



Hastings District Council

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OPEN AGENDA

TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 18 October 2012**

Time: **9.00am**

Venue: **Landmarks Room
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Subcommittee Members	Chair: Councillor Kerr Mayor Yule Councillors Henderson, Lester, Nixon and Twigg (Deputy Chair) Chief Executive, Ross McLeod and Group Manager: Asset Management, David Fraser
Officer Responsible	Group Manager: Corporate and Customer Services – Mr Mike Maguire
Committee Secretary	Carolyn Hunt (Ext 5634)

Tenders Subcommittee – Terms of Reference

A Subcommittee of the Finance and Monitoring Committee

Fields of Activity

The Tenders Subcommittee is responsible for assisting council in its general overview of procurement and tender activity by accepting tenders which exceed the Chief Executive's delegated authority to approve, for projects previously approved by Council or a Standing Committee within the delegated authority.

Membership

Chairman appointed by the Council
4 members appointed by the Council
Chief Executive
Group Manager Asset Management

For the avoidance of doubt the references in this delegation to the 'Chief Executive' and 'Group Manager: Asset Management' extends to include any persons from time to time appointed in writing to those roles in an acting capacity.

Quorum – Any four members.

Delegated Powers

Authority to accept tenders for individual projects previously approved by the council or a standing committee of the council up to a value of \$7,000,000

Responsibility to provide oversight and direction on tendering processes in general and/or specific issues relating to a particular project

The Committee reports to the Finance and Monitoring Committee

HASTINGS DISTRICT COUNCIL
TENDERS SUBCOMMITTEE MEETING
THURSDAY, 18 OCTOBER 2012

VENUE: Landmarks Room
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings

TIME: 9.00am

A G E N D A

1. Apologies

At the close of the agenda no apologies had been received.

2. Conflict of Interest

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 scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or Group Manager Corporate & Customer Services (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

3. Confirmation of Minutes

Minutes of the Tenders Subcommittee Meeting held 4 October 2012.
(Previously circulated)

4. Desktop Computer and Laptop Procurement

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5. Additional Business Items

6. Extraordinary Business Items

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 18 OCTOBER 2012

**FROM: INFORMATION SERVICES MANAGER
IAN WRIGHT**

SUBJECT: DESKTOP COMPUTER AND LAPTOP PROCUREMENT

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from the Committee on purchasing all Desktops (PCs) and Laptop Computers via the AOG (All of Government) contract.
- 1.2 The Ministry of Economic Development (MED) has negotiated a contract for the supply of Desktop and Laptops based on the bulk buying power of all Government departments. These contracts have now been extended to include Local Government organisations.
- 1.3 The contracts are managed by procurement Centres of Expertise (CoE) currently located in the Ministry of Economic Development (MED) and the Department of Internal Affairs, with oversight by Government Procurement Solutions, within the MED. The MED contracts are negotiated in such a way as to guarantee best price in the market is supplied to the organisations signed up to the Memorandum of Understanding (MoU).
- 1.4 This request arises as approval is required to alter the current tender and procurement process.
- 1.5 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose includes the promotion of the social, economic, environmental and cultural wellbeing of communities. The Council seeks to meet this obligation and the achievement of community outcomes through the strategic objectives set out in the 2012-2022 Long Term Plan. The matters raised in this report are administrative in nature and therefore relate to all Council's Strategic Objectives.
- 1.6 This report concludes by recommending that the purchase of all Desktop and Laptops be sourced via the AOG contract.

2.0 BACKGROUND

- 2.1 Council has a large fleet of PCs (around 350) and Laptops (75). These are replaced on a 3 to 4 yearly basis, dependent on the changes in technology and the application software that runs on them.
- 2.2 Purchase of this equipment is actioned via the procurement policies by creating a tender document, advertising and evaluating responses. This process works well, although time consuming, and provides the opportunity for equipment suppliers to be competitive in their pricing.

3.0 CURRENT SITUATION

- 3.1 Due to warranties, age and improvements in technology, our equipment is replaced every 3 to 4 years. This means each year, around 100 to 125 PCs and 15 to 20 laptops are replaced.
- 3.2 The replacement of the equipment is actioned via the Tender process. While this has worked well in the past, it is time consuming. It also requires the purchase of the equipment in bulk and this also creates a logistics problem of handling such a large number of units.
- 3.3 Due to the MED tender, pricing is competitive based on our volume as opposed to single one off purchases. The Quick Guide to AOG contracts is **attached** for information.
- 3.4 Council is already taking advantage of the AOG contract for office consumables and motor vehicles.

4.0 OPTIONS

- 4.1 Two options exist:
- continue with the current practice.
 - take advantage of the AOG contract and purchase all PCs and Laptops equipment via this process.

5.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 5.1 The current tender process has worked well in the past and fulfils all of our legal obligations. The down side is that it takes both time and effort to produce the tender document, advertise, and evaluate and then report back.
- 5.2 The Department of Internal Affairs has already run a pre-qualifier process, whereby only a small number of suppliers have passed prerequisites and are designated suppliers to qualifying agencies, such as ourselves.
- 5.3 Qualifiers are:
- Guaranteed delivery timeframes.
 - 3 year onsite maintenance/warranty period.
 - Best pricing; no other sale can be cheaper than via the AOG contract.
 - Ability to order any number i.e. can order single items or larger volumes; whichever suits.
 - Ability to deal direct with the supplier or via a third party.
- 5.4 Total cost of ownership and safety standards have already been built into the selection process.
- 5.5 The benefits of entering into the AOG contract include; avoidance of time consuming processes (best price guarantee) and flexibility of delivery arrangements.
- 5.6 The devices covered by the "catalogue" for desktops and laptops are reflective of the needs of our organisation.

6.0 PREFERRED OPTION/S AND REASONS

- 6.1 The preferred option is to sign with the AOG contract as it provides the most competitive pricing. Through this process, we would expect to save between \$10,000 to \$15,000 per annum.
- 6.2 The contract provides greater dexterity and would fit better with handling smaller deliveries and this would provide for more efficient use of Officers time in handling the units.
- 6.3 This is also consistent with the practice that both Napier City Council and Hawke's Bay Regional Council have adopted.

7.0 RECOMMENDATION

- A) That the report of the Information Services Manager titled “Desktop Computer and Laptop Procurement” dated 18/10/2012 be received.**
- B) That Council become a party to the All of Government Contract for Desktop and Laptop Computers.**

Attachments:

1 Quick Guide to All of Government

PMD-03-50-11-109

New Zealand Government

Quick-Guide: All-of-Government contracts for Councils



- Office consumables
- Computers
- Print Devices
- Passenger vehicles

Councils (Territorial Authorities, Regional Councils and Unitary Authorities) have now received Ministerial endorsement to be 'eligible agencies' under the All-of-Government contracts.

This means that councils now have access to a multitude of products via the All-of-Government contracts created by the Ministry of Economic Development's Procurement Reform Programme.

What are the All-of-Government Contracts?

As part of the Government's Procurement Reform Programme, the All-of-Government contracts programme involves progressively negotiating supply agreements between the Crown and approved suppliers for selected common-use goods and services.

By harnessing the collective buying power of over 200 State sector agencies, councils and over 2,400 schools, government has positioned itself as a 'customer of choice' and is able to achieve substantial cost savings. The AoG contracting approach has wider benefits to agencies, suppliers and, ultimately, the New Zealand taxpayer.

The initial four contracts, for the supply of office consumables, computers, print devices, and vehicles were established in mid-2010 and have seen most Government Agencies migrate over to them since then.

The contracts are managed by procurement Centres of Expertise (CoE) currently located in the Ministry of Economic Development (MED) and the Department of Internal Affairs, with oversight by Government Procurement Solutions, within the MED.

When purchasing, using these contracts, the bulk of the savings are retained by Councils. An administration charge of 1.5% is included in the price by the supplier and returned to MED to fund the on-going reform – including the establishment of additional AoG contracts. In fact, work has already commenced on adding contracts in the area of External Legal Services, Air Travel, Travel Management Services, Electricity, Recruitment and Energy Management Services.

Are you interested in accessing our AoG Contracts?

We have attached the four buyers guides for the categories that are currently available, which outline the contracts and how you can transition onto them.

To access the contracts and savings, the first step in the process is to sign a Non-Disclosure Agreement or Confidentiality Agreement for the category or categories that you are interested in. This will then give you access to the pricing, to enable you to conduct a benchmarking exercise to see what savings you could achieve.

If you would like an NDA/Confidentiality Agreement prepared for your council, please contact the relevant COE via the contact details on the following page.

Questions?

Please don't hesitate to email the CoE team should you have any questions about the process.

Regards

The CoE Team,
Government Procurement Solutions, Ministry of Economic Development



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New Zealand Government

Products and suppliers

Contract	Suppliers
<p>Desktop & Laptop computers</p> <p>This contract covers Laptop/Desktop/Tablet Computers through to Upgrades & Downgrades to all Computers and peripherals such as monitors, etc. In the near future this will include Apple products.</p>	<ul style="list-style-type: none"> • Acer • Cyclone (Desktops only) • Dell • Gen-i (Lenovo) • Hewlett Packard • The Laptop Company (Toshiba Laptops)
<p>Office Consumables</p> <p>The office consumables contract covers core workplace office supplies in seven different categories: Print/Toner, Health and hygiene, Data storage media, Photocopier paper, Canteen, Computer accessories and General stationery</p>	<ul style="list-style-type: none"> • Corporate Express New Zealand Ltd • OfficeMax New Zealand Ltd.
<p>Print devices</p> <p>This contract includes Single and Multi-Function Print Devices through to a range of related services, including cost-per-copy and managed print solutions.</p>	<ul style="list-style-type: none"> • Canon New Zealand • Fuji Xerox • HP New Zealand • Konica Minolta • Ricoh
<p>Passenger Vehicles</p> <p>This contract covers all types of vehicles from sub-compacts through to large Minibuses and light trucks.</p>	<ul style="list-style-type: none"> • Ford NZ • Holden • Hyundai NZ • Mercedes Benz • Mitsubishi • Peugeot (via GSB Supplycorp) • Skoda (via EMD) • Suzuki • Toyota NZ • Volkswagen (via EMD)

Contacts – for further information

If you have any questions on any of the category areas please contact the people below at the relevant Centre of Expertise:

Vehicles

Name: Paul Simonsen
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Office Consumables

Name: Karla Davidson-Brown
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Print Devices and PDM Services

Name: Phil Wheeler
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Desktop & Laptop Computers

Name: Matt Price
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