



# Hastings District Council

Civic Administration Building  
Lyndon Road East, Hastings

Phone: (06) 871 5000

Fax: (06) 871 5100

[WWW.hastingsdc.govt.nz](http://WWW.hastingsdc.govt.nz)

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**OPEN**

## **A G E N D A**

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### **TENDERS SUBCOMMITTEE MEETING**

Meeting Date: **Thursday, 12 December 2013**

Time: **9.00am**

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

<b>Subcommittee Members</b>	Chair: Councillor Kerr Councillors Lyons, Lester, Nixon and Watkins (Deputy Chair) Chief Executive, Mr McLeod and Group Manager: Asset Management, Mr D Fraser
<b>Officer Responsible</b>	Group Manager: Corporate and Customer Services – Mr M Maguire <i>(Quorum = 4)</i>
<b>Committee Secretary</b>	Carolyn Hunt (Ext 5634)

## **Tenders Subcommittee – Terms of Reference**

A Subcommittee of the Works and Services 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 \$8,000,000  
Responsibility to provide oversight and direction on tendering processes in general and/or specific issues relating to a particular project

**HASTINGS DISTRICT COUNCIL**  
**TENDERS SUBCOMMITTEE MEETING**  
**THURSDAY, 12 DECEMBER 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 28 November 2013.  
(Previously circulated)

- 4. Charles Street**
- 5. Additional Business Items**
- 6. Extraordinary Business Items**

**REPORT TO: TENDERS SUBCOMMITTEE**

**MEETING DATE: THURSDAY 12 DECEMBER 2013**

**FROM: TRANSPORTATION ASSET MANAGER  
MATTHEW RODWELL**

**SUBJECT: CHARLES STREET**

## 1.0 SUMMARY

- 1.1 The purpose of this report is to gain the subcommittee's approval to award CON2013055 – Charles Street Reconstruction.
- 1.2 This contract involves elements of road reconstruction, sewer main renewal and storm water improvements in Charles Street between Gordon Road and Southampton Street.
- 1.3 The signed Tender Evaluation form 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 CON2013055 – Charles Street Reconstruction be awarded to Higgins Contractors Ltd at the tendered price of \$771,476.34 (excl. GST).

## 2.0 BACKGROUND

- 2.1 The reason for the work is that sections of the road and sewer infrastructure 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 2013/14 renewals budgets.
- 2.3 Only Tenderers qualifying for the highest work category may tender for the Contract, in this case Rooding Complex A. The Prequalified Tenderers invited to submit tenders are listed below.

Invited Tenderers
Downer NZ Ltd
Fulton Hogan Ltd
Higgins Contractors Ltd
Infracon Ltd
Russell Roads Ltd

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

Name of Tenderer	Tendered Price
1. Higgins Contractors Ltd	\$771,476.34
2. Infracon Limited	\$804,480.96
3. Russell Roads Ltd	\$819,439.55

- 2.5 The evaluation was carried out by Graeme McHattie (Certified Evaluator - MWH), Ansonica Botha (HDC) and Nick Cottier (HDC)
- 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 (Higgins Contractors Ltd, \$771,476.34) was evaluated and found to be conforming.
- 2.8 The Engineer's Estimate for the tendered works was \$844,343.90. 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, storm water and sewer renewals.
- 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
  - Unsubsidised roading works
  - Storm water works
  - Sewer renewal

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	\$180,807.01	\$47,152.00	\$227,959.01	\$245,000.00	\$17,040.99
Subsidised Roothing	\$287,348.51	\$113,820.00	\$401,168.51	\$424,000.00	\$22,831.49
Sewer	\$252,553.94	\$28,572.00	\$281,125.94	\$275,000.00	-\$6,125.94
Storm water	\$50,766.88	\$10,000.00	\$60,766.88	\$60,000.00	-\$766.88
<b>Total</b>	<b>\$771,476.34</b>	<b>\$199,544.00</b>	<b>\$971,020.34</b>	<b>\$1,004,000.00</b>	<b>\$32,979.66</b>

**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 \$70,000.

- 3.7 The “Ancillary Costs” items include design fees, auxiliary works by others outside the contract, site investigation works, and construction materials procured under the Pipe and Supply Contract.
- 3.8 Roothing funds allocated to this project are contained within the annual renewal budgets. The forecast rooothing surplus from this project will be held as an overall programme contingency and potentially used to address some of the backlog renewals that are accumulating as a result of NZTA’s 2012/15 funding decision.
- 3.9 It is anticipated that minor shortfalls of \$6,125.94 and \$766.88 in the sewer and stormwater budgets respectively will be managed within the project contingency allowance for those activities.

#### 4.0 RECOMMENDATION

- A. That the report of the Transportation Manager titled “CON2013055 – Charles Street Reconstruction” dated 29 November 2013 be received.**
- B. That Contract CON2013055 – Charles Street Reconstruction be awarded to Higgins Contractors Ltd at the tendered price of \$771,476.34 (excl. GST).**

#### Attachments:

1 Evaluation Form - Charles Street

CG-13-17-006

Attachment 1

Item 4

**TENDER EVALUATION - LOWEST PRICE CONFORMING**

Contract : CON2013055  
 Charles Street Reconstruction  
 Southampton St to Gordon Rd

HDC. PREQUALIFICATION PROCEDURE  
 CLASS 1 TENDER  
 CLASSIFIED ROAD CONSTRUCTION COMPLEX A  
 CLASSIFIED SEWER CONSTRUCTION COMPLEX A  
 CLASSIFIED STORM WATER CONSTRUCTION SIMPLE B

Tenderer's NAME  
 Tender VALUE  
 Schedule Item Total (Arithmetic Check)  
 Tender Evaluation Team  
 Forms  
 a Tender Form  
 b Acknowledgement of Notices to Tenders  
 c Statement of Attributes (Methodology)  
 d Schedule of compliance and departures  
 e Schedule of Tenderer's Current Commitments  
 f Schedule of Subcontractors and Suppliers.  
 g Schedule of Health & Safety Management  
 h Indicative Programme of Work  
 i Schedule of Prices  
 PASS / FAIL

Higgins			Infracon			Russell Roads					
\$771,476.34			\$804,480.96			\$819,439.55					
Correct			Correct			Correct					
GM	AB	NC	GM	AB	NC	GM	AB	NC			
✓	✓	✓	✓	✓	✓	✓	✓	✓			
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
P	P	P									

✓ Received Information      Pass      Tender meets requirements  
 ✗ None or inadequate      Fail      Tender fails requirements

Signed: *Nick Cottier*      Date: 29/11/13  
 name : Nick Cottier (NC)

Signed: *ABoetha*      Date: 29/11/13  
 name : Ansonica Botha (AB)

(Certified Assessor) Signed: *Graeme McHattie*      Date: \_\_\_\_\_  
 name : Graeme McHattie (GM)