



Hastings District Council

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OPEN AGENDA

TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 19 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, 19 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.

At the close of the agenda no requests for leave of absence 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 5 September 2013.
(Previously circulated)

4. CON201303 - Market Street South and Prospect Road Reconstruction

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5. Additional Business Items

6. Extraordinary Business Items

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 19 SEPTEMBER 2013

**FROM: TRANSPORTATION MANAGER
JAG PANNU**

SUBJECT: CON201303 - MARKET STREET SOUTH AND PROSPECT ROAD RECONSTRUCTION

1.0 SUMMARY

- 1.1 The purpose of this report is to gain the subcommittee's approval to award CON2013030 – Market Street South and Prospect Road Reconstruction.
- 1.2 This contract involves elements of road reconstruction and stormwater renewal in Market Street South between Southampton Street and Prospect Road and in Prospect Road between Market Street and King Street.
- 1.3 The full report of the Tender Evaluation Team is attached as **Attachment 1**.
- 1.4 The author has reviewed the process and is satisfied that it complies with Council's requirements.
- 1.5 This report concludes by recommending that CON2013030 – Market Street South and Prospect Road Reconstruction be awarded to Russell Roads Ltd at the tendered price of \$392,410.90 (excl. GST).

2.0 BACKGROUND

- 2.1 The reason for the work is that sections of the road and footpaths are at the point where the service they are providing is diminishing and renewal would be more cost effective than on-going maintenance.
- 2.2 The works form part of the LTP roading renewals and stormwater new works budgets.
- 2.3 Only Tenderers qualifying for the highest work category may tender for the Contract, in this case Roothing Complex A. The Prequalified Tenderers invited to submit tenders are listed below.

Invited Tenderers
Higgins Contractors Ltd
Russell Roads Ltd
Downer NZ Ltd
Infracon Ltd
Fulton Hogan Ltd
Quality Roothing and Services (Wairoa) Ltd

- 2.4 Tenders were invited under the lowest price conforming method. Three tenders were received.

Name of Tenderer	Tendered Price
1. Russell Roads Ltd	\$392,410.90
2. Higgins Contractors Ltd	\$427,498.35
3. Infracon Ltd	\$464,460.15

- 2.5 The evaluation was carried out by Graeme McHattie (Certified Evaluator - MWH), Ansonica Botha (HDC) and Derek Bensemman (MWH).
- 2.6 The evaluation team confirm that none of them have personal relationships with any owners, directors or employees of the companies listed above, or any financial or commercial interest in any of the companies that would create a conflict of interest with respect to this tender evaluation process.
- 2.7 The lowest tender (Russell Roads Ltd, \$392,410.90) was evaluated and found to be conforming.
- 2.8 The Engineer's Estimate for the tendered works was \$416,306.70. The main difference between the Engineer's Estimate and the tendered price were the roading construction rates.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Asset Managers for the various services council provides to the community are charged with the responsibility of managing the works identified in Council's Annual Plan within the budget allocations Council has assigned to the activity involved.
- 3.2 This is achieved by monitoring expenditure and making appropriate adjustments and predictions throughout the year as actual charges are brought to account. If, as a consequence of expenditure incurred, a funding shortage appears likely, the Asset Manager will report to the Works and Services Committee seeking approval to either expend unbudgeted funds or agreement to defer other works proposed in the Annual Plan in order to free up the required funds.
- 3.3 It is currently anticipated that the full programme of works will be delivered. If at any point, it becomes clear that this cannot be achieved, a report on the impact of any adjustments on the programme proposed in the Annual Plan will be made to the Works and Services Committee.
- 3.4 Funds for the works identified in this contract come from within Council's budget allocations for transportation and stormwater new works.
- 3.5 The tender evaluation has compared the funds originally identified in the preliminary estimates to prices received in the contract tender for the various components of work to be delivered. This identified that preliminary estimates allowed sufficient funds for proposed works:
- Subsidised roading works
 - Unsubsidised roading works
 - Stormwater works
 - Parks and Reserves

3.6 The funding allocations and variances are summarised in the following table:

Budget Area	Tender Cost	Ancillary Costs	Total Project Cost	Funds Allocated	Variance
Unsubsidised Roothing	\$130,247.71	\$31,838.28	\$162,085.99	\$172,500.00	\$10,414.01
Subsidised Roothing	\$258,368.19	\$40,661.72	\$299,029.91	\$305,000.00	\$5,970.09
Stormwater	\$3,795.00	\$7,732.00	\$11,527.00	\$13,500.00	\$1,973.00
Parks and Reserves	\$0.00	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00
Total	\$392,410.90	\$82,232.00	\$474,642.90	\$493,000.00	\$18,357.10

NOTE: NZS 3910:2003 Conditions of contract for building and civil engineering construction provides for certain events and circumstances to be treated as variations, resulting in additional costs and time extensions. The Contract price includes a Contingency Allowance of \$40,000.

4.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Transportation Manager titled "CON201303 - Market Street South and Prospect Road Reconstruction" dated 19/09/2013 be received.
- B) That Contract CON2013030 – Market Street South and Prospect Road Reconstruction be awarded to Russell Roads Ltd at the tendered price of \$392,410.90 (excl. GST).

Attachments:

1 Evaluation Form

CG-10-3-15-123

