tender sum - GHD Limited	\$188,036.00
Contingency	\$ 11,964.00

Total Job Cost	\$200,000.00

SOURCE OF FUNDING

Source of funding is shown in Table 3 below:

Budget Description (from annual budget line item) Draft Annual Plan 2009/2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Physical Work - Road Reconstruction	8AMTA-08-003	\$2,000,000	-	\$200,000	\$1,800,000	Nil
	Total			\$200,000		

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

Report prepared by: Canute Chandrakumaran, Principal Transport Engineer.

