

6. Sportspark Management and Maintenance Contract – Contract Award Recommendation

Reporting officer Paul McDonald (Parks Manager)

Date of meeting 12 August 2015

Vision, mission and values

This item is in accord with Council's vision, mission and values statement as the maintenance of its sports fields in the district is considered a major service to its communities and enables healthy lifestyles through active sport and recreation.

Executive Summary

Council's Sports parks are well dispersed around the district and provide for tens of thousands of players and recreationalists across all four seasons. Sports clubs and the codes at large work closely with staff to determine requirements and service levels. The levels of knowledge and partnership in the overall delivery of fields improves annually, as was evidenced in the well versed submissions to this year's long term plan.

Contracting services for long periods of time brings with it the mixture of benefit and risk involved in balancing the needs of the sports community and the cost of providing those services. As such contracts are outcome based and those working within those contracts have very high levels of expectation.

The current sportspark contract was let in 2007 for the sum of \$5,568,851.00. It was for an initial 5 year period with an extension, through until 30 September 2015. Like the existing contract, this proposed contract covers all day to day management and maintenance of the council's sportsparks, all renovation works, booking system, field closures, asset data collection, liaison with clubs and codes, horticultural work, hard surface maintenance, and first class cricket venue management (Cobham Oval). It also provides a renovation service to those sportsparks which we do not fully maintain. These parks typically have a local community committee doing the basic maintenance.

The item herein explains the process and evaluation and provides a recommendation to Council.

Significance and Engagement

This item recommends the contractor which is to look after the council's sports fields over the next 5 years and potentially 7 years. Current levels of service have been maintained in the interests of the sporting codes, and the council's exposure to risk has been an important factor during the evaluation process, however, having considered the Significance and Engagement Policy this recommendation is not considered significant and the public will be informed via Agenda publication on the website, and Council News.

Discussion and Options

Tender Evaluation

The evaluation team consisted of Fraser Campbell (Chairman) of Campbell Consulting, Mark Shaw (Infrastructure and Services Project Engineer), and Aubrey Gifford (Technical Officer Parks).

Three tenders were received and the Tender Evaluation Team (TET) reviewed all tenders.

The TET considered the tenders generally in accordance with competitive pricing procedures manual (CPP), assessing the major activities, tasks and requirements of the contract, and then commenting according to the following:

- Are the tender specifications met? And if not how important is the gap?
- Are the responses to the tender statements adequate? And if not how important is the gap?
- Are the resource requirements met? And if not how important is the gap?
- What is the overall risk to the council?

Investigation to establish the suitability of the tenderers as a sportspark contractor also included discussions with referees given by the tenderers and also some who the TET considered helpful to create a fuller picture of the tenderers attributes.

As the evaluation progressed, an independent review was carried out as well as an independent Probity Audit. As a result of that and on recommendation of the Probity Auditor, the team then interviewed two of the tenderers and then further evaluated the bids.

The TET determined the following:

The tender submission from Tractors Ag and Turf was significantly deficient and did not meet the minimum requirements in the areas of methodology, management skills and customer focus, and was ruled non-conforming.

The tender submitted by Downer NZ Ltd revealed some significant gaps which posed risks to Council. Under-resourcing and availability at critical times was of major concern in both the number of labour units and also in plant and equipment, both for maintenance but especially for renovation operations. There was no assurance that key specialist equipment would be available for renovation purposes when required in the contract. In evaluating technical skills the evaluators did not consider that Downer NZ Ltd provided acceptable supervisory and field staff, staff experience, or staff qualifications on which the council could be confident in proceeding with this tender. Furthermore no details were provided on the qualifications and experience of the key staff that would be employed on the contract works. This attribute therefore was marked accordingly and the tender ruled non-conforming.

The tender from Recreational Services scored very well in the non-price attributes, 36 out of a possible 40 points, some clarification was sought through the interview with the tenderer. Recreational Services is a specialist in parks and sportspark management, maintenance and construction. Currently this contractor services 8 councils from Christchurch through to the Far North, including all three Northland district councils. Recreational Services has undertaken the work required by this tender for 13 years and has consistently met or exceeded the performance measures in the relevant contracts. The TET determined the tender was fully conversant with the requirements of the works and is fully familiar with the Council's sports fields and the sports field users and codes.

Tender Result

Tenderer	Price	Score
Downer NZ Ltd	Tender non-conforming	N/A
Recreational Services Ltd	\$6,483,011.40	36/40
Tractors Ag and Turf	Tender non-conforming	N/A
<i>Engineers Estimate</i>	<i>\$6,891,000.00</i>	

Budget Discussion

In preparing budgets for 2015/16 financial year, it was recognised that a new contract was to begin 1 October 2015, and also an increase in scope of 9 couch grass fields at Springs Flat and Pohe Island.

The fields, while allowing significantly more playing hours, do cost more to maintain. This alleviates the urgency for council to invest in new land for sports fields.

The annual cost of the conforming tender is within the budget provision covering sports fields.

Considerations

Council states in the tender document:

The Whangarei District Council is seeking contractors who will:

- (a) *Provide a safe and more efficient park environment, minimising costs and increasing user satisfaction with the assets;*
- (b) *Implement and maintain high standards of health & safety and environmental practices and procedures;*
- (c) *Undertake all practical measures to mitigate the social and environmental impacts of their activities;*

- (d) *Provide value for money and increased price certainty in the procurement and carrying out of the Contract Works;*
- (e) *Implement proactive strategies to enable the timely completion of the Contract Works;*
- (f) *Develop and implement innovative work methods and/or Materials that result in enhanced performance and a cost effective delivery of contract works;*
- (g) *Commit to a co-operative approach to the Contract through a partnering process.*

With a technical contract such as this Sportspark one, price alone should not be the only driving factor in decision making. Rather, and especially when dealing with a living medium (i.e. turf), it is important to balance the technical skills of the staff and the appropriate resources to ensure that work is done at the right time, with the right ground conditions and with the right machinery, while working around the requirements of the field users.

Missing out on a renovation operation, or sowing grass seed at the wrong time of year or rate, taking too much leaf off the grass in a single mowing operation, has knock on effects on the quality of fields not just for the ensuing season, but also for future seasons.

Sports turf is also passive park space when it is not used as a sports surface. Maintenance of the grass is a large component of this work. Whangarei has received recognition for the quality of its turf at Cobham Oval, Northland Events Centre and the newer training fields.

The overall level of service for sports park maintenance can be reduced through errors in timing and methodology as noted above. Recognising the importance of attributes the contract included for all tenderers the split of 60% price 40% attributes.

Summary

Providing a consistent level of service is very important and must be balanced with the perception of the cost of rates paid by the residents. To that end opportunities to maintain service levels and vice versa the risk of reduction in service levels is assessed carefully when procuring long term service agreements.

Following a tender evaluation of three companies there is one conforming tender which is below the engineers estimate for the work.

Recreational Services Ltd meets all the requirements of the contract document and is within the engineers estimate for the works, and is therefore recommended for award. Recreational Services has carried out sports park maintenance for Council with 100% KPI achievement.

Recommendation

That Council award Contract 15026 for Sportspark Management and Maintenance to Recreational Services Ltd for the total contract sum of \$6,483,001.40 excluding GST.