



# Hastings District Council

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## OPEN AGENDA

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### TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 12 March 2015**

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) Acting Chief Executive, Mr O'Shaughnessy, and Group Manager: Asset Management, Mr C Thew
<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 MARCH 2015**

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

**TIME:** 9.00am

**A G E N D A**

**1. Apologies**

An apology from Councillor Watkins has 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 Thursday 26 February 2015.  
*(Previously circulated)*

**4. Professional Services to Deliver Productivity Improvements**

- 5. Additional Business Items**
- 6. Extraordinary Business Items**

**REPORT TO: TENDERS SUBCOMMITTEE**

**MEETING DATE: THURSDAY 12 MARCH 2015**

**FROM: INVESTMENT AND GROWTH PROJECTS MANAGER  
CRAIG CAMERON**

**SUBJECT: PROFESSIONAL SERVICES TO DELIVER PRODUCTIVITY  
IMPROVEMENTS**

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## **1.0 SUMMARY**

- 1.1 The purpose of this report is to seek approval from the Tenders Subcommittee to award a Contract for Service to provide professional services and deliver productivity improvements to Hastings District firms and not for profit organisations. This tender recommendation is submitted to the Tenders Subcommittee for approval because of the value and potential length of the contract.
- 1.2 This proposal arises from the 2014 /2015 Annual Plan allocation of \$80,000 for High Performance Workplace Initiatives under Economic Development.
- 1.3 This report concludes by recommending that a Contract for the supply of professional services and delivery of productivity improvements to Hastings District firms and not for profit organisations be awarded to Manahi Holdings Limited trading as Smarter Better Faster.

## **2.0 BACKGROUND AND SCOPE OF WORK**

- 2.1 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 meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 2.2 This report relates to the provision of local public services through the delivery of an economic development programme designed to enhance business performance.
- 2.3 Council will contract with the successful respondent to design and deliver a productivity improvement programme to participating Hastings District firms and not for profit organisations we approve. This is a new contract for Council. Council and participating firms will jointly and equally fund consultancy activities.

- 2.4 The anticipated contract delivery term is 12-15 months to be negotiated. Council will fund up to \$80,000 (excl GST) for the financial year to 30 June 2015.

Subject to:

1. Satisfactory performance review of the Respondent in June 2015
2. Availability of Council funding in the 2015/2016 financial year an additional \$80,000 (excl GST) funding will be released by Council for the 2015 /2016 financial year.

Total contract funding provided by Council subject to the two conditions will be \$160,000 (excl GST)

- 2.5 This programme should positively impact the participant's financial bottom line within 6-12 months and encourage the participants to sustain their new practices from their own resources. The success of the project should also reflect in the establishment of new sustainable employment opportunities in participant organisations.

- 2.6 Council requires of the respondent:

- a) Effective programme management and delivery.
- b) Identification of project participants and participants to be approved by Council
- c) Effective monitoring and reporting of the programme including project closure.
- d) Value for money is achieved in the use of Council funding.
- e) The exact nature of the productivity intervention with each project participant will be for the consultant and participant to negotiate. It is anticipated that project interventions will include aspects of the following;
  - Organisational diagnosis
  - Strategic and operations planning
  - Lean manufacturing and processes
  - High performance teams
  - Implementation of key performance indicators
  - Human resource planning and staff professional development
  - Management and supervisory coaching
  - Staff training
  - Health and Safety

- 2.7 The diverse skills sets and experience required of consultants meant the pool of potentially suitable consultants was limited. The respondents were selected based on a list of prequalified suppliers used by Callahan Innovation. Callahan have previously funded consultants to provide similar services in the region. Five potentially suitable respondents were invited to submit a proposal and two proposals were received.

The five respondents invited to submit a proposal were;

1. Manahi Holdings Limited trading as Smarter Better Faster
2. Simply Lean Business Solutions Limited
3. Kaizen Institute NZ
4. Strategia Limited
5. Karen Cooper and Associates Limited

### 3.0 TENDERS RECEIVED

3.1 Tenders were advertised on the Government Electronic Services website (GETS). It was a closed tender process and five consulting firms were invited to submit a proposal.

3.2 Two proposals were received by the closing date of Wednesday 18<sup>th</sup> February 2015. Proposals were received from:

- Manahi Holdings Limited t/a Smarter Better Faster
- Kaizen Institute

### 4.0 TENDER EVALUATION

4.1 In accordance with the conditions of tendering, tenders were evaluated utilizing a weighted attribute assessment in accordance with the Hastings District Council Procurement Manual. This methodology is used to select the most advantageous offer by evaluating and comparing non-price attributes and price. The Council reserves the right to reject any proposal at their sole discretion.

4.2 The weightings used in the assessment were:

Attributes	Weightings
Track Record/Relevant Experience	20%
Relevant Skills	20%
Management Skills	20%
Methodology	25%
Price	15%
<b>Total</b>	<b>100%</b>

4.3 Evaluation Team:

Evaluation Team Member	Council	Role
Sharon O'Toole (Chair)	HDC	Procurement Manager
Caroline Thomson	HDC	Strategic Financial Advisor
Lee Neville	HDC	Economic Development Project Manager

4.4 A summary of the evaluation results is shown in Table 2:

Tender Evaluation	Attributes Weights	Track Record / Relevant Experience	Relevant Skills	Management Skills	Methodology	Price	Total Weight
		20%	20%	20%	25%	15%	100
Tenderer	Tender Sum	Grades					INDEX
Smarter Better Faster	Pass	16	16	16	20	12	80
Kaizen Institute	Pass	4	12	8	15	6	45

4.5 The Kaizen Institute failed to provide the requested three examples of similar projects and overall the response from Smarter Better Faster provided more detail on the approach that would be taken.

4.6 The results of the tender evaluation show that the tender response from Smarter Better Faster ranked first with an index of 80, while the Kaizan Institute was second with an index of 45.

4.7 The writer is familiar with the Smarter Better Faster organisation and did not participate in the tender evaluation.

4.8 The Tender 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.

## 5.0 BUDGET

5.1 Council's Budget Allocation for this Project is up to \$80,000 for each financial year 2014 / 2015 and 2015 / 2016.

The High Performance Work Initiative Project Code is 402.2314.101571.00

The contract is Subject to:

- Satisfactory performance review of the Respondent in June 2015
- Availability of Council funding in the 2015/2016 financial year an additional \$80,000 (excl GST) funding will be released by Council for the 2015 /2016 financial year.

Total contract funding provided by Council subject to the two conditions will be \$160,000 (excl GST).

## 6.0 IMPLEMENTATION ISSUES

6.1 The participant firms and organisations are to be organised by the Respondent and approved by Council. The Respondent will manage all



accounts processes ensuring the Participants and Council fund in equal proportions the cost of consultancy to the Participant.

## **7.0 RECOMMENDATION**

- A. That the report of the Growth Projects and Inwards Investment Manager titled “Professional Services to Deliver Productivity Improvements” dated Thursday 12 March 2015 be received.**
- B. That, the tender from Manahi Holdings Limited t/a Smarter Better Faster for Professional Services to deliver Productivity Improvements to Hastings District Firms and ‘Not for Profit’ Organisations for the sum up to \$80,000 plus GST for 2014 / 2015 financial year be accepted.**
- C. Subject to budget allocation and satisfactory performance in the 2014 / 2015 financial year that the tender from Manahi Holdings Limited t/a Smarter Better Faster for Professional Services to deliver Productivity Improvements to Hastings District Firms and ‘Not for Profit’ Organisations for the sum up to \$80,000 plus GST for the 2015 /2016 financial year be accepted.**

### **Attachments:**

- 1 Evaluation Form - Professional Services to Deliver Productivity Improvements CG-13-17-088



Tenders Received	Tender Price - Submitted	Tender Price - Evaluated
Kaizen		
SBF		
Average Conforming Tender Price		

			Caroline Thomson		Lee Neville		Sharon O'Toole				
			Kaizen	SBF	Kaizen	SBF	Kaizen	SBF			
Attributes			Pass/ Fail	Pass/ Fail	Pass/ Fail	Pass/ Fail	Pass/ Fail	Pass/ Fail			
Executive Summary	Provide a statement on the value you the respondent would offer to this project.	Pass/ Fail	Pass	Pass	Pass	Pass	Pass	Pass			
	Identify what you see as the key requirements of this project and explain how you will meet these.	Pass/ Fail	Pass	Pass	Pass	Pass	Pass	Pass			
Organization Profile	Describe ownership of respondent, and if a subsidiary provide details of parent company	Pass/ Fail	Pass	Pass	Pass	Pass	Pass	Pass			
	Provide a brief history of your company or organization including the core areas of your business, relative position in the market, size of operation and future plans / focus.	Pass/ Fail	Pass	Pass	Pass	Pass	Pass	Pass			
	Provide an organization description/diagram for this project including identification of key staff allocated to the project	Pass/ Fail	Pass	Pass	Pass	Pass	Pass	Pass			
	Provide an outline of your company health and safety policy including consideration of health and safety in design and planning.	Pass/ Fail	Pass	Pass	Pass	Pass	Pass	Pass			
	Provide a list of the type and amounts of insurance cover and your protection from client liability	Pass/ Fail	Pass	Pass	Pass	Pass	Pass	Pass			
Insurance Certificates	Please provide a list of the type and amounts of insurance carried.	Pass/ Fail	Pass	Pass	Pass	Pass	Pass	Pass			
Criteria Weight			Score (1-5)	Weighted score	Score (1-5)	Weighted score	Score (1-5)	Weighted score			
Track Record/Relevant Experience	Provide 3 relevant examples of your company's experience and performance in providing services of a similar nature to the scope of services. Specifically these projects should include examples where the team has achieved tangible and measurable improvements in business productivity. The examples should include a) Name and type of project b) Project Value, Size and Location c) Start and completion date of project d) Client Reference (include name and telephone number of contact person) e) Details about whether the project was delivered on time and budget. Provide evidence. f) Summarise the relevance to this Request for Proposal by describing the scope of services provided and how they reflect the scope of services. g) Give two examples of how you contributed to the development of an effective strategy that, resulted in cost savings and efficiencies for the client, including scale of efficiency. h) Describe three key challenges of the project and how you overcame them to deliver a quality result for the client		1.0	4.0	1.0	4.0	1.0	4.0			
	Provide details around your company's significant achievements in delivering similar type contracts such as value added initiatives and cost savings achieved.		1.0	4.0	1.0	4.0	1.0	4.0			
<b>Track Record/Relevant Experience</b>			<b>20.0</b>	<b>1.0</b>	<b>4</b>	<b>4.0</b>	<b>16</b>	<b>1.0</b>	<b>4</b>	<b>4.0</b>	<b>16</b>

Technical/Professional Skills	Include your CV(s). Maximum page limit of 3 pages for each CV. This should include experience, qualifications and successful delivery of similar type projects.		3.0		4.0		3.0		4.0		3.0		4.0
	Detail where necessary any roles that you will need to recruit and explain how you manage the contract until additional personnel are in place (noting that Council has a preference for confirmed personnel within proposed team structures).		2.0		4.0		1.0		4.0		2.0		4.0
	<b>Technical/Professional Skills</b>	<b>20.0</b>	<b>3.0</b>	<b>12</b>	<b>4.0</b>	<b>16</b>	<b>3.0</b>	<b>12</b>	<b>4.0</b>	<b>16</b>	<b>3.0</b>	<b>12</b>	<b>4.0</b>
Methodology	Describe how you will coordinate/liase with Hastings District Council to ensure the project aims and objectives are achieved		4.0		4.0		4.0		4.0		4.0		4.0
	Describe the various approaches, systems and processes you will use to ensure productivity improvements are achieved at the participating organisations		2.0		4.0		2.0		4.0		2.0		4.0
	Include an indicative programme highlighting how you will deliver the project. Describe how progress and performance will be measured and monitored.		2.0		4.0		2.0		3.0		2.0		4.0
	<b>Methodology</b>	<b>25.0</b>	<b>3.0</b>	<b>15</b>	<b>4.0</b>	<b>20</b>	<b>3.0</b>	<b>15</b>	<b>4.0</b>	<b>20</b>	<b>3.0</b>	<b>15</b>	<b>4.0</b>
Management	What systems and processes will you use to manage risks and issues on the project?		1.0		2.0		1.0		2.0		1.0		2.0
	Describe the support that will be available to participating organisations throughout the process. Provide specific details of the support that can be offered where an urgent issue occurs which has an adverse effect on business productivity and is related to implementation of the improvement initiatives.		2.0		4.0		2.0		4.0		2.0		4.0
	How will you manage project budgets to ensure that best value is achieved? This should include the process you will use for managing variation.		1.0		5.0		2.0		5.0		1.0		5.0
	Describe how instances of non-compliance with the contract specifications will be resolved.		1.0		4.0		1.0		4.0		1.0		4.0
	The Council seeks a "no surprises" financial management and reporting strategy. Describe how you will co-operate with Council to achieve this and in particular describe your approach to minimizing the risk of additional costs to Council.		1.0		4.0		1.0		4.0		1.0		4.0
	Describe how you will ensure that the expected high level of quality of the final outcome will be achieved.		1.0		4.0		1.0		4.0		1.0		4.0
	Describe how you will ensure that health and safety obligations are executed.		1.0		4.0		1.0		4.0		1.0		4.0
	<b>Management</b>	<b>20.0</b>	<b>2.0</b>	<b>8</b>	<b>4.0</b>	<b>16</b>	<b>2.0</b>	<b>8</b>	<b>4.0</b>	<b>16</b>	<b>2.0</b>	<b>8</b>	<b>4.0</b>
Price	Describe your applicable fee structure and how those fees are generated in detail.					2.0		4.0					
	<b>Fees</b>	<b>15.0</b>	<b>2.0</b>	<b>6</b>	<b>4.0</b>	<b>12</b>	<b>2.0</b>	<b>6</b>	<b>4.0</b>	<b>12</b>	<b>2.0</b>	<b>6</b>	<b>4.0</b>
Contract	It is proposed that the Conditions of Engagement for this project will be based on 'Conditions of Contract for Consultancy Services' (CCCS) Third edition dated August 2009, copies of which are available from the Association of Consulting Engineers of New Zealand Incorporated. <a href="http://www.acenz.org.nz/uploads/Client/CCCS%20Aklid%20Council%20Third%20Edition_A%202010%20FINAL.pdf">http://www.acenz.org.nz/uploads/Client/CCCS%20Aklid%20Council%20Third%20Edition_A%202010%20FINAL.pdf</a>	<b>Optional</b>	Yes		Yes		Yes		Yes		Yes		Yes

Contract								
Additional Information	Please provide information on other products and services that your institution provides, not identified in this RFP that you believe would benefit the consortium in meeting the objectives of the RFP.	Optional	No	Yes	No	Yes	No	Yes
		Additional Information						
<b>TOTAL</b>		<b>100.0</b>	<b>45.0</b>	<b>80.0</b>	<b>45.0</b>	<b>80.0</b>	<b>45.0</b>	<b>80.0</b>

