

**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, 4 JUNE 2010,
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 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 - 21 May 2010

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 21 May 2010, as circulated, and that they be taken as read and now be confirmed.



5 **CONTRACT NO. EW05061A - WATER SUPPLY, WASTEWATER AND STORMWATER DRAINAGE TERM MAINTENANCE CONTRACT - APPROVAL TO NEGOTIATE**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to negotiate with Bilfinger Berger Services (New Zealand) Limited to separate the stormwater component of Contract No. EW05061A - Water Supply, Wastewater and Stormwater Drainage Term Maintenance Contract from the water supply and wastewater components.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW05061A - Water Supply, Wastewater and Stormwater Drainage Term Maintenance Contract - Approval to Negotiate report.
2. **Approve**, subject to recommendation 4 below, that negotiations proceed with Bilfinger Berger Services (New Zealand) Limited to separate the stormwater component from the water supply and wastewater components of Contract No. EW05061A - Water Supply, Wastewater and Stormwater Drainage Term Maintenance Contract.
3. **Agree**, subject to recommendation 4 below, that the outcome of the negotiations with Bilfinger Berger Services (New Zealand) Limited to separate the stormwater component from the water supply and wastewater components of Contract No. EW05061A - Water Supply, Wastewater and Stormwater Drainage Term Maintenance Contract be brought back to the Tenders Subcommittee for approval.
4. **Note** that resolutions 2 and 3 above are subject to confirmation by the Auckland Transition Agency.

BACKGROUND

1. Council has a number of contracts which cover three water services (water supply, wastewater and stormwater). The existing term maintenance contract for the operations and maintenance of three waters services commenced on 1 July 2007 and has an initial term of five years.
2. Existing Council contracts associated with water supply and wastewater will be novated to Watercare Services Limited on 1 November 2010.
3. The changes to local governance in the Auckland region from 1 November 2010 mean that water supply and wastewater services will be managed by Watercare Services Limited, and that stormwater services will be managed by the Auckland Council.

DECISION MAKING

4. The separation of the management of stormwater from water supply and wastewater means that existing contracts covering three water services need to be addressed before 1 November 2010.

5. The structure of the priced schedule for this contract is separated into three sections for each of the three waters, and therefore the process is simplified. However, there may be additional administration costs borne by the contractor in dealing with two principals instead of two, and hence negotiation over affected contract schedule items is required.
6. Bilfinger Berger Services (New Zealand) Limited has indicated that they are prepared to negotiate over the separation of the contract.

SOURCE OF FUNDING

7. Funding of this contract has been previously approved. However, any additional funding required for additional costs arising from this negotiation process will be reported back to the Tenders Subcommittee for approval.

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

9. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 subsection (4)(i),(i) and (ii) imposes restrictions on Waitakere City Council's decision making capabilities in respect of entering into any contract (other than an employment agreement) that imposes any obligation on the organisation after 30 June 2011 or is equivalent to \$20,000 or more.
 - (4) This subsection applies to a decision—
 - (i) to enter into any contract (other than an employment agreement)—
 - (i) that imposes, or will continue to impose, any obligation on the organisation after 30 June 2011; and
 - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.
10. This report is impacted on by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as above as Contract No. EW05061A Water Supply, Wastewater and Stormwater Drainage Term Maintenance Contract contracts has an earliest completion date of 30 June 2012. Therefore, this report includes a recommendation to ensure compliance with the Local Government (Tamaki Makaurau Reorganisation) Act 2009. The recommendation included is that the Tenders Subcommittee agree that the negotiations associated with the contract be subject to agreement of the Auckland Transitional Agency.

Report prepared by: Richard Taylor, Manager: Ecowater (Three Waters).



6 **CONTRACT NO. EW07006A - SERVICE CONNECTIONS FOR WATER SUPPLY, WASTEWATER AND STORMWATER - APPROVAL TO NEGOTIATE**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to negotiate with Downer EDi Works Limited for separating the stormwater component of Contract No. EW07006A - Service Connections for Water Supply, Wastewater and Stormwater from the water supply and wastewater components.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW07006A - Service Connections for Water Supply, Wastewater and Stormwater - Approval to Negotiate report.
2. **Approve** that negotiations proceed with Downer EDi Works Limited to separate the stormwater component from the water supply and wastewater components of Contract No. EW07006A - Service Connections for Water Supply, Wastewater and Stormwater.
3. **Agree** that the outcome of the negotiations with Downer EDi Works Limited to separate the stormwater component from the water supply and wastewater components of Contract No. EW07006A - Service Connections for Water Supply, Wastewater and Stormwater be brought back to the Tenders Subcommittee for approval.

BACKGROUND

1. Council has a number of contracts which cover three water services (water supply, wastewater and stormwater). The existing contract for new service connections for water supply, wastewater and stormwater commenced on 1 July 2007 with a two year contract period. The contract had provision for a two extension, and this extension was approved, hence the contract completion date is 30 June 2011.
2. Existing Council contracts associated with water supply and wastewater will be novated to Watercare Services Limited on 1 November 2010.
3. The changes to local governance in the Auckland region from 1 November 2010 mean that water supply and wastewater services will be managed by Watercare Services Limited, and that stormwater services will be managed by the Auckland Council.

DECISION MAKING

4. The separation of the management of stormwater from water supply and wastewater means that existing contracts covering three water services will need to be addressed before 1 November 2010.
5. The structure of the priced schedule for this contract is separated into three sections for each of the three waters, and therefore the process is simplified. However, there may be additional administration costs borne by the contractor in dealing with two principals instead of two, and hence negotiation over affected contract schedule items is required.

6. Downer EDi Works Limited have indicated that they are prepared to negotiate over the separation of the contract.

SOURCE OF FUNDING

7. Funding of this contract has been previously approved. However, any additional funding required for additional costs arising from this negotiation process will be reported back to the Tenders Subcommittee for approval.

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

9. 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: Richard Taylor, Manager: Ecowater (Three Waters).



7 CONTRACT NO. PK10002A - PROJECT TWIN STREAMS RIPARIAN REHABILITATION PROJECT - HENDERSON CREEK - APPROVAL TO PROCEED TO TENDER

GLOSSARY

Project Twin Streams	(PTS)
Bilfinger Berger Services (New Zealand) Limited	(BBS)
Te Ngahere (2009) Limited	(TNH)
Wildland Consultants Limited	(WLD)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to invite tenders for Contract No. PK10002A - Project Twin Streams Rehabilitation Project - Henderson Creek for a period of 24 months from 1 July 2010 to 30 June 2012 subject to performance, community capacity and Auckland Council approval.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK10002A - Project Twin Streams Rehabilitation Project - Henderson Creek - Approval to Proceed to Tender report.
2. **Approve**, subject to recommendation 4 below, that authority to invite tenders from Bilfinger Berger Services (New Zealand) Limited, Te Ngahere (2009) Limited, Wildland Consultants Limited and subsequently award Contract No. PK10002A - Project Twin Streams Rehabilitation Project - Henderson Creek for a period of two years from 1 July 2010 to 30 June 2012 on behalf of the Council be delegated to the Deputy Group Manager: Assets.

3. **Approve**, subject to recommendation 4 below, the commitment of \$150,000.00 excluding GST as provided in year 2 (2010/2011) and \$150,000.00 excluding GST as provided in year 3 (2011/2012) of the Long Term Council Community Plan 2009-2019 for Contract No. PK10002A - Twin Streams Rehabilitation Project - Henderson Creek.
4. **Note** that resolutions 2 and 3 above are subject to confirmation by the Auckland Transition Agency.
5. **Note** that confirmation to proceed with Contract No. PK10002A - Project Twin Streams Rehabilitation Project - Henderson Creek for a 24 month term has been received from the Integrated Procurement Group.

BACKGROUND

1. Henderson Creek is part of Project Twin Streams (PTS). Major restoration works have been completed on the stream as part of the PTS project. PTS seeks to address the negative impacts associated with urban development to the Henderson Creek and the Oratia, Opanuku, Waikumete and Swanson Streams, and involves the local community in addressing these impacts. In particular, PTS provides for improved stormwater quality, ecosystem rehabilitation and flood mitigation.
2. Funding has been included in the draft Annual Plan 2010/2011 and included in year 3 of the Long Term Council Community Plan 2009-2019 from the Parks and Open Space Assets Weed and Pest Control budget to maintain those sections of Henderson Creek restored by PTS.
3. Ongoing maintenance and plant establishment is necessary to ensure the maximum success of plantings undertaken in the last five years.

SCOPE OF WORK

4. The scope of work outlined in this contract involves environmental weed control, site maintenance and infill planting of eco-sourced plants (supplied through a separate contract), mulching and follow up maintenance along the Henderson Creek. The Contractor may also provide ongoing support to the existing Community group who are involved on the Henderson Creek.
5. The most favourable time for undertaking this work is during the summer, autumn and winter months and therefore the annual work programme spans two financial years.
6. It is proposed to let the contract for a term of 24 months from 1 July 2010 to 30 June 2012 subject to Contractor performance, Community capacity and Auckland Council approval. The estimated contract value is \$300,000.00 plus GST.

PROPOSAL

7. It is proposed to invite three Contractors as follows: Bilfinger Berger Services (New Zealand) Limited (BBS), Te Ngahere (2009) Limited (TNH) and Wildland Consultants Limited (WLD).
8. All three invited Contractors, BBS, TNH and WLD have undertaken restoration works on streams within the City through the PTS project and are familiar with the type of work required and the importance of the relationships with the community groups who are part of the PTS project.
9. It is proposed to let the contract for a 24 month term from 1 July 2010 to 30 June 2012. The estimated contract value is \$150,000.00 plus GST per annum.

10. The request for a two year term is in line with Council's Procurement Policy and based on the following:
- The longer term will promote value for money setting a platform for competitive pricing due to the volume of work over this period;
 - The risk to Council is minimised through the inclusion of performance criteria within the terms and conditions of the contract, which allow for early termination for non-performance; and
 - The environmental requirements of the programme to ensure maximum success of previous restoration works and plantings - a term of 24 months for the contract will allow the contractor further time to continue maintenance and ongoing plant establishment to support the stream and Community until canopy cover is achieved.

SOURCE OF FUNDING

11. Funding of \$300,000 has been included in the Long Term Council Community Plan 2009-2019 within the Parks and Open Space Assets Weed and Pest Control budget to ensure maintenance of the Henderson Creek continues. This will contribute to the successful establishment of 556,224 eco-sourced plants that were planted through the 2003-2010 PTS period.

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

13. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 subsection (4)(i),(i) and (ii) imposes restrictions on Waitakere City Council's decision making capabilities in respect of entering into any contract (other than an employment agreement) that imposes any obligation on the organisation after 30 June 2011 or is equivalent to \$20,000 or more.
- (4) This subsection applies to a decision—
- (i) to enter into any contract (other than an employment agreement)—
 - (i) that imposes, or will continue to impose, any obligation on the organisation after 30 June 2011; and
 - (ii) the consideration for which is, or is equivalent to, \$20,000 or more.
14. This report is impacted on by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as above. Therefore, this report includes recommendations to ensure compliance with the Local Government (Tamaki Makaurau Reorganisation) Act 2009. The recommendation included is that the Tenders Subcommittee agree that the extension beyond June 2011 be subject to agreement of the Auckland Transitional Agency.
15. Confirmation to proceed with Contract No. PK10002A - Project Twin Streams Rehabilitation Project - Henderson Creek for a 24 month term has been received from the Integrated Procurement Group.

Report prepared by: Gill Thurlow, Parks Contract Officer.

