



Hastings District Council

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OPEN AGENDA

TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 7 February 2013**

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, 7 FEBRUARY 2013

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

TIME: 9.00am

A G E N D A

1. Apologies

Apologies from Mr Fraser and Mr McLeod have been received.

Leave of Absence had previously been granted to Councillor Lester

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 20 December 2012.
(Previously circulated)

4. CONTRACT 69375 Hastings District Network Maintenance and Renewals, Street Light and Traffic Signals: Recommendation

	to Appoint Maintenance Contractor for Construction of Traffic Signals at St Aubyn Street/Nelson Street Intersection.	1
5.	Additional Business Items	
6.	Extraordinary Business Items	
7.	Recommendation to Exclude the Public from Items 8 and 9	5
8.	Confirmation of the Minutes of Tenders Subcommittee held 20 December 2012 while the Public were Excluded	
9.	Civic Square Project	

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 7 FEBRUARY 2013

FROM: TRAFFIC ENGINEER
AARON CAMPION

SUBJECT: CONTRACT 69375 HASTINGS DISTRICT NETWORK MAINTENANCE AND RENEWALS, STREET LIGHT AND TRAFFIC SIGNALS: RECOMMENDATION TO APPOINT MAINTENANCE CONTRACTOR FOR CONSTRUCTION OF TRAFFIC SIGNALS AT ST AUBYN STREET/NELSON STREET INTERSECTION.

1.0 SUMMARY

- 1.1 The purpose of this report is to gain the Tenders Subcommittee approval to directly appoint Pope Electrical Ltd as a variation to the Contract No. 69375 – Hastings District Network Maintenance and Renewals, Street Light and Traffic Signals.
- 1.2 This appointment is for the replacement and upgrade of the traffic signals at the intersection of St Aubyn Street and Nelson Street. This work is required to satisfy council's road safety objectives and address safety deficiencies identified through the 2009 Crash Reduction Study.

2.0 APPOINTMENT PROCESS

- 2.1 Approval is sought in accordance with section 4.4.1.2 "Supplier Selection – Physical Works outside the prequalification Scheme" of the Hastings District Council Procurement Manual (currently under revision), which requires the express approval in this instance to directly appoint a supplier for the level of expenditure involved.
- 2.2 In accordance with Council Policy, where only one practical supplier exists or a professional has specific skills or other characteristics which would be a distinct advantage to Council in undertaking the work, Direct Appointment is acceptable for all categories of expenditure. This exception may also be made when a professional has had a long history of association with the work, or has a satisfactory previous history of undertaking similar work for Council. When using Direct Appointment, the Contract Manager will negotiate the best possible price with the supplier on behalf of Council.

3.0 BACKGROUND

- 3.1 Pope Electrical Ltd is Council's current term maintenance contractor for Street Lighting and Traffic Signals. They have a long association with the Hastings Signal network and our operating systems. This is important given the strategic nature of this route and the works proposed.
- 3.2 There is only one supplier of traffic signal installations with a proven track record who has established offices in the Napier/Hastings region. Pope Electrical Ltd provides this service to both Hastings District and Napier City Councils and the SH Network signals are incorporated in these.

4.0 TENDERED PRICE

- 4.1 Pope Electrical Ltd was requested to provide a quote for the proposed signal works.
- 4.2 A tendered price of \$197,752.00 (including maintenance requirements of \$50,749.00) was received. This compares to the Consultant's estimate of \$193,058.00.
- 4.3 Under the current traffic signal maintenance contract, the maintenance work component must be completed by Pope Electrical Ltd. The cost associated to the maintenance works is estimated at \$50,749.00. Requiring a third party to undertake the safety component of the works would be both difficult to arrange (given lack of suitable contractors) and difficult to manage and co-ordinate. There would most certainly be some overlap in services and works resulting in additional costs to the project.
- 4.4 The Street Lighting and Traffic Signals maintenance contract was competitively tendered in accordance with both HDC and NZTA procurement policies and procedures. The plant and labour rates negotiated for this work are the same as those tendered in the maintenance contract.
- 4.5 The majority of the project cost (75%) is for signal component material purchases which are supplied on a cost+ basis.
- 4.6 The cost to prepare, evaluate and award a contract is in the order of \$10,000.00.
- 4.7 On the basis of the above, the quote is considered to be competitive and the most efficient and effective way of delivering the service to the citizens and businesses of Hastings.
- 4.8 Pope Electrical have advised that, provided they receive authorisation to proceed with these works, all works will be completed by the end of the physical works contract period being 17 May 2013 (i.e. the money will be spent this financial year).

5.0 BUDGET

- 5.1 This project is budgeted for in the LTP as part of both the minor and major safety portfolio of works funded by Council. In addition, general maintenance works are proposed at the intersection to maintain satisfactory operation of the signals and address deficiencies between the existing provision and the most recent design standards.
- 5.2 The proposed safety improvements at St Aubyn Street/Nelson Street form part of the wider Nelson Street North road renewal scheme. This scheme includes a variety of works along Nelson Street North, from Eastbourne Street to Fitzroy Avenue, ranging from drainage renewals to major safety improvements. Councils Budget Allocation for this Project is as follows:

Budget Area	Total Budget	Phasing Year
Subsidised Transportation		
Maintenance and Renewals	\$503,500	12/13
Improvements	\$590,000	12/13
Unsubsidised Transportation		
Maintenance and Renewals	\$153,500	12/13
Underground Services		
Water Supply	\$120,000	12/13

- 5.3 The St Aubyn Street/Nelson Street Signalised intersection works fall within the Improvements category with a budget of \$590,000.00 for the 2012/2013 financial year. This budget includes safety improvement works at several poor performing intersections along Nelson Street. However, only the signal works associated to the St Aubyn Street/Nelson Street upgrade are proposed for direct appointment. All other works associated to this project have followed standard procurement and tendering processes.
- 5.4 The Consultant's estimate for the work associated to the signal upgrades was \$193,058.00 and is provided at the end of this memo for information. The variance to the estimate was therefore \$4,694.00.
- 5.5 The main reasons for these variances are in the current cost of materials, the complexity of underground works in the busy traffic environment and congested service corridors.
- 5.6 The works proposed can be delivered within the total budget identified above.
- 5.7 Engineer's Estimate:

Item:	Cost:
General Site establishment	\$10,500
Poles and Rails	\$26,550
Ducting, Cables & Loops	\$42,656
Target Boards	\$54,400
Controller	\$33,952
Total (inc \$25,000 contingency):	\$193,058

6.0 RECOMMENDATION

- A. That the report of the Traffic Engineer titled "CONTRACT 69375 Hastings District Network Maintenance and Renewals, Street Light and Traffic Signals: Recommendation to Appoint Maintenance Contractor for Construction of Traffic Signals at St Aubyn Street/Nelson Street Intersection." dated 7/02/2013 be received.
- B. That the work to install traffic signals at the St Aubyn Street/Nelson Street intersection be awarded to Pope Electrical Ltd as a variation to the traffic signals maintenance contract at the quoted price of \$197,752.00 (excl. GST). \$50,749.00 of this work is deemed as general maintenance and will be funded by maintenance and completed by Pope Electrical Ltd under

their current maintenance contract whilst the remaining \$147,000.00 will be funded through the major safety funding stream.

The reasons for requesting that Council directly appoint Pope Electrical Ltd to complete this work are as follows:

- **Pope Electrical Ltd are the only suitable supplier within the district and this direct appointment is the most efficient and effective way of delivering the works to the community**

Attachments:

There are no attachments for this report.

HASTINGS DISTRICT COUNCIL
TENDERS SUBCOMMITTEE MEETING
THURSDAY, 7 FEBRUARY 2013

RECOMMENDATION TO EXCLUDE THE PUBLIC

SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

THAT the public now be excluded from the following part of the meeting, namely:

- 8 Confirmation of the Minutes of Tenders Subcommittee held 20 December 2012 while the Public were Excluded**
- 9 Civic Square Project**

The general subject of the matter to be considered while the public is excluded, the reason for passing this Resolution in relation to the matter and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this Resolution is as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION
8 Confirmation of the Minutes of Tenders Subcommittee held 20 December 2012 while the Public were Excluded	As stated in the minutes	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.
9 Civic Square Project	Section 7 (2) (i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Commercial and contractual negotiations.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.