

**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, 18 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 - 4 June 2010

RECOMMENDATION

It is recommended that the Tenders Subcommittee resolve to:

Receive the minutes of the meeting of the Tenders Subcommittee held on Friday, 4 June 2010, as circulated, and that they be taken as read and now be confirmed.



5 CONTRACT NO. EW10001A - WATERMAIN RENEWALS: CONTRACT 1 - APPROVAL TO AWARD

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW10001A - Watermain Renewals: Contract 1.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW10001A - Watermain Renewals: Contract 1 - Approval to Award report.
2. **Approve** that the tender from Underground Connections Limited for Contract No. EW10001A - Watermain Renewals: Contract 1 in the sum of \$265,537.00 plus \$33,192.13 GST, totalling \$298,729.13 be accepted.
3. **Approve** the commitment of \$333,490.00 excluding GST as provided in the draft Annual Plan 2010/2011 for Contract No. EW10001A - Watermain Renewals: Contract 1.
4. **Approve** that authority to enter into Contract No. EW10001A - Watermain Renewals: Contract 1 on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. Contract No. EW10001A - Watermain Renewals: Contract 1 forms part of Council's asset maintenance and renewals programme as provided in the draft Annual Plan 2010/2011.

SCOPE OF WORK

2. The scope of work includes the installation of a total of approximately 3,045 metres of 63 millimetre outer diameter and 70 metres of 125 millimetre outer diameter polyethylene pipes together with associated valves, fittings and service connections at 12 locations in Waitakere.

TENDERS RECEIVED

3. Tenders were publicly advertised on Tenderlink with 28 sets of documents being uplifted. Seven tenders were received by the closing date of 20 April 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Rohits Plumbing & Drainage Limited	Henderson	\$215,485.00
Underground Connections Limited	Ranui	\$265,537.00
Murray & Buckley Contractors Limited	Henderson	\$269,805.00
Downer Limited	Mount Wellington	\$327,539.70
HEB Construction Limited	Drury	\$345,091.60
Stockman General Contractors Limited	Clevedon	\$370,770.00
Network Construction Limited	Auckland	\$396,264.17
Pre-tender contract estimate (based on most up-to-date tender rate)		\$247,225.00
Budget estimate		\$414,050.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

4. There were minor arithmetical errors in the tenders submitted by Murray & Buckley Contractors Limited and Downer Limited. These were not addressed as it did not affect the outcome of the tender evaluation process.
5. There were no other errors or omissions in the other tenders.

TENDER EVALUATION

6. In accordance with the conditions of tendering the tenders were evaluated in line with the Lowest Price Conforming Tender Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
7. Under this method, the tenders are ranked in ascending order based on prices. The tenders are then assessed against each of the non-price attributes to determine the tender acceptability. Each attribute is scored on a pass/fail basis. Determination of acceptability commences with the lowest priced tender and ceases when the first conforming tender is determined.
8. A summary of the evaluation results is shown in Table 2 below:

Tender Evaluation	Attributes	Exp.	Track Record	Tech Skills.	Res.	Manag. Skills.	Method	Lowest Price Conforming Tender
Tenderer	Tender Sum	Grades						
Rohits Plumbing & Drainage Limited	\$215,485.00	Fail						No
Underground Connections Limited	\$265,537.00	Pass	Pass	Pass	Pass	Pass	Pass	Yes

Table 2 - Summary of Tender Evaluation

9. The contract works involve installation of new mains in the proximity of existing live watermains that have failed repeatedly due to age, without breaking the existing mains. The existing utility services for power, gas, and telephone have to be located and the new main is to be installed in a safe corridor in the road reserve by directional drilling. Any delay in the completion of the proposed project will increase the maintenance cost of the water supply mains and also cause frequent disruption of water supply to the affected customers.
10. Based on information provided in the tender submission by Rohits Plumbing & Drainage Limited and inquiries made by EcoWater on their performance on the installation of polyethylene pipe watermains for subdivision work, Rohits Plumbing & Drainage Limited were given a "Fail" under the non-price attribute for "experience" and therefore their tender was disqualified.
11. Underground Connections Limited submitted the lowest price conforming tender and they have successfully completed several watermain renewals projects for Council in the recent years.
12. The tender price submitted by Underground Connections Limited is 7.4% more than the pre-tender contract estimate and is considered to be reasonable allowing for fluctuations in material prices.

13. 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

14. A credit check on Underground Connections Limited dated 29 April 2010 revealed no adverse information.

JOB COSTS

15.		excl. GST
	Tender sum - Underground Connections Limited	\$265,537.00
	Contingency	\$ 26,553.00
	Engineering and Supervision	\$ 41,400.00

	Total Job Cost	\$333,490.00

SOURCE OF FUNDING

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

Budget Description (from annual budget line item) Draft Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Water Network Renewal Programme	8AMEW-07-242/01	\$2,053,280	Nil	\$333,490	\$1,719,790	\$148,513

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

18. 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: Velupillai Thavarajah, Principal Engineer.



6 **CONTRACT NO. EW09003F - WASTEWATER UPGRADE IN SWANSON MINI CATCHMENT 8 - POMARIA ROAD - APPROVAL TO AWARD**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW09003F - Wastewater Upgrade in Swanson Mini Catchment 8 - Pomaria Road.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW09003F - Wastewater Upgrade in Swanson Mini Catchment 8 - Pomaria Road - Approval to Award report.
2. **Approve** that the tender from JB Contractors Limited for Contract No. EW09003F - Wastewater Upgrade in Swanson Mini Catchment 8 - Pomaria Road in the sum of \$388,470.00 plus \$48,558.75 GST, totalling \$437,028.75 be accepted subject to the outstanding property owner objection being resolved.
3. **Approve** the commitment of \$388,470.00 excluding GST, comprising \$100,587.50 as provided in the draft Annual Plan 2010/2011 and \$287,882.50 as a carry forward from the 2009/2010 financial year, for Contract No. EW09003F - Wastewater Upgrade in Swanson Mini Catchment 8 - Pomaria Road.
4. **Approve** that authority to enter into Contract No. EW09003F - Wastewater Upgrade in Swanson Mini Catchment 8 - Pomaria Road on behalf of the Council be delegated to the Group Manager: Project Services.

BACKGROUND

1. The objective of this project is to upgrade the existing wastewater lines in Pomaria Road to reduce the frequent occurrence of wet weather overflows in the area. The project is part of a scheme that includes diversions that have been carried out previously in Kingdale and Rathgar Roads, to reduce the occurrence of wet weather overflows in Mini Catchments 8 and 15 in Swanson.

SCOPE OF WORK

2. The scope of work includes the:
 - installation of approximately 380 metres of new wastewater lines using directional drilling, micro tunnelling and open trenching technologies;
 - construction of four pipe bridges;
 - construction of 12 wastewater manholes; and
 - replacement of 13 service connections.

TENDERS RECEIVED

3. Tenders were publicly advertised on Tenderlink with 33 sets of documents being uplifted. Three tenders were received by the closing date of 2 March 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Rohits Plumbing & Drainlaying Limited	Unit 5, 3 Brick Street, Henderson	\$343,250.00
JB Contractors Limited	26 Glasgow Avenue, Papatoetoe, Manukau City	\$388,470.00
H&H Contractors Limited	12A Culperry Road, Glen Eden, Waitakere	\$468,454.00
Pre-tender contract estimate (based on most up-to-date tender rate)		\$365,430.00
Budget estimate		\$395,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

4. There were no tags, errors or omissions in the tenders.

TENDER EVALUATION

5. 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".
6. Tenderers were asked to extend the validity of their tenders to 7 July 2010 and all tenderers agreed in writing to the extension.
7. The tender submitted by Rohits Plumbing & Drainage Limited was disqualified because their submission failed to demonstrate any previous relevant experience with no indication that they are capable of completing a project of this nature and was not evaluated further.
8. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exp.	Track Record	Tech Skill	Res.	Manage. Skill	Method	Price	Contract Number EW09003F
	Weights	4	10	2	2	5	7	70	
Tenderer	Tender Sum	Grades							INDEX
JB Contractors Limited	\$388,470.00	90	80	80	90	85	80	59	67
H&H Contractors Limited	\$468,454.00	85	85	80	85	80	90	41	54
Rohits Plumbing & Drainage Limited									Disqualified
Median Tender Price	\$428,462.00								

Table 2 - Summary of Tender Evaluation

9. Scores for the non-price attributes were determined on the basis of information provided in each tender and on recent Council experience with the tenderers.
10. The results of the tender evaluation as summarised in Table 2 shows that the tender submitted by JB Contractors Limited achieved the highest index of 67. This tender is also the lowest priced conforming tender.
11. JB Contractors Limited successfully completed work of a similar nature to this contract in previous years for Council and have the necessary expertise and resources to satisfactorily carry out the works.

12. 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

13. A credit check on JB Contractors Limited dated 2 June 2010 revealed no adverse information.

JOB COSTS

14.		excl. GST
	Tender sum - JB Contractors Limited	\$388,470.00
	Contingency	\$ 58,270.50
	Engineering and Supervision	\$ 38,847.00
	Other (Consents)	\$ 10,000.00

	Total Job Cost	\$495,587.50

15. Due to higher than normal levels of risk presented by difficult terrain and limited access 15% contingency has been provided to allow for these additional risks.

SOURCE OF FUNDING

16. 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
Wastewater Upgrades Annual Plan 2009/2010 (Proposed carry forward)	8AMEW-10- 081/11	\$395,000.00	-	\$395,000.00	-	
Wastewater Upgrades draft Annual Plan 2010/2011	8AMEW-11- 081	\$2,392,680.00	-	\$100,587.50	\$2,292,092.50	\$6,530.00
	Total	\$2,787,680.00	-	\$495,587.50	\$2,292,092.50	

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

17. There is a property owner objection that could delay the start of this contract. This contract will not be awarded until this objection has been satisfactorily resolved.

AUCKLAND COUNCIL TRANSITION ISSUES

18. 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: Neville Colling, Contracts Engineer.



7 **CONTRACT NO. PK10004A - NATIVE REVEGETATION PROGRAMME - APPROVAL TO PROCEED TO TENDER**

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to publicly call for tenders for Contract No. PK10004A - Native Revegetation Programme for a period of 27 months from 1 August 2010 to 30 October 2012.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. PK10004A - Native Revegetation Programme - Approval to Proceed to Tender report.
2. **Approve** that authority to publicly call for tenders for Contract No. PK10004A - Native Revegetation Programme for a period of 27 months from 1 August 2010 to 30 October 2012 on behalf of the Council be delegated to the Deputy Group Manager: Assets.
3. **Agree** that the results of the tender evaluation process for Contract No. PK10004A - Native Revegetation Programme be reported back to the Tenders Subcommittee.
4. **Note** that confirmation to proceed with Contract No. PK10004A - Native Revegetation Programme report has been received from the Integrated Procurement Group.

BACKGROUND

1. Funding has been included in the draft Annual Plan 2010/2011 and Years 3 and 4 of the Long Term Council Community Plan 2009-2019 to purchase, plant and maintain eco-sourced native plants. All sites have been selected based on their ecological value and the potential impact of not planting.
2. All plants required as part of this project will be supplied as part of the contract works. Auditing of plant stock will be carried out to ensure that plants are grown in accordance with best horticultural practices and Council's Eco-sourcing Code of Practice and Ethics.

SCOPE OF WORK

3. The scope of work outlined in this contract includes the supply of eco-sourced plants, extensive environmental weed control and site preparation, planting of eco-sourced plants and mulching at some sites. The timeline of work is outlined in Table 1. Aftercare is required in newly planted sites for a period of 12 months. The programme shall be undertaken in the following reserves throughout the City:
 - Kawaka Reserve;
 - Manawa Wetland Reserve;
 - Rata Street Esplanade Reserve;
 - Waikumete Cemetery;
 - Opanuku Scenic Reserve;
 - Astelia Grandis Reserve;
 - Paremuka Esplanade;
 - Paremuka Wetland
 - Lookout Reserve; and
 - Kaurilands Domain.

	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012
Order Eco-sourced plant stock	✓																										
Environmental weed control and site preparation				✓	✓	✓	✓	✓	✓																		
Plant Eco-sourced plant stock										✓	✓	✓	✓														
Aftercare of planted sites														✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

Table 1 - Summary of work timeline

- Council owns land on Glen Road, Ranui which is leased as a plant nursery facility by Bilfinger Berger (New Zealand) Services Limited. This facility currently provides an annual return of \$25,000 to Council and there is a potential to lose this income if local ecological restoration projects source their plants from alternative plant nurseries. Bilfinger Berger (New Zealand) Services Ltd will be named as the nominated supplier of eco-sourced plants within this tender.

PROPOSAL

- It is proposed to let the contract for a term of 27 months from 1 August 2010 to 30 October 2012. The estimated contract value is \$293,000 plus GST.
- The request for a 27 month term is in line with Council's Procurement Policy and based on the following:
 - Allowing the Contractor adequate time to grow or source eco-sourced plants:
 - The most favourable time for undertaking the site preparation and planting component of the physical works is during the summer, autumn and winter months, and a maintenance period of one year is required to establish plants, and therefore work spans three financial years;
 - The longer term will promote value for money setting a platform for competitive pricing due to the volume of work over this period;
 - The longer term allows the prospective Contractor to become established and gain specific property knowledge to operate the contract efficiently; and
 - 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.

SOURCE OF FUNDING

- Funding of \$139,706.60 has been provided in the draft Annual Plan 2010/2011 for the site preparation to be carried out during December 2010 to May 2011, to pay for the purchase of eco-sourced plants and commence planting. Funding of \$143,000 has been included in the 2011/2012 financial year to plant these sites and to provide maintenance of the sites for nine months following planting. Funding is also included in the 2012/2013 financial year for an estimated \$10,000 for a further maintenance period of four months.

IMPLEMENTATION ISSUES

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

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: Helen Biffin, Team Leader, Parks Environmental Contracts.



8 CONTRACT NO. FS10001A - AFTER HOURS NOISE CONTROL 2010/2011 - APPROVAL TO AWARD

GLOSSARY

Armourguard Security Limited	(ASL)
First Security Guard Services Limited	(FSGSL)
Icon Group Security Limited	(IGSL)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. FS10001A - After Hours Noise Control 2010/2011.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. FS10001A - After Hours Noise Control 2010/2011 - Approval to Award report.
2. **Approve** that Contract No. FS10001A - After Hours Noise Control 2010/2011 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 Armourguard Security Limited for Contract No. FS10001A - After Hours Noise Control 2010/2011 in the sum of \$260,788.00 plus \$32,598.50 GST, totalling \$293,386.50 be accepted.
4. **Approve** the commitment of \$260,788.00 excluding GST as provided in the draft Annual Plan 2010/2011 for Contract No. FS10001A - After Hours Noise Control 2010/2011.
5. **Approve** that authority to enter into Contract No. FS10001A - After Hours Noise Control 2010/2011 on behalf of the Council be delegated to the Group Manager: Planning and Community Services.

6. **Agree** that authority to extend Contract No. FS10001A - After Hours Noise Control 2010/2011 beyond 30 June 2011 for a further 12 months, subject to contractor's performance and availability of funding, be brought back to the Auckland Council for approval.
7. **Agree** to recommend to the Long Term Council Community Plan and Annual Plan Committee that the Environmental Compliance Contract Payment Budget in the draft Annual Plan 2010/2011 be reduced by \$80,055.00 due to contract savings achieved.
8. **Note** that confirmation to proceed with Contract No. FS10001A - After Hours Noise Control 2010/2011 for a 12 month term has been received from the Integrated Procurement Group.

BACKGROUND

1. The Council is responsible for providing an environmental noise control service within its territorial boundaries. During normal working hours (i.e. 8am to 5pm Monday to Friday, excluding holidays) noise control is provided by Council staff, while after hours noise control is provided by a private security firm contracted to provide this service.
2. The current after hours noise control contract will come to the end of its term on 30 June 2010, and therefore requires renewal.
3. Funding was allocated in the draft Annual Plan 2010/2011 for this work.

SCOPE OF WORK

4. The scope of work includes the provision of enforcement officers to respond to and resolve, after hours noise complaints received by the Council's Call Centre, including: the authority to issue excessive noise directions; the responsibility for the seizure, storage and disposal of noise emitting devices; the disconnection of faulty alarm systems causing excessive noise; and the gathering of evidence for the issue of environmental infringement notices by the Council.
5. For the purposes of comparison, and in accordance with the tender document, the tender prices are based on an estimated quantity of 6800 noise complaints attended, 55 seizures of equipment, and 20 alarm disconnections (including 7 disconnections involving the use of a locksmith) per annum. These estimated quantities are based on current trends in complaints received and subsequent resulting actions taken. However there is no way of accurately forecasting how many noise related call-outs will actually occur.
6. The contract will commence on 1 July 2010 for a period of 12 months until 30 June 2011, with a right of renewal for a further 12 months subject to satisfactory performance, mutual agreement, and approval of the Auckland Council.

TENDERS RECEIVED

7. Tenders were publicly advertised on Tenderlink on 28 April 2010. Four tenders were received by the closing date of Tuesday, 18 May 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
First Security Guard Services Limited	2 Arthur Brown Street, Mt Wellington, Auckland	\$257,910.00
Armourguard Security Limited	666 Great North Road, Penrose, Auckland 1006	\$260,788.00
Armourguard Security Limited	666 Great North Road, Penrose, Auckland 1006	\$280,000.00 (Alternative tender)
Icon Security Group Limited	28a William Pickering Drive, Albany, Auckland 0632	\$345,000.00
Pre-tender contract estimate (based on most up-to-date tender rate)		\$367,712.00
Budget estimate		\$393,000.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

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

TENDER EVALUATION

9. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
10. Armourguard Security Limited (ASL) submitted an alternative tender that was evaluated in accordance with Section 2.8 of New Zealand Transport Agency's "Competitive Pricing Procedure Manual" whereby all non-alternative tenders are evaluated first.
11. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech Skills & Resources	Manag. Skill	Method.	Price	Contract Number FS10001A
								Total Weights
Weights		20	20	15	10	5	30	100
Tenderer	Tender Sum							INDEX
First Security Guard Services Limited	\$257,910.00	55	55	55	70	70	80	65
Armourguard Security Limited	\$260,788.00	75	75	75	75	75	79	76
Icon Group Security Limited	\$345,000.00	85	85	85	80	85	56	76
Engineer's Estimate	\$367,712.40							

Table 2 - Summary of Tender Evaluation

12. 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.
13. There is a significant difference between the pre-tender contract estimate and the submitted tenders. The pre-tender contract estimate was based on previous tendered rates and current noise complaint trends, with an allowance for inflation. This difference demonstrates the competitive nature of the market and the benefits of going out to tender to establish the current market rate for noise control services.

14. First Security Guard Services Limited (FSGSL) has no current or recent track record or experience in the provision of noise control services in the Auckland Region which is reflected in their non-price attribute scores. Although they were the lowest priced tender by a narrow margin, this fact alone was insufficient for them to rank higher than the other tenders.
15. Icon Group Security Limited (IGSL) has been the Council's noise control contractor since July 2004 where it was the sole tenderer for that contract.
16. In 2006 the noise control contract was re-tendered, resulting in two tenders being received from IGSL and ASL. Although the tender price from ASL was significantly lower than the IGSL tender price, the assessed poor performance of ASL in all non-price attributes at that time, and the superior performance of IGSL, led to IGSL being awarded that contract.
17. In 2008 the Tenders Subcommittee authorised a deviation from Council's Procurement Policy to allow the negotiation of the noise control contract with IGSL on a preferred supplier basis, as IGSL was performing to a high standard. Consequently IGSL was awarded that tender.
18. The results of the tender evaluation as summarised in Table 2 shows that the conforming tender submitted by ASL and the tender submitted by IGSL achieved equal highest indexes of 76. The tender price from ASL is lower than the IGSL tender price and is also the second lowest priced tender. Where tenders achieve equal indexes, it is standard procedure for the tender with the lower tender price to be awarded the contract.
19. The conforming tender from ASL and the tender from IGSL achieved an equal ranking, as a result of sustained high performance level of IGSL in all non-price attributes countering the high tender price submitted by IGSL. The assessed non-price attributes of ASL reflects that they appear to have successfully resolved performance issues noted in previous noise control tenders, with their referee from the Manukau City Council confirming that their performance in the execution of a comparable noise control contract, is highly satisfactory.
20. ASL's alternative tender, was alternative only in that ASL tendered to undertake the whole of the services on a fixed price basis involving payment of a fixed monthly amount regardless of the nature or volume of work undertaken. It is considered that there is a greater degree of control in contract performance inherent in the measure and value method of payment as requested in the tender due to the ability to make deductions for non-performance. A fixed price arrangement would remove this control and the alternative tender from ASL is therefore not acceptable to Council.
21. ASL is a privately owned security company and is a subsidiary of Tyco International Holding S.A.R.L of Luxemburg. ASL is the current noise control service provider to Manukau City Council and Franklin District Council. ASL has the necessary expertise and resources to satisfactorily carry out the works.
22. Reference checks made on a selection of clients indicated a well-resourced, well-managed and capable contractor.
23. The ASL tender is 29% below the pre-tender contract estimate.
24. 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

25. A credit check on ASL dated 31 May 2010 revealed no adverse information.

JOB COSTS

26.		excl. GST
	Tender sum - ASL	\$260,788.00
	Contingency	\$ 52,157.00

	Total Job Cost	\$312,945.00

SOURCE OF FUNDING

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

Budget Description (from annual budget line item) Draft Annual Plan 2010/2011	Codes	Budget	Committe d to other projects	Allocation to this project	Unallocated balance	Potential surplus
Environmental Compliance Contract Payments	3610- 74000	\$393,000.00	\$0.00	\$312,945.00	\$80,055.00	\$80,055.00
	Total			\$312,945.00		

Table 3 - Source of Funding

IMPLEMENTATION ISSUES

28. There are no major implementation issues expected with this contract, other than the transition processes that will arise in changing from IGSL to ASL, should the award of the contract to ASL be approved.

AUCKLAND COUNCIL TRANSITION ISSUES

29. 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.

30. Confirmation to proceed with Contract No. FS10001A - After Hours Noise Control 2010/2011 for a 12 month term has been received from the Integrated Procurement Group.

31. The right to extend this contract beyond 30 June 2011 will be at the sole discretion of the Auckland Council.

Report prepared by: Alan Ahmu, Team Manager, Environmental Compliance.



9 **CONTRACT NO. RM006013A - GAS SUPPLY FOR COUNCIL SITES - APPROVAL TO EXTEND**

GLOSSARY

Auckland Transition Authority (ATA)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to extend Contract No. RM06013A - Gas Supply for Council Sites for two months, to 31 August 2010.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. RM06013A - Gas Supply for Council Sites - Approval to Extend.
2. **Approve** that, subject to a satisfactory credit check, Contract No. RM06013A - Gas Supply for Council Sites as awarded to Genesis Power Limited be extended in the sum of \$76,261.00 excluding GST for the period 1 July 2010 to 31 August 2010.
3. **Approve** that authority to extend Contract No. RM06013A - Gas Supply for Council Sites for the period 1 July 2010 to 31 August 2010 on behalf of the Council be delegated to the Acting Director: City Services.

BACKGROUND

1. The scope of work includes the retail supply of gas for West Wave, Waikumete Cemetery Crematorium, and a small number of other sites for the Council. The existing contract is due to expire on 30 June 2010.
2. The Council approved the award of Contract No. RM06013A - Gas Supply for Council Sites to Genesis Power Limited at a Tenders Subcommittee meeting held on 22 June 2007 with the following resolutions:

- “2. *That the tender from Genesis Power Ltd for Contract No. RM06013A - Gas Supply for Council Sites be approved.*
3. *That the contract for Contract No. RM06013A - Gas Supply for Council Sites be negotiated with Genesis Power Ltd, based upon the tender submitted for all Council sites using gas, using the contract form supplied by Genesis Power Ltd.*
4. *That a contract period of thirty-six months, July 2007 - June 2010, be negotiated for the term of the Contract No. RM06013A - Gas Supply for Council Sites Contract with Genesis Power Ltd.”*

1100/2007

3. As part of the reorganisation of the councils of the Auckland region into a single Auckland Council the Auckland Transition Agency (ATA) has been established under the provisions of the Local Government (Tamaki Makaurau Reorganisation) Act 2009. The ATA, tasked with managing and overseeing the transition to the new Auckland Council by the 31 October 2010, has requested the Chief Executives of the Auckland councils to commence work on regionalised procurement.

4. It was decided that undertaking a joint gas procurement exercise would be beneficial in avoiding duplication of separate and parallel exercises, and would align with the ATA's and Chief Executive Forum's request as part of the ATA procurement work stream process. The methodology for the gas tender will be based on the electricity tender as the same principles will apply.
5. Waitakere is involved in the ATA procurement work stream to work on wider regional procurement outcomes moving towards the new Auckland Council. Waitakere is also involved in the Regional Gas Working Group to participate in the regional procurement of gas supply with individual council contracts to be established on a similar contract basis and contract term pending establishment of the new Auckland Council

DECISION MAKING

6. Contract No. RM06013A - Gas Supply for Council Sites as extended has an expiry date of 30 June 2010. The contract has no provision for further extensions. The original contract was subject to the appropriate tender process and approved through resolution 1100/2007.
7. It is recommended that Contract No. RM06013A - Gas Supply for Council Sites be extended with Genesis Power Limited for 2 months, to 31 August 2010 to enable the Regional Gas Procurement Working Group to complete the request for proposal for gas supply and evaluation process as part of the preparation of moving towards the Auckland Council.
8. Genesis Power Limited has confirmed in writing that they are willing to carry out the contract for a further two months, from 1 July 2010 to 31 August 2010, to allow the Regional Gas Procurement Working Group request for proposal and evaluation to be completed during that timeframe.
9. The extension has been valued using existing contract rates.

CONTRACTOR'S PERFORMANCE

10. An evaluation of Genesis Power Limited performance to date contains the following features:
 - They have developed a good working relationship with relevant Council staff;
 - They are a well resourced company;
 - They have a strong focus on health and safety;
 - Their workmanship is generally to a very good standard;
 - They assist the Council to work through difficult issues;
 - Their annual report for 2008/2009 includes their second sustainability report, using the Global Reporting Initiative (GRI) and reported to an Application Level C - self declared;
 - They have continued to reduce the carbon intensity of their generation to meet their target to reduce carbon intensity by 30% below 2005/2006 levels by 2015;
 - They have reduced the carbon intensity of their generation portfolio by 13.1 percent in 2007/2008 compared to 2005/2006 levels; and
 - They have installed 2KW photovoltaic systems in two Waitakere Schools, including Henderson Valley Primary School and Tirimoana Primary School through the Schoolgen programme to provide students, teachers and parents with a hands-on learning experience that teaches them about renewable energy and climate change.

CREDIT CHECK

11. A credit check on Genesis Power Limited has been requested.

JOB COSTS

12. Gas costs are dependent on the amount of gas the Council sites consume, which enables the job costs to only be estimated.
13. The job costs are estimated on the Council's actual gas use for July - August 2009 as shown below in Table 1:

Category	July - August 2009 Kilowatt Hours (kWh)	July - August 2010 Estimated Cost (excl GST)
West Wave	1,513,749	\$66,644
Waikumete Cemetery - Crematorium	106,915	\$5,803
Starling Park	108	\$206
Glen Eden Recreation Centre	1,538	\$279
Massey Leisure Centre and Library	47,270	\$2,906
Lopdell House and Halls	4,717	\$314
Lopdell House - Level 3	1,070	\$109
Total	1,675,367	\$76,261

Table 1 - July - August 2010 Gas Load

14.		excl. GST
	Contract sum (two months) - (Genesis Power Limited)	\$76,261.00
	Contingency	\$ 0.00
	Total Job Cost	<u>\$76,261.00</u>

SOURCE OF FUNDING

15. Source of funding for Contract No. RM06013A - Gas Supply for Council Sites two month extension as shown in Table 2 below:

Budget Description (from annual budget line item) Draft Annual Plan 2010/2011 for period from 1 July 2010 to 31 August 2010	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
West Wave	4580	308,946	N/A	66,644	N/A	N/A
Waikumete Cemetery - Crematorium	4810	22,500	N/A	5,803	N/A	N/A
Starling Park	5160	2,000	N/A	206	N/A	N/A
Massey Leisure Centre and Library	8040 1900	8,184 2,046	N/A	2,906	N/A	N/A
Lopdell House and Halls Lopdell House - Level 3 Glen Eden Recreation Centre	8060	7,161	N/A	314 109 279	N/A	N/A
Total		350,837		76,261		

Table 2 - Source of Funding Contract No. RM06013A - Gas Supply for Council Sites

Note: Due to the uncertainties of actual use within the different budget provisions the above allocations are approximate only.

IMPLEMENTATION ISSUES

16. There are no implementation issues.

AUCKLAND COUNCIL TRANSITION ISSUES

17. 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: Michelle Dawson, Corporate Sustainability Manager.



10 CONTRACT NO. EW10005B - PROFESSIONAL SERVICES FOR TOTARA CREEK CATCHMENT STORMWATER PONDS - APPROVAL TO AWARD

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. EW10005B - Professional Services for Totara Creek Catchment Stormwater Ponds.

RECOMMENDATIONS

It is recommended that the Tenders Subcommittee resolve to:

1. **Receive** the Contract No. EW10005B - Professional Services for Totara Creek Catchment Stormwater Ponds - Approval to Award report.
2. **Approve** that Contract No. EW10005B - Professional Services for Totara Creek Catchment Stormwater Ponds 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 Blue Barn Consulting Limited for Contract No. EW10005B - Professional Services for Totara Creek Catchment Stormwater Ponds in the sum of \$419,995.00 plus \$52,499.38 GST, totalling \$472,494.38 be accepted.
4. **Approve** that authority to enter into Contract No. EW10005B - Professional Services for Totara Creek Catchment Stormwater Ponds on behalf of the Council be delegated to the Group Manager: Project Services.
5. **Note** that resolutions 2 to 4 above are subject to confirmation by the Auckland Transition Agency.

BACKGROUND

1. Plan Change 15 provides for development of the Totara Creek Catchment which forms part of (NorSGA).
2. The Totara Creek Integrated Catchment Management Plan and Network Discharge Consent have identified a number of sites for installation of stormwater treatment and detention ponds.
3. Impending development dictates that construction of two of the ponds be carried out as a matter of urgency.
4. This particular project involves professional services for an integrated stormwater management solution comprising six stormwater treatment and detention ponds and 27ha of dual purpose ecological area and public open space encompassing and connecting the ponds. Supervision of a physical works contract for construction of Ponds W2 and W3 is included as a provisional item of the contract.
5. Funding for this project has been in the draft Annual Plan 2010/2011.

SCOPE OF WORK

6. The scope of work includes:
 - Review of current information;
 - Geotechnical Investigation;
 - Liaison with Council officers from EcoWater and Parks;
 - Liaison with other consultants engaged by Council for this and other interfacing NorSGA projects;
 - Liaison with New Zealand Retail Property Group and their agents;
 - Detailed design of six ponds based on modelling data and information provided to the consultant;
 - Preparation of a landscape plan for the entire 27ha ecological area / public open space;
 - Preparation of contract documents for a physical works contract for Ponds W2 and W3 to be constructed in the 2010/2011 financial year;
 - Evaluation of tenders received for the physical works contract; and
 - Project management and supervision of the physical works contract.

TENDERS RECEIVED

7. Tenders were invited from selected tenderers with five sets of documents being uplifted. Five tenders were received by the closing date of 8 June 2010. These are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
OPUS International Consultants Limited	100 Beaumont Street Auckland	\$398,370.00
Blue Barn Consulting Limited	1st Floor, Central 1, 4 Henderson Valley Rd, Henderson Auckland	\$419,995.00
GHD Limited	Level 16, ASB Bank Centre, 135 Albert St, Auckland	\$487,761.00

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Cato Bolam Consultants	89 Central Park Drive, Henderson, Auckland	\$571,490.00
URS New Zealand Limited	13-15 College Hill, Auckland	\$862,745.00
Pre-tender contract estimate (based on most up-to-date tender rate)		\$414,830.00
Budget estimate		\$493,998.00

Table 1 - Summary of Tender Prices

TAGS, ERRORS OR OMISSIONS

8. The tender submitted by URS New Zealand Limited contained a minor calculation error but as the error would have no effect on the outcome of the evaluation no correction was sought.
9. There were no other errors or omissions in the other tenders.

TENDER EVALUATION

10. In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in New Zealand Transport Agency's "Competitive Pricing Procedures Manual".
11. A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes	Exper.	Track Record	Tech. Skills & Resourc.	Manag. Skill	Method.	Price	Contract No: EW10005B
								Total Weights
	Weights	20	20	20	15	10	15	100
Tenderer	Tender Sum							INDEX
Opus International Consultants	\$398,370.00	70	70	75	80	75	68	73
Blue Barn Consulting Ltd	\$419,995.00	85	80	85	85	85	64	81
GHD Ltd	\$487,761.00	75	80	75	80	80	50	74
Cato Bolam Consultants	\$571,490.00	85	80	80	85	80	33	75
URS	\$862,745.00	85	80	80	80	85	-27	65
Median Tender Price	\$487,761.00							

Table 2 - Summary of Tender Evaluation

12. The tenders submitted by OPUS International Consultants Limited and GHD Limited did not sufficiently demonstrate an understanding of the requirements of the scope of works or the resources necessary to achieve the desired design solutions. This is reflected in their scores for the relevant attributes.
13. Blue Barn Consulting Limited has nominated Isthmus Group to undertake the open space design as subcontractors. Isthmus Group was responsible for the landscape design, including integration with stormwater infrastructure, at Barry Curtis Park in Manukau City. Scores given to Blue Barn Consulting Limited for Experience and Technical Skills reflect the relevant and innovative design skills and experience that Isthmus Group would bring to this project.

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 Blue Barn Consulting Limited achieved the highest index of 81. This tender is also the second lowest priced tender.
16. Blue Barn Consulting Limited is a local firm of moderate size possessing a wide range of skills and experience. Over recent years Blue Barn Consulting Limited has been engaged to provide services for Waitakere City Council on a number of projects. Reports of their performance, especially relating to management and communication, have been positive. Information provided with the tender submission demonstrates clearly that Blue Barn Consulting Limited understand the outcomes expected, and the issues needing to be addressed and managed, for this project. With arrangements to engage specialist expertise including Isthmus Group and Marco Holtrigter of Geotechnical Consultants Limited it is considered that Blue Barn Consulting Limited has assembled a team who will be capable of completing the project.
17. 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

18. A credit check on Blue Barn Consulting Limited dated 31 May 2010 revealed no adverse information.

JOB COSTS

19.		excl. GST
	Tender sum - (Blue Barn Consulting Limited)	\$419,995.00
	Contingency	\$ 41,999.00
	Contract Management	\$ 90,000.00

	Total Job Cost	\$551,994.00

SOURCE OF FUNDING

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

Budget Description Subject to approval of proposed draft Annual Plan 2010/2011	Codes	Budget	Committed to other projects	Allocation to this project	Unallocated balance	Potential surplus
Norsga Capex	8AMEW-07-300	\$617,498.00	\$0.00	\$551,994.00	\$65,504.00	\$74,003.00
	Total			\$551,994.00		

Table 3 – Source of Funding

IMPLEMENTATION ISSUES

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

AUCKLAND COUNCIL TRANSITION ISSUES

22. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 imposes restrictions on Waitakere City Council's decision making capabilities. Certain decisions require confirmation by the ATA.
23. The ATA when confirming the Council's decision to adopt the Long Term Council Community Plan notified the Council pursuant to section 20 of the Act, that any decision relating to the Council's "wider NorSGA project" would be a decision to which section 31(1)(b) may apply and must be referred to the ATA prior to implementation. The recommendations in this report are accordingly conditional upon confirmation by the ATA.

Report prepared by: Richard Challis, Contracts Engineer.

