

**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, 23 APRIL 2010,
COMMENCING AT 9.00 AM**

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**AGENDA FOR A MEETING OF THE TENDERS SUBCOMMITTEE TO BE HELD IN THE
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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 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 - 9 April 2010

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 9 April 2010, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. NL08002ZD - NEW LYNN TRANSIT ORIENTED DEVELOPMENT - ENABLING WORKS FOR CLARK STREET EXTENSION - PART 1**

GLOSSARY

Registration(s) of Interest	(ROI)
Auckland Transition Agency	(ATA)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to shortlist four pre-approved contractors to tender for Contract No. NL08002ZD - New Lynn Transit Oriented Development - Enabling Works for Clark Street Extension - Part 1.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. NL08002ZD - New Lynn Transit Oriented Development - Enabling Works for Clark Street Extension - Part 1 report.
2. **Approve** that authority to invite tenders from the following four contractors for Contract No. NL08002ZD - New Lynn Transit Oriented Development - Enabling Works for Clark Street Extension - Part 1 be delegated to the Manager, Special Projects:
 - Dempsey Wood Civil Contractors Limited;
 - Fulton Hogan Limited;
 - HEB Construction Limited; and
 - Hawkins Construction Limited.

BACKGROUND

1. The rail tracks at New Lynn used to bisect the roundabout at the intersection of Rankin Avenue, Clark Street and Totara Avenue, New Lynn. The project to double-track the rail line gave rise to potentially serious safety issues at this intersection and ONTRACK was able to secure funding from Central Government to construct a rail trench through the New Lynn Town Centre. The rail trench, which is now almost complete, will place two tracks about 8 metres below ground.
2. In conjunction with ONTRACK, the Council resolved to deliver an integrated transport network, comprising the construction of five bridges over the rail trench, road works, cycleways and walkways. In parallel with these works, the Auckland Regional Transport Authority is undertaking the construction of a train / bus interchange and an underground train station.
3. A key part of this new transport network is the creation of a bypass that will extend Clark Street beyond Rankin Avenue. The new road will veer north over the rail trench and meet Great North Road to the west of the current intersection between Great North Road and Totara Avenue.
4. Before work on the Clark Street extension can commence, two enabling works contracts in the vicinity of the New Lynn town centre need to be undertaken to create alternative access to properties that will be cut off as a result of the Clark Street works. Registrations of Interest (ROIs) were requested for both of those contracts.

SCOPE OF WORK

5. The site is located at 8 Ambrico Place, New Lynn, and the works generally comprise of construction of concrete pavements and footpaths, but also include the following elements:
- earthworks;
 - removal of trees and relocation of one Pohutukawa tree;
 - construction of asphalt pavements, including kerb and channel;
 - construction of a rain garden and other landscaping elements;
 - stormwater drainage construction;
 - timber retaining wall construction;
 - lighting construction;
 - services relocation works and protection of utilities during construction;
 - liaison with stakeholders, including the Council and local residents;
 - temporary traffic management; and
 - site reinstatement.

REGISTRATIONS OF INTEREST RECEIVED

6. The ROI was publicly advertised on Tenderlink, with 38 sets of documents being uplifted. Seven ROIs were received by the closing date of 23 March 2010. The submissions are summarised in Table 1 below:

REGISTRANT	REGISTERED OFFICE
Dempsey Wood Civil Contractors Limited	100B Hugo Johnstone Drive, Penrose
Fulton Hogan Limited	Reliable Way, Mt Wellington
HEB Construction Limited	Firth Street, Drury
Hawkins Construction Limited	Level 2, 20 Stanley Street, Parnell
Blacktop Construction Limited	3 Bolderwood Place, Manukau
Infrastructure and Civil Works Limited	30/80 Paul Matthews Drive, Albany
Vuksich and Borich (NZ) Limited	45-51 Fremlin Place, Avondale

Table 1 - Summary of Registrants

TAGS, ERRORS OR OMISSIONS

7. There were no tags, errors or omissions in the ROIs.

REGISTRATION OF INTEREST EVALUATION

8. The ROIs required registrants to provide detailed submissions relevant to the specific scope of work for this project on the basis of five key attributes, namely Relevant Experience, Track Record, Technical Skills, Resources and Management Skills. There was no requirement to submit priced bids, as this forms part of the second stage of the tender process.
9. In accordance with the conditions of registration, ROIs were evaluated in line with the Weighted Attribute Method contained in the New Zealand Transport Agency's "Procurement Manual".

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

Attributes	Experience	Track Record	Technical Skill	Resources	Management Skill	Contract Number NL08002ZD
						Total Weights
Weights	35	35	10	10	10	100
Registrant	Grades					INDEX
Dempsey Wood Civil Contractors Limited	80	80	70	70	70	77
Fulton Hogan Limited	80	70	70	70	70	74
HEB Construction Limited	80	60	70	70	70	70
Hawkins Construction Limited	55	70	70	70	70	65
Blacktop Construction Limited	50	60	60	70	55	57
Infrastructure and Civil Works Limited	50	50	60	60	50	52
Vuksich and Borich (NZ) Limited	45	45	45	65	45	47

Table 2 - Summary of Registration of Interest Evaluation

11. Scores for the attributes were determined on the basis of information provided in each ROI, information gathered from the registrants' nominated referees and any recent Council experience with the registrants.
12. The ROI submitted by Dempsey Wood Civil Contractors Limited achieved the highest overall score of 77. This contractor is currently performing well on the New Lynn Transit Oriented Development Stage 1 Clark Street contract with the Council and its ROI submission fully provided all the requested information.
13. The second highest scoring registrant was Fulton Hogan Limited. This contractor has a good track record with the Council and successfully demonstrated that it has the ability to successfully deliver the required scope of works.
14. HEB Construction Limited received the third highest index score. The submission included contracts that were similar to the scope of works and demonstrated good technical skills and resources. HEB Construction Limited scored less on track record and management skills due to recent Council experience of this contractor, but this is not expected to adversely affect the delivery of this contract.
15. The fourth highest scoring registrant was Hawkins Construction Limited. The submission scored well on track record, technical skills, resources and management skills. Hawkins Infrastructure scored less on relevant experience, as the information provided covered a broad range of contracts that were only partially relevant to the scope of works for this contract.
16. Blacktop Construction Limited received the fifth highest index score. The submission scored less on relevant experience, as the information provided only covered asphalt pavement works, which is but a minor component of the scope of work for this contract.
17. The remaining two submissions were allocated lower overall scores for one or more of the following reasons:
- Lack of relevant experience;
 - Insufficient or no information provided regarding proposed sub-contractors;
 - Insufficient or no information regarding track record and referees;

- Insufficient information provided regarding technical skills; and
 - Insufficient information regarding management skills.
18. As part of the Council contracting process “Quality, Health and Safety and Environmental compliance are not negotiable” - all consultants have had this focus clearly reinforced through the ROI documents and this will be strongly reiterated at the subsequent tender invitation and imposed during the contract period.

REQUEST FOR TENDERS

19. The registrants with the four highest index scores have been short listed for invitation to tender on the basis of a fixed price lump sum for all services required to construct the enabling works.
20. Tenders will be evaluated on the basis of weighted attributes and the proposed contract will be let on a lump sum basis.
21. It is proposed to issue tender documents during May 2010, with a tender period of three weeks to allow adequate time for tenderers to produce their submissions.

JOB COSTS

22. The estimated value of this physical works contract is \$800,000.

SOURCE OF FUNDING

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

Budget Description 2010/2011 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
New Lynn TOD - Physical Works - Stage 2 & 3 Combined Construction - Ambrico Lane Construction Contract	8AMTA-07- 192/02/02/0 2/06	\$800,000.00	\$0.00	\$800,000.00	\$0.00	\$0.00
	Total			\$800,000.00		

Table 3: Source of Funding

IMPLEMENTATION ISSUES

24. This report is seeking approval to invite tenders from a shortlist of four registrants to provide contracting services for the construction of a new access lane at 8 Ambrico Place. The intention is to award the physical works contract at the start of July 2010, however, the award of this contract is dependant on the purchase of part of 1C Rankin Avenue, which has yet to be completed.
25. Due to the establishment of the new Auckland Council on 1 November 2010 and associated staff reorganisation, it is preferable that this construction contract be completed prior to 31 October 2010.

AUCKLAND COUNCIL TRANSITION ISSUES

26. 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 Auckland Transition Agency (ATA) 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.
27. Approval for this decision is covered under funding cluster ATA0099, which was approved by the ATA on 31 August 2009. No further confirmation is required from the ATA.

Report prepared by: Jacqui Robson, Principal Engineer, Special Projects.



6 CONTRACT NO. NL08002ZC - NEW LYNN TRANSIT ORIENTED DEVELOPMENT - ENABLING WORKS FOR CLARK STREET EXTENSION - PART 2

GLOSSARY

Registration(s) of Interest	(ROI)
Auckland Transition Agency	(ATA)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to shortlist five pre-approved contractors to tender for Contract No. NL08002ZC - New Lynn Transit Oriented Development - Enabling Works for Clark Street Extension - Part 2.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. NL08002ZC - New Lynn Transit Oriented Development - Enabling Works for Clark Street Extension - Part 2 report.
2. **Approve** that authority to invite tenders from the following five contractors for Contract No. NL08002ZC - New Lynn Transit Oriented Development - Enabling Works for Clark Street Extension - Part 2 be delegated to the Manager, Special Projects:
 - Dempsey Wood Civil Contractors Limited;
 - Fulton Hogan Limited;
 - HEB Construction Limited;
 - Hawkins Construction Limited; and
 - Blacktop Construction Limited.

BACKGROUND

1. The rail tracks at New Lynn used to bisect the roundabout at the intersection of Rankin Avenue, Clark Street and Totara Avenue, New Lynn. The project to double-track the rail line gave rise to potentially serious safety issues at this intersection and ONTRACK was able to secure funding from Central Government to construct a rail trench through the New Lynn town centre. The rail trench, which is now almost complete, will place two tracks about 8 metres below ground.
2. In conjunction with ONTRACK, the Council resolved to deliver an integrated transport network, comprising the construction of five bridges over the rail trench, road works, cycleways and walkways. In parallel with these works, the Auckland Regional Transport Authority is undertaking the construction of a train / bus interchange and an underground train station.
3. A key part of this new transport network is the creation of a bypass that will extend Clark Street beyond Rankin Avenue. The new road will veer north over the rail trench and meet Great North Road to the west of the current intersection between Great North Road and Totara Avenue.
4. Before work on the Clark Street extension can commence, two enabling works contracts in the vicinity of the New Lynn town centre need to be undertaken to create alternative access to properties that will be cut off as a result of the Clark Street works. Registrations of Interest (ROIs) were requested for both of those contracts.

SCOPE OF WORK

5. The site is located at the New Lynn Community Centre and the works generally comprise construction of asphalt pavements, but also include the following elements:
 - earthworks;
 - removal of trees;
 - removal and storage of a ceramic tile artwork;
 - construction of concrete pavements and footpaths, including kerb and channel;
 - stormwater drainage construction;
 - lighting construction;
 - services relocation works and protection of utilities during construction;
 - liaison with stakeholders, including the Council and local residents;
 - temporary traffic management; and
 - site reinstatement.

REGISTRATIONS OF INTEREST RECEIVED

6. The ROI was publicly advertised on Tenderlink, with 28 sets of documents being uplifted. Seven ROIs were received by the closing date of 23 March 2010. The submissions are summarised in Table 1 below:

REGISTRANT	REGISTERED OFFICE
Dempsey Wood Civil Contractors Limited	100B Hugo Johnstone Drive, Penrose
Fulton Hogan Limited	Reliable Way, Mt Wellington
HEB Construction Limited	Firth Street, Drury

REGISTRANT	REGISTERED OFFICE
Hawkins Construction Limited	Level 2, 20 Stanley Street, Parnell
Blacktop Construction Limited	3 Bolderwood Place, Manukau
Infrastructure and Civil Works Limited	30/80 Paul Matthews Drive, Albany
Vuksich and Borich (NZ) Limited	45-51 Fremlin Place, Avondale

Table 1 - Summary of Registrants

TAGS, ERRORS OR OMISSIONS

7. There were no tags, errors or omissions in the ROIs.

REGISTRATION OF INTEREST EVALUATION

8. The ROIs required registrants to provide detailed submissions relevant to the specific scope of work for this project on the basis of five key attributes, namely Relevant Experience, Track Record, Technical Skills, Resources and Management Skills. There was no requirement to submit priced bids, as this forms part of the second stage of the tender process.
9. In accordance with the conditions of registration, ROIs were evaluated in line with the Weighted Attribute Method contained in the New Zealand Transport Agency's "Procurement Manual".
10. A summary of the evaluation results is shown in Table 2:

Attributes	Experience	Track Record	Technical Skill	Resources	Management Skill	Contract Number NL08002ZC
						Total Weights
Weights	35	35	10	10	10	100
Registrant	Grades					INDEX
Dempsey Wood Civil Contractors Limited	80	80	70	70	70	77
Fulton Hogan Limited	80	70	70	70	70	74
HEB Construction Limited	80	60	70	70	70	70
Hawkins Construction Limited	55	70	70	70	70	65
Blacktop Construction Limited	70	60	60	70	55	64
Infrastructure and Civil Works Limited	50	50	60	60	50	52
Vuksich and Borich (NZ) Limited	45	45	45	65	45	47

Table 2 - Summary of Registration of Interest Evaluation

11. Scores for the attributes were determined on the basis of information provided in each ROI, information gathered from the registrants' nominated referees and any recent Council experience with the registrants.
12. The ROI submitted by Dempsey Wood Civil Contractors Limited achieved the highest overall score of 77. This contractor is currently performing well on the New Lynn Transit Oriented Development Stage 1 Clark Street contract with the Council and its ROI submission fully provided all the requested information.
13. The second highest scoring registrant was Fulton Hogan Limited. This contractor has a good track record with the Council and successfully demonstrated that it has the ability to successfully deliver the required scope of works.

14. HEB Construction Limited received the third highest index score. The submission included contracts that were similar to the scope of works and demonstrated good technical skills and resources. HEB Construction Limited scored less on track record and management skills due to recent WCC experience of this contractor, but this is not expected to adversely affect the delivery of this contract.
15. The fourth highest scoring registrant was Hawkins Construction Limited. The submission scored well on track record, technical skills, resources and management skills. Hawkins Infrastructure scored less on relevant experience, as the information provided covered a broad range of contracts that were only partially relevant to the scope of works for this contract.
16. Blacktop Construction Limited received the fifth highest score. The submission demonstrated good relevant experience and resources. Blacktop Construction Limited scored less on track record, technical skills and management skills, but this is not expected to adversely affect the delivery of this contract.
17. The remaining two submissions were allocated lower overall scores for one or more of the following reasons:
 - Lack of relevant experience;
 - Insufficient or no information provided regarding proposed sub-contractors;
 - Insufficient or no information regarding track record and referees;
 - Insufficient information provided regarding technical skills; and
 - Insufficient information regarding management skills.
18. As part of the Council contracting process “Quality, Health and Safety and Environmental compliance are not negotiable” - all consultants have had this focus clearly reinforced through the ROI documents and this will be strongly reiterated at the subsequent tender invitation and imposed during the contract period.

REQUEST FOR TENDERS

19. The registrants with the five highest index scores have been short listed for invitation to tender on the basis of a fixed price lump sum for all services required to construct the enabling works.
20. Tenders will be evaluated on the basis of weighted attributes and the proposed contract will be let on a lump sum basis.
21. It is proposed to issue tender documents during May 2010, with a tender period of three weeks to allow adequate time for tenderers to produce their submissions.

JOB COSTS

22. The estimated value of this physical works contract is \$200,000.

SOURCE OF FUNDING

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

Budget Description 2010/2011 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
New Lynn TOD - Physical Works - Stage 2 & 3 Combined Construction - Community Centre Access Lane Construction	8AMTA-07- 192/02/02/02/ 07	\$200,000.00	\$0.00	\$200,000.00	\$0.00	\$0.00
	Total			\$200,000.00		

Table 3: Source of Funding

IMPLEMENTATION ISSUES

24. This report is seeking approval to invite tenders from a shortlist of five registrants to provide contracting services for the construction of a new access lane to the New Lynn Community Centre. The intention is to award the physical works contract at the start of July 2010, however, the award of this contract is dependant on the purchases of parts of 17, 19, 23 and 29 Avenue, which have yet to be completed.
25. Due to the establishment of the new Auckland Council on 1 November 2010 and associated staff reorganisation, it is preferable that this construction contract be completed prior to 31 October 2010.

AUCKLAND COUNCIL TRANSITION ISSUES

26. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on the Council's decision making capabilities in respect of section 31(5)(a). This subsection applies to a decision in respect of which the Auckland Transition Agency (ATA) 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.
27. Approval for this decision is covered under funding cluster ATA0099, which was approved by the ATA on 31 August 2009. No further confirmation is required from the ATA.

Report prepared by: Jacqui Robson, Principal Engineer, Special Projects.



7 **CONTRACT NO. TA08029C - TRIANGLE ROAD AND CENTRAL PARK DRIVE, HENDERSON CYCLEWAYS CONSTRUCTION - APPROVAL TO AWARD**

EXECUTIVE SUMMARY

The purpose of this report is to seek the Tenders Subcommittee approval to award Contract No. TA08029C - Triangle Road and Central Park Drive Cycleways Construction.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. TA08029C - Triangle Road and Central Park Drive, Henderson Cycleways Construction - Approval to Award report.
2. **Approve** that the tender from HEB Construction Limited for Contract No. TA08029C - Triangle Road and Central Park Drive Cycleways Construction, in the sum of \$2,465,693.03 plus \$308,211.63 GST, totalling \$2,773,904.66 be accepted.
3. **Approve** that authority to enter into Contract No. TA08029C - Triangle Road and Central Park Drive, Henderson Cycleways Construction on behalf of the Council be delegated to the Acting Director: City Services.

BACKGROUND

1. The Council is in the process of upgrading and improving the cycle network within the City. As part of the upgrade process Council proposes to construct new cycleways that will provide linkages with the existing cycleways, in turn creating a more holistic route for cyclists to utilise and provide increased travel options for residents in the City.
2. At its meeting, held on 1 October 2008, the Infrastructure and Works Committee resolved as follows:

“The Infrastructure and Works Committee resolved to:

1. **Receive** the Cycle Projects for Detailed Design report.
2. **Approve** the commissioning of detailed design work, based on the preferred option, for the Triangle Road cycleway project.
3. **Approve** the commissioning of detailed design work, based on the preferred option, for the Te Atatu Road cycleway project.
4. **Approve** the commissioning of detailed design work, based on the preferred option, for the Central Park Drive cycleway project.
5. **Approve** that a workshop be held by 30 November 2008 to discuss the cycle programme and in alignment with Council’s strategies and planning, including the Annual Plan and Long Term Council Community Plan.”

1727/2008

3. The Council held a workshop on 31 October 2008 as recommended by the Works and Infrastructure and Works Committee meeting held on 1 October 2008. The workshop agreed to proceed to the detailed design of the proposed concept designs of the proposed cycleway projects along Central Park Drive and Triangle Road from Don Buck Road to Central Park Drive, Henderson.

4. At its meeting, held on 5 November 2008, the Infrastructure and Works Committee resolved as follows:

“The Infrastructure and Works Committee resolved to:

1. **Receive** the *Cycleway Projects Along Central Park Drive, Triangle Road And Universal Drive Extension* report.
2. **Approve** the *commissioning of detailed design work, based on the updated option, for the Central Park Drive cycleway project.*
3. **Approve** the *commissioning of detailed design work, based on the updated option, for the Triangle Road cycleway project but also exploring the possible use of Makora Road.*
4. **Approve** the *inclusion of cycleways along the Universal Drive Extension.”*

1872/2008

5. The scope of work was to provide cycleways of approximately 5km in length along Triangle Road and Central Park Drive extending from the intersection of Triangle Road with Don Buck Road to the west to a point on Central Park Drive just north of the crossing of Henderson Creek to the east.

6. At its meeting, held on 8 February 2010, the Finance and Operational Performance Committee resolved as follows:

“The Finance and Operational Performance Committee resolved to:

1. **Receive** *Contract No. TA08029B - Triangle Road and Central Park Drive Cycleways Construction - Approval to Award report. .*
2. **Approve** the *reallocation of \$400,000 from the Upper Opanuku Walk and Cycleway budget to the On Road Cycle Lanes budget to accommodate the shortfall in the budget allocation for the Triangle Road and Central Park Drive Cycleways project.*
3. **Approve** the *cancellation of Pomaria Road and Te Pai Place Cycleways project from the 2009/2010 work programme.*
4. **Approve** the *cancellation of tender for Contract No. TA08029B - Triangle and Central Park Drive Cycleways Construction and re-tender with a reduced scope of work.”*

84/2010

7. The re-tender for the construction of the cycleways along Triangle Road and Central Park Drive was publicly advertised with two options including an option with a reduced scope of work in the event that the cost of the preferred full option cost more than the available budget. The tender closed on 30 March 2010.

SCOPE OF WORK

8. The tender provided for two design options as follows:

- Option 1 was the design option as originally tendered providing for cycleways extending from the intersection of Triangle Road with Don Buck Road to the west to a point on Central Park Drive just north of the crossing of Henderson Creek to the east.
 - Triangle Road: Lincoln Road to Don Buck Road (full length - approximately 3.35km)
 - Central Park Drive: Lincoln Road to Henderson Creek (approximately 1.65km)

- Option 2 was a design option with reduced scope providing for cycleways extending from the intersection of Triangle Road with Makora Road to the west to a point on Central Park Drive just north of the crossing of Henderson Creek to the east.
 - Triangle Road: Lincoln Road to Makora Road (approximately 2.05km)
 - Central Park Drive: Lincoln Road to Henderson Creek (approximately 1.65km)
- 9. The cycleways will be mainly on-road (in the carriageway adjacent to the kerb line) along Triangle Road and mainly “off-road” (in the berm) along Central Park Drive in both design options.
- 10. In association with the construction of the new cycleways, a series of new parking bays is to be constructed within the existing berm. Modifications to the existing road layouts are required at the Triangle Road / Makora Road intersection, the Huruhuru Road roundabout, and the Central Park Drive and Te Pai Place intersection. A new cycleway bridge is to be constructed across Huruhuru Creek.
- 11. Key components of the proposed cycleways, together with their approximate lengths, are as follows:
 - On-road from Don Buck Road to Makora Road - 1,300 metres (option 1 only);
 - On-road from Makora Road to Keegan Drive - 950 metres;
 - On-road plus off-road from Keegan Drive, through the Huruhuru Road roundabout, to 307 Triangle Road - 230 metres;
 - On-road from 307 Triangle Road to Lincoln Road - 860 metres;
 - Off-road from 183 Central Park Drive to 141 Central Park Drive - 490 metres;
 - Off-road from Universal Drive Extension to Clemway Place - 410 metres; and
 - Off-road from Te Pai Place to Henderson Creek - 140 metres.
- 12. The following structures are proposed along the route:
 - Timber pole retaining wall around power transformer at parking bay near 111 Triangle Road (Option 1 only)
 - Timber pole retaining wall at parking bay near 237 Triangle Road
 - Concrete block retaining walls to rear of cycleway adjacent to Huruhuru Road roundabout
 - Four span concrete cycleway bridge approximately 73 metres long across Huruhuru Creek with associated board walks.
- 13. The schedule of prices is in two sections for each option - Triangle Road and Central Park Drive works. The New Zealand Transport Agency funding is only available to Central Park Drive and the split is due to this funding arrangement.

TENDERS RECEIVED

14. Tenders were publicly advertised on Tenderlink with 59 sets of documents being downloaded. Two tenders were received by the closing date of 30 March 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE Option 1 (excl. GST)	TENDER PRICE Option 2 (excl. GST)
HEB Construction Limited	Firth Street, Drury, Auckland 2113	2,465,693.03	2,257,217.76
John Fillmore Contracting Limited	5 Kirkbride Road, Mangere, Auckland	2,571,593.76	2,339,821.70
Pre-tender contract estimate (based on most up-to-date tender rate)		2,722,404.00	2,386,608.00
Budget estimate		2,994,640.00	2,994,640.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

15. There were no identified tags, errors or omissions in the submission from HEB Construction Limited and John Fillmore Contracting Limited.

TENDER EVALUATION

16. 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".
17. 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.
18. In this contract the value of provisional sums is \$115,000 for option 1 and \$33,500 for option 2.
19. 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. A summary of the evaluation results for each option are shown in Table 2 and Table 3.

Tender Evaluation	Attributes	Exp.	Track Record	Tech Skill	Res.	Manage. Skill	Method.	Price	Total Weights
	Weights	7	7	3	3	3	7	70	100
Tenderer	Tender Sum	Grades							INDEX
HEB Construction Limited	\$2,350,693.03	80	80	80	85	85	80	52	61
John Fillmore Contracting Limited	\$2,456,593.76	80	75	73	73	70	75	48	56
Median Tender Price	\$2,403,643.40								

Table 2 - Summary of Tender Evaluation for Option 1

Tender Evaluation	Attributes	Exp.	Track Record	Tech Skill	Res.	Manag e. Skill	Method.	Price	Total Weights
	Weights	7	7	3	3	3	7	70	100
Tenderer	Tender Sum	Grades							INDEX
HEB Construction Limited	\$2,223,717.76	80	80	80	85	85	80	52	61
John Fillmore Contracting Limited	\$2,306,321.70	80	75	73	73	70	75	48	56
Median Tender Price	\$2,265,019.73								

Table 3 - Summary of Tender Evaluation for Option 2

20. 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.
21. Since the cost of the preferred and full option 1 is less than the allocated budget for this project, it is recommended to proceed with option 1 for construction.
22. 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 61. This tender is also the lowest priced tender.
23. HEB Construction Limited have completed many projects for the Council in the last two (2) years including Universal Drive Extension, Te Atatu Road Cycleways and Candia Road Bend treatments and with the exception of the recent Town Centre Streetscape contract, all were finished on time, within budget and without problems.
24. HEB Construction Limited has the necessary expertise and resources to satisfactorily carry out the civil, roading and structures work.
25. The lowest tender is 9.4% below the pre-tender contract estimate.
26. 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

27. A credit check on HEB Construction Limited dated 22 March 2010 revealed no adverse information.

JOB COSTS

28.		excl. GST
	Tender sum - HEB Construction Limited (Option 1)	\$2,465,693.03
	Site Supervision and Art Work	\$ 176,000.00
	Contingency	\$ 264,162.97

	Total Job Cost	\$2,905,862.00

SOURCE OF FUNDING

29. Source of funding is shown in Table 4 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
Cycleway On Road Cycle Lane	8AMTA-07-104	\$3,131,400.00	\$522,597.00	\$2,608,803.00	\$0.00	\$0.00
Opanuku Walk and Cycleway	8AMTA-07-101	\$2,442,300.00	\$2,042,300.00	\$297,059.00	\$102,941.00	\$102,941.00
	Total			\$2,905,862.00		

Table 4 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

31. 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: Sreekanth Vidhyadharan, Transport Engineer.



8 CONTRACT NO. IM06174A - PREFERRED SUPPLIER AGREEMENT FOR COUNCIL'S MICROSOFT G2006 LICENSING APRIL 2010 - APPROVAL TO EXTEND

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing for a further eight months, to 30 June 2011.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

- Receive** the Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing April 2010 - Approval to Extend report.
- Approve** that the Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing as awarded to Fujitsu NZ Limited be extended in the sum of \$274,000.00 excluding GST for the period 1 November 2010 to 30 June 2011 subject to a satisfactory credit assessment.
- Approve** a further commitment of \$274,000.00 excluding GST to the 2010/2011 financial year for Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing.

4. **Approve** that authority to extend Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing for the period 1 November 2010 to 30 June 2011 on behalf of the Council be delegated to the Director: Corporate & Business Services.

BACKGROUND

1. Council uses Microsoft products as part of Council's core computing infrastructure.
2. Waitakere City Council's contract for Microsoft software products expires on 1 November 2010. Microsoft and the Auckland Transition Authority have agreed an extension to the current contracts for all the Councils in the Auckland region to end on 30 June 2011.
3. As Microsoft does not deal directly with customers, a reseller needs to be appointed and as a result of a tender process in 2006, Fujitsu NZ Limited was awarded the tender as Council's appointed reseller.
4. The Tenders Subcommittee approved the award of Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing to Fujitsu NZ Limited at a Tenders Subcommittee meeting held on 22 September 2006 resolved as follows:

- "1. That the Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing report be received.*
- 2. That the Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing be approved without going to competitive tender on the basis that Microsoft Corporation is the only acceptable provider of the required comprehensive solution to Council's server, desktop and laptop software licensing requirements.*
- 3. That Fujitsu NZ Limited be awarded the three-year preferred supplier contract (Contract No. IM06174A) as Microsoft certified 'Large Account Reseller' for the supply of Microsoft software licensing under the Microsoft G2006 Agreement.*
- 4. That the Director: Corporate & Civic Services be delegated authority to enter into the preferred supplier contract with Fujitsu NZ Limited and the Microsoft G2006 Agreement on behalf of Council.*
- 5. That the Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing Agenda report and associated resolutions remain confidential until such time as the reasons for confidentiality no longer exist."*

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5. The Tenders Subcommittee approved the Extension of Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing for the period 1 July 2009 to 31 October 2010, resolved as follows:
 1. **Receive** the Contract No. IM06174A - Preferred Supplier Agreement For Council's Microsoft G2006 Licensing - Approval To Extend report.
 2. **Approve** that the Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing as awarded to Fujitsu NZ Limited be extended in the sum of \$586,000 excluding GST for the period 1 July 2009 to 31 October 2010.

3. *Approve the commitment of \$430,000 excluding GST as provided in the draft Annual Plan 2009/2010 for Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing.*
4. *Approve the commitment of \$156,000 excluding GST to the 2010/2011 financial year for Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing.*
5. *Approve that authority to extend Contract No. IM06174A - Preferred Supplier Agreement for Council's Microsoft G2006 Licensing for the period 1 July 2009 to 31 October 2010 on behalf of the Council be delegated to the Director: Corporate and Business Services.*

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DECISION MAKING

6. The renewal of the current contract through to 30 June 2011 will bring Waitakere City Council into line with all the other Councils in the Auckland Council region as per the agreement between the Auckland Transition Authority and Microsoft. Though Waitakere City Council will not continue as a separate entity after 31 October 2010, the Microsoft software currently used by the Council will continue to be used by the Auckland Council after this date.
7. Prior to the contract being issued to Fujitsu NZ Limited on 22 September 2006 a full and complete tender process was undertaken.
8. Microsoft products are part of Council's core computing infrastructure. Provision has been made in the draft Annual Plan 2010/2011 financial year.
9. The total accumulation of this contract and contract extensions approved, and now sought, showing the cost of the contract sum to date are shown in Table 1 below:

Year 2007	Year 1 contract amount	\$430,000.00
Year 2008	Year 2 contract amount	\$470,000.00
Year 2009	Year 3 contract amount	\$510,000.00
Year 2010	Extension 1 (1 year)	\$430,000.00
Year 2011	Extension 2 (4 months)	\$156,000.00
Year 2011	Extension 3 (8 months)	\$274,000.00
		\$2,270,000.00

Table 1 - Total accumulative amount

10. Fujitsu NZ Limited has confirmed in writing that they are willing to carry out the contract for a further eight months.

CONTRACTOR'S PERFORMANCE

11. An evaluation of Fujitsu NZ Limited's performance to date contains the following features:
 - During the course of the contractor relationship with the Council, there have been no performance related issues;
 - Fujitsu NZ Limited will be undertaking to manage the Microsoft Licensing during the period from 1 November 2010 to 30 June 2011. After this period a new contract will be negotiated between the new Auckland Council and a reseller;

- Fujitsu NZ Limited has developed a good working relationship with relevant Council staff;
- Fujitsu NZ Limited is a well resourced company;
- Fujitsu NZ Limited responds quickly to customer complaints;
- Fujitsu NZ Limited has a strong focus on health and safety; and
- Fujitsu NZ Limited's workmanship is generally to a very good standard.

CREDIT CHECK

12. A credit check on Fujitsu NZ Limited has been requested.

JOB COSTS

13.		excl. GST
	Contract sum (8 months) - Fujitsu NZ Limited	\$274,000.00

	Total Job Cost	\$274,000.00

SOURCE OF FUNDING

14. Source of funding for 2010/2011 is shown in Table 2 below:

2010/2011 Financial Year	Codes	Budget	Committed to other projects	Allocation to this project (Eight months)	Unallocated balance	Potential surplus
Microsoft Licenses	1860 - 72110	\$750,000.00	\$156,000.00	\$274,000.00	\$320,000.00	\$0.00
	Total			\$274,000.00		

Table 2 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

16. 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: John McLeod, Service Delivery Manager, Information Management.

