



Hastings District Council

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OPEN AGENDA

TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 5 September 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, 5 SEPTEMBER 2013

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.

Leave of Absence had previously been granted to Councillor Kerr

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 22 August 2013.
(Previously circulated)

- 4. CON2013044 - Flaxmere Community Centre Development** 1
- 5. Additional Business Items**
- 6. Extraordinary Business Items**

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 5 SEPTEMBER 2013

**FROM: PROPERTY ASSETS AND PROJECT MANAGER
JOHN JIANG**

**SUBJECT: CON2013044 - FLAXMERE COMMUNITY CENTRE
DEVELOPMENT**

1.0 SUMMARY

- 1.1 The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. CON2013044 Construction of Flaxmere Community Centre Development.
- 1.2 The tender process has been via a two-stage process: an initial Expression of Interest (EOI), followed by a pricing stage of the final design. Tenders were invited from three local construction companies selected from EOI responses, under the Lowest Price Conforming Method. Three tenders were received.
- 1.3 This report concludes by recommending that Contract No. CON2013044 Construction of Flaxmere Community Centre Development be awarded to Alexander Construction Ltd at the tendered price of \$1,210,380.00 (excl. GST).

2.0 BACKGROUND AND SCOPE OF WORK

- 2.1 The development of the Flaxmere Community Centre is included in Council's 2012 LTP, and the 2013/14 Annual Plan.
- 2.2 Flaxmere Community Centre Development involves the construction and alterations to the existing building of the community centre (Flaxrock) and Flaxmere library.
- 2.3 In February 2013 Council approved the proposal to utilise the insurance payout and capital work related funding to fund the Flaxmere Community Centre Development project. It further approved the concept layout and the commencement of the detailed design phase for the full concept of the project.
- 2.4 At Council Meeting on 22 August 2013 Council resolved the funding approval for the full design elements and the construction of the development project budgeted for \$1.55M.
- 2.5 The current budget of \$1.27M identified for this project is funded via loan, insurance payout, and associated building renewals. It was resolved at the Meeting that the funding shortfalls be met by reallocating the Romanes Drive redevelopment funds up to \$524,000 in total.
- 2.6 At the above Meeting it was also resolved that the Tenders Sub Committee be given approval to award a tender for all the elements to a value indicated \$1.55M accepted by Council.

3.0 TENDERS PROCESS

- 3.1 Response to an EOI was called for by listing on Tenderlink on 12 July 2013. Five responses were received and opened at that time when the EOIs closed at 4pm on 24 July 2013. The respondents included the following construction companies: Mackersey Construction, Alexander Construction, Stead Construction, Pro-Structure, and Arrow International Ltd.
- 3.2 The evaluation of the EOIs has followed a scoring process specified in the EOI documents. The process seeks to identify the contractor(s) that can demonstrate their capability to deliver the best value to HDC while accomplishing the objectives of the project. The markings of the respondents including the specified attributes and weightings are summarised in the following table.

Name of Tenderer	Company Profile (10%)	Track Record and Relevant Experience (30%)	Resources and Technical skills (30%)	Methodology (20%)	H & S and Policies (10%)	Total
1. Mackersey Construction	10	30	30	20	10	100
2. Alexander Construction	10	25	25	15	10	85
3. Stead Construction	10	20	25	20	10	85

- 3.3 The following EOIs were rejected as their EOI submissions did not include sufficient information in the non-price attributes to enable consideration.

Name of Tenderer	Reason for non-conformance
1. Pro-Structure	Crucial information not provided (e.g. key personnel)
2. Arrow International	Crucial information not provided (e.g. methodology)

- 3.4 The EOI documents indicated that a maximum of four companies would be short-listed from the top ranked EOI submitters for the next stage selection process; therefore the three firms with conforming EOIs were invited for submitting a tender, they were Mackersey Construction Ltd, Alexander Construction Ltd, and Stead Construction Ltd.

4.0 TENDERS RECEIVED

- 4.1 Four tenders were received by the closing date of Wednesday 21 August 2013. These are summarised in the Table below:

The table below shows the Price Index for each tendered price:

Name of Tenderer	Tendered Price	TAGS Yes / No
1. Alexander Construction	\$1,210,380.00	Yes
2. Stead Construction	\$1,258,174.31	Yes
3. Mackersey Construction	\$1,323,315.00	No

The Engineer's estimate for the tendered works was: \$1,531,700.00

5.0 TENDER EVALUATION

- 5.1 The Request for Tender indicated that the successful tenderer would be determined by identifying the Lowest Conforming Tender.
- 5.2 The evaluation was carried out by Craig Thew (HDC), John Jiang (HDC), Paul Dougan of Judd Dougan Team Architects.
- 5.3 The tenders from Alexander Construction Ltd and Stead Construction Ltd contained a number of Tags and Specific Clarifications. The Tender Evaluation Team considered these items, sought further clarification and confirmed that Alexander Construction Ltd is the lowest priced conforming tender.
- 5.4 The Project Manager confirms that the evaluation team have no personal relationships with any owners, directors or employees of the companies listed below, or any financial or commercial interest in any of the companies listed below, that would create a conflict of interest with respect to this tender evaluation process.

6.0 BUDGET

- 6.1 Council's Budget Allocation for this Project is as follows:

Budget Area	Tender Price	Additional Cost	Total Project Cost	Budget	Variance
Council resolution 22 August 2013	\$1,210,380	\$334,120	\$1,550,500	\$1,550,000	\$5500

Note: Additional Costs include: Fees, Auxiliary Works, and Additional fixtures etc.

- 6.2 NOTE: that NZS 3910:2003 provides for certain events and circumstances to be treated as variations, resulting in additional costs and time extensions. The price includes a Contingency Allowance of \$138,000.

7.0 IMPLEMENTATION ISSUES

- 7.1 The Council is currently processing a building consent application for the construction. This consent will be in place prior to commencement of the contract.

8.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Property Assets and Project Manager titled "CON2013044 - Flaxmere Community Centre Development" dated 5/09/2013 be received.
- B) That the tender from Alexander Construction Ltd for Contract No. CON2013044 Construction of Flaxmere Community Centre Development in the sum of \$1,210,380.00 plus GST be accepted.

Attachments:

There are no attachments for this report.