

**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, 21 AUGUST 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 - 7 August 2009

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 7 August 2009, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. NL08002R - NEW LYNN TRANSIT ORIENTED DEVELOPMENT
STAGE 1 SERVICES DIVERSION BY VECTOR - APPROVAL TO AWARD**

GLOSSARY

| | |
|------------------------------|----------|
| Main Civils Contractor | (MCC) |
| Transit Oriented Development | (TOD) |
| Vector Limited | (Vector) |

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. NL08002R - New Lynn Transit Oriented Development Stage 1 Services Diversion by Vector.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. NL08002R - New Lynn Transit Oriented Development Stage 1 Services Diversion By Vector - Approval To Award report.
2. **Approve** subject to resolution 5 below, that the tender from Vector Limited for Contract No. NL08002R - New Lynn Transit Oriented Development Stage 1 Services Diversion by Vector in the sum of \$933,000.00 plus \$116,625.00 GST, totalling \$1,049,625.00.
3. **Approve** subject to resolution 5 below, that authority to enter into Contract No. NL08002R - New Lynn Transit Oriented Development Stage 1 Services Diversion by Vector on behalf of the Council be delegated to the Group Manager: Project Services.
4. **Approve** subject to resolution 5 below, that authority to award cumulative contract variations to Contract No. NL08002R - New Lynn Transit Oriented Development Stage 1 Services Diversion by Vector, up to the value of the contingency sum of \$154,000.00 plus GST on behalf of the Council be delegated to the Group Manager: Project Services.
5. **Note** that resolutions 2, 3 and 4 above be subject to confirmation by the Auckland Transition Agency.

BACKGROUND

1. The Council will shortly be constructing new roads, walkways, cycle lanes, tree planting, lights, and streetscape works in New Lynn, as part of the New Lynn Transit Oriented Development (TOD) works. In order to undertake the construction of the TOD works, extensive service relocations need to be done ahead of the road works.
2. Vector Limited (Vector) is responsible for the service diversions of all power and gas assets.
3. The service diversion works are highly specialised and Vector does not allow any external party to undertake this unique work for them.
4. The diversion of all Vector assets in the New Lynn TOD works will be undertaken by Vector contemporaneously with the main road works. This work requires a high degree of coordination between the Main Civils Contractor (MCC) and Vector to ensure that the service diversions are completed prior to road works taking place.

5. It is required to place a contract on Vector for service diversion work in order that Vector is able to commence work at the start of the MCC contract period.
6. The nature of the works cannot be precisely defined, with the major part of the work being below ground. Accordingly the Vector offer to undertake service diversions is an estimated price and the final cost of these works will only be known once they are completed. Due to the nature of the works, a higher than normal contingency sum is warranted.

SCOPE OF WORK

7. The scope of work includes the services diversion and relocation of Vector assets in Clark Street, Portage Road, Neville Street, Astley Avenue, Hetana Street and Rankin Avenue, New Lynn.
8. The Council and Vector do not have a cost share agreement, with each party required to cover its own costs. Accordingly the price tendered by Vector provides the full cost to the Council of service diversions.
9. The price estimate provided by Vector excludes works undertaken by Vector for its own uses.
10. The service diversion works will be managed and undertaken by Vector using their own staff.

TENDER RECEIVED

11. A tender was invited from Vector only, as no other party is permitted to undertake this work in New Zealand. The results of the tender are summarised in Table 1 below:

| TENDERER | REG OFFICE | TENDER PRICE (excl. GST) |
|---|---|-----------------------------|
| Vector Limited | 101 Carlton Gore Road, Newmarket, Auckland | \$933,000 |
| Pre-tender contract estimate (based on most up-to-date tender rate) | | \$950,000 |
| Budget estimate | | \$950,000 |

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

12. The tender submitted by Vector contained a tag that relates to the works being priced as an estimate and that the actual costs will need to be recovered once the work is undertaken. This requirement is standard for service diversion works due to the nature of the work being unseen beforehand.

TENDER EVALUATION

13. In accordance with the conditions of tendering, the tender was evaluated in line with the Council's Procurement Manual.
14. Under this method, a purchase order is issued for works undertaken by a Network Utility Supplier, against a specification or scope of works.

15. As part of Council's contracting process "Quality, Health and Safety and Environmental compliance are not negotiable" - the contractor has 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

16. A credit check on Vector Limited dated 7 August 2009 revealed no adverse information.

JOB COSTS

| | |
|-----------------------------|------------------|
| 17. | excl. GST |
| Tender sum - Vector Limited | \$ 933,000 |
| Contingency | \$ 154,000 |
| | ----- |
| Total Job Cost | \$1,087,000 |

18. Due to higher than normal levels of risk presented by unseen service diversion works below ground, 17% contingency has been provided to allow for these additional risks.

SOURCE OF FUNDING

19. Source of funding is shown in Table 2 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 (subject to New Lynn TOD integrated programme) |
|--|---------------------------|-------------|-----------------------------|----------------------------|---------------------|--|
| New Lynn TOD Roading Projects / Service Diversions | 8AMTA-07- 192/02/02/06 | \$1,317,000 | \$230,000 | \$1,087,000 | \$0 | \$17,000 |

Table 2 - Source of Funding

IMPLEMENTATION ISSUES

20. The service diversion works are only scheduled to commence once the contract for the MCC work has been awarded. This is expected to be in early September 2009.

AUCKLAND COUNCIL TRANSITION ISSUES

21. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities in respect of section 31(5)(a). This subsection applies to a decision in respect of which the Transition Agency has notified the existing local government organisation under section 20(1) in which it may review any existing local government organisation decisions during the transition period. Accordingly this report is to be tabled to the Auckland Transition Agency for confirmation of award of contract.

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



6 **CONTRACT NO. PK09003A - PROJECT TWIN STREAMS - PROFESSIONAL SERVICES - APPROVAL TO AWARD**

GLOSSARY

Project Twin Streams (PTS)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. PK09003A - Project Twin Streams - Professional Services for a period of 22 months from 1 September 2009 to 30 June 2011.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK09003A - Project Twin Streams - Professional Services - Approval To Award report.
2. **Approve** that the tender from Thomas Civil Consultants Limited for Contract No. PK09003A - Project Twin Streams - Professional Services in the sum of \$998,500 plus \$124,812.50 GST, totalling \$1,123,312.50 from 1 September 2009 to 30 June 2011 be accepted.
3. **Approve** the commitment of \$579,645 excluding GST as provided in the Annual Plan 2009/2010 for Contract No. PK09003A - Project Twin Streams - Professional Services.
4. **Approve** the commitment of \$418,855 excluding GST for the 2010/2011 financial year for Contract No. PK09003A - Project Twin Streams - Professional Services.
5. **Approve** that authority to enter into Contract No. PK09003A - Project Twin Streams - Professional Services on behalf of the Council be delegated to the Deputy Director: City Services.

BACKGROUND

1. Project Twin Streams (PTS) involves the improvement of water and riparian quality of the Oratia, Opanuku, Waikumete, Henderson and Swanson streams (and several of their associated tributaries). These outcomes are achieved mainly through:
 - purchasing property for riparian margin restoration purposes;
 - weed clearance;
 - re-vegetation planting; and
 - stream bank stabilisation.
2. Funding for this project is provided via a grant from Auckland Regional Holding Limited (a subsidiary of the Auckland Regional Council, formerly known as Infrastructure Auckland).
3. Council has adopted a community partnership and development model to deliver PTS. As part of this delivery model, community participation has been encouraged during both the planning and implementation phases of PTS. To ensure that community groups are able to successfully contribute in this sustainable partnership, Council needs to ensure sufficient resources are put into empowering community groups via provision of resources, information/knowledge sharing, and training and education.

4. Due to the large scale nature of the project (the extensive project area and the complexity of managing a Quadruple Bottom Line project), the project needs professional services and engineering support for the project management, planning and implementation phases of the project.
5. Assistance with project management, planning and implementation of the project is required to ensure the following:
 - efficient delivery of the PTS property purchase and removal programme;
 - compliance with District Plan rules;
 - compliance with rules of other regulatory authorities;
 - compliance with Council's protocols and procedures;
 - implementation of industry best practice;
 - integration with programmes of other units within the Council; and
 - community needs and expectations are met.
6. Funding was approved by the Council in the Annual Plan 2009/2010 for this work. Funding for the 2010/2011 financial year has been approved in the Long Term Council Community Plan 2009-2019.

SCOPE OF WORK

7. The scope of works required from the Consultant has been apportioned into three components, and includes the following tasks:

Project Management

- managing property purchases and removals, and covenant acquisition processes;
- providing regular progress updates on the property and easement acquisition process; and
- working with the PTS team to review project budgets and activity plans and mapping these to track progress.

Engineering Services

- developing and obtaining approvals for planting and restoration plans within the riparian margins.

Restoration Projects

Provision of four full time equivalent roles to provide riparian co-ordination services which are responsible for:

- co-ordinating and planning streamside planting events and restoration works with multiple stakeholders, community groups and contractors;
 - providing advice on ecological restoration to various stakeholders, community groups and schools; and
 - reporting on progress of restoration works.
8. The services provided by this contract will cover all five of the PTS streams which currently have stream restoration works underway.

TENDERS RECEIVED

9. Tenders were publicly advertised on Tenderlink with 26 sets of documents being uplifted. Two tenders were received by the closing date of 16 July 2009. These are summarised in Table 1 below:

| TENDERER | REG OFFICE | TENDER PRICE (excl. GST) |
|--|------------|-----------------------------|
| Thomas Civil Consultants Limited | Henderson | \$998,500 |
| CPG New Zealand Limited | Penrose | \$1,157,400 |
| Pre-tender contract estimate (based on most up-to-date tender rate) | | \$987,000 |
| Budget estimate | | \$1,000,000 |

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

10. The tenders submitted by Thomas Civil Consultants Limited and CPG New Zealand Limited contained no tags, errors or omissions.

TENDER EVALUATION

11. 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".
12. A summary of the evaluation results is shown in Table 2:

| Tender | Attributes | Exper. | Track | Tech. | Resour. | Manag. | Method. | Price | Contract Number PK09003A |
|------------------------------|----------------|--------|--------|-------|---------|--------|---------|-------|-----------------------------|
| Evaluation | | | Record | Skill | | Skill | | | Total Weights |
| | Weights | 20 | 20 | 15 | 5 | 10 | 10 | 20 | 100 |
| Tenderer | Tender Sum | | | | Grades | | | | INDEX |
| Thomas Civil Consultants Ltd | \$ 998,850.00 | 85 | 75 | 80 | 60 | 75 | 85 | 49 | 73 |
| CPG New Zealand Ltd | \$1,157,400.00 | 55 | 60 | 60 | 65 | 70 | 55 | 33 | 54 |
| Engineer's Estimate | \$987,000.00 | | | | | | | | |

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 Thomas Civil Consultants Limited achieved the highest index of 73. This tender is also the lowest priced tender.
15. Thomas Civil Consultants Limited is the incumbent professional services provider to PTS, and has been involved in the project since 2002. Thomas Civil Consultants Limited is a small multi-disciplinary company which specialises in sustainable engineering and environmental consultancy.

16. Thomas Civil Consultants Limited successfully completed contracts providing similar services in the 2006/2007 and 2008/2009 financial years. They have provided a crucial role in the management of the PTS property acquisition and house removal programme.
17. Thomas Civil Consultants Limited has the necessary expertise and resources to satisfactorily carry out the works. Over their years of involvement in PTS, the company has built up an experienced team with the necessary skills for this contract.
18. Reference checks made on a selection of clients indicated a well-resourced, well-managed and capable contractor.
19. CPG New Zealand Limited is a multi-disciplinary company. Although the company has been involved in some fairly large projects, these have tended towards infrastructure or structural projects, hence its relevant experience in similar works is very limited. Some of the personnel proposed for key roles associated with riparian restoration works lacked ecological/restoration and community liaison experience. CPG New Zealand Limited's tender lacked details on its approach to property acquisition, which was specifically asked for in the tender document. This was reflected in the attribute scores given.
20. The lowest tender is 1% above the pre-tender contract estimate.
21. 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

22. A credit check on Thomas Civil Consultants Limited dated 22 July 2009 revealed no adverse information.

JOB COSTS

| 23. | excl. GST |
|---|------------------|
| For the Annual Plan 2009/2010 | |
| Tender sum - (Thomas Civil Consultants Limited) | \$579,645 |
| Contingency | Nil |
| Engineering and Supervision | Nil |
| | ----- |
| Total Job Cost | \$579,645 |
| For the 2010/2011 Financial Year | |
| Tender sum - (Thomas Civil Consultants Limited) | \$418,855 |
| Contingency | Nil |
| Engineering and Supervision | Nil |
| | ----- |
| Total Job Cost | \$418,855 |

SOURCE OF FUNDING

24. 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 |
|--|------------------|-------------|-----------------------------------|----------------------------------|------------------------|----------------------|
| Project Twin Streams | 8AMEW-07- 191 | \$4,733,000 | \$4,153,355 | \$579,645 | Nil | Nil |
| Budget Description (from annual budget line item) 2010/2011 Financial Year | Codes | Budget | Committed to other projects | Allocation to this project | Unallocated balance | Potential surplus |
| Project Twin Streams | 8AMEW-07- 191 | \$3,335,140 | \$2,916,285 | \$418,855 | Nil | Nil |

Table 3 - Source of Funding

25. All works associated with this contract are fully funded by grants secured for PTS from Auckland Regional Holdings.

IMPLEMENTATION ISSUES

26. The acquisition of private property is a sensitive issue, and there is a risk to Council of adverse publicity. This risk is minimised via the approach used by PTS, where a fully consultative method is used without the need to invoke compulsory acquisition through the Public Works Act 1981.

AUCKLAND COUNCIL TRANSITION ISSUES

27. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: Anil Karan, Project Twin Streams Evaluation Leader.

