



# Hastings District Council

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## OPEN AGENDA

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### TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 28 September 2017**

Time: **9.00am**

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

<b>Subcommittee Members</b>	Chair: Councillor Travers Acting Mayor Hazlehurst Councillors Lyons, Nixon, Redstone and Watkins (Deputy Chair) Chief Executive and Group Manager: Asset Management
<b>Officer Responsible</b>	Executive Advisor/Manager: Office of the Chief Executive (Mr M Maguire) (Quorum = 4)
<b>Committee Secretary</b>	Carolyn Hunt (Extn 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

The Committee reports to the Works and Services Committee

**HASTINGS DISTRICT COUNCIL**  
**TENDERS SUBCOMMITTEE MEETING**  
**THURSDAY, 28 SEPTEMBER 2017**

**VENUE:** Guilin 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 Travers.

**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 Executive Advisor/Manager: Office of the Chief Executive (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 14 September 2017.  
*(Previously circulated)*

4. **CON2017065 Maraekakaho Road (Southampton Street to Francis Hicks Avenue), Windsor Avenue (Ada Street to Grove Road) and Railway Road/State Highway 2 Intersection** 5
5. **Additional Business Items**
6. **Extraordinary Business Items**
7. **Recommendation to Exclude the Public from Items 8, 9, 10 and 11** 11
8. **External Credit Rating Services**
9. **CON2017071 Anderson Park BD1108 Sportsgrounds Changing Room Upgrade**
10. **Te Mata Park Toilets and Shelter Construction - CON2017079**
11. **Havelock North Trunk Water Main - Direct Engagement of Steelpipe NZ for Pipe Supply**

**REPORT TO: TENDERS SUBCOMMITTEE**

**MEETING DATE: THURSDAY 28 SEPTEMBER 2017**

**FROM: TRANSPORTATION ASSET MANAGER  
MARIUS VAN NIEKERK**

**SUBJECT: CON2017065 MARAEKAKAHO ROAD (SOUTHAMPTON STREET TO FRANCIS HICKS AVENUE), WINDSOR AVENUE (ADA STREET TO GROVE ROAD) AND RAILWAY ROAD/STATE HIGHWAY 2 INTERSECTION**

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## **1.0 SUMMARY**

- 1.1 The purpose of this report is to gain the Subcommittee's approval to award CON2017065 – Road Reconstruction - Maraekakaho Rd (Southampton St to Francis Hicks Ave), Windsor Ave (Ada St to Grove Rd) and Railway Rd / SH2 Intersection.
- 1.2 Tenders were called under the Hastings District Council's prequalification system. The work was classified as Class 1, with a work category of Road Construction Complex A, Stormwater Simple B and Waste Water Simple B.
- 1.3 Tenders were invited under the "Lowest Price Conforming" method. Three tenders were received.
- 1.4 This report concludes by recommending that CON2017065 – Road Reconstruction - Maraekakaho Rd (Southampton St to Francis Hicks Ave), Windsor Ave (Ada St to Grove Rd) and Railway Rd / SH2 Intersection be awarded to Russell Roads Ltd at the price of \$1,085,126.75 (excl. GST).

## **2.0 BACKGROUND**

- 2.1 This project involves road reconstruction of Maraekakaho Rd, Railway Rd/SH2 Intersection and Windsor Ave.
- 2.2 Work activities include earth works, pavement construction, Asphaltic Concrete (AC) paving, chipseal surfacing, kerb and channel and footpath works, grass berm works, gravity sewer construction, tree pit installations, minor storm water works, tree removal and fence installation.
- 2.3 The work is included in the HDC annual plan.
- 2.4 The Windsor Ave site was tendered as provisional, subject to funding and decisions regarding wider Council water infrastructure requirements.
- 2.5 The Maraekakaho Road site is programmed to start on 16 October 2017 and Windsor Ave on 12 February 2018.

- 2.6 The Railway Road site intersects SH2 and is subject to a memorandum of understanding between Hastings District Council (HDC) and NZTA with regards to funding. This site was programmed to start on 6 November 2017 but will no longer proceed.
- 2.7 Only Tenderers qualifying for the highest work category may tender for the Contract, in this case Road Construction Complex A. The Prequalified Tenderers invited to submit tenders are listed below.

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

### 3.0 TENDERS RECEIVED

- 3.1 Tenders for the above contract closed at 4.00pm on Wednesday 16 August 2017 and were opened in the presence of Jackie Evans, Democratic Support Manager, and Lydia Mueller, HDC Business Support: Asset Management.
- 3.2 The tenders were recorded by Jackie Evans as follows:

Name of Tenderer	Tendered Price
1. Russell Roads Ltd	\$1,279,846.75
2. Downer NZ Ltd	\$1,490,919.08
3. Fulton Hogan Ltd	\$1,577,555.00

- 3.3 The Engineer's Estimate for the tendered works was \$1,626,306.50.
- 3.1 The comparison with tendered prices showed the differences were throughout the rates.

### 4.0 TENDER PROCESS

- 4.1 Tender documents indicated that the successful Tenderer would be determined based on the Prequalification - Lowest Price Conforming Method in accordance with the Hastings District Council Procurement Manual.

### 5.0 TENDER EVALUATION PROCESS

- 5.1 The evaluation was carried out by Des Parkinson (Certified Evaluator - Stantec), Ansonica Botha (HDC), and Derek Bensemman (Stantec).
- 5.2 The Tender Evaluation Team (T.E.T.) 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.

5.3 A copy of the evaluation information is appended to this report.

## **6.0 RAILWAY ROAD/SH2 INTERSECTION SITE**

6.1 A memorandum of understanding exists between HDC and NZTA that the costs of work on intersections that are maintained by the two roading authorities will be shared.

6.1 Following discussions with NZTA, it was decided that construction of the Railway Road/SH2 Intersection site would not proceed due to NZTA funding constraints and be re-programmed for the 2018 -19 financial year.

6.2 On this basis this site is to be removed from the contract.

6.3 In discussions between the Engineer to the Contract and the tenderer with the lowest price, Russell Roads Limited, it was agreed that were they to be awarded the tender, there will be no claim relating to the removal of the Railway Road/SH2 Intersection site from the tender.

6.4 The value of the works for the Railway Road/SH2 Intersection site tendered by Russell Roads Ltd was \$194,720.00. Removing these works will reduce the total value of the tender from \$1,279,846.75 to \$1,085,126.75 (excl. GST).

## **7.0 WINDSOR AVE SITE**

7.1 Tenderers were advised that the Windsor Ave site was a Provisional Item and that it was subject to funding and decisions regarding wider Council water infrastructure requirements.

7.2 Following the Request for Tender, it has been confirmed that the work is to be undertaken as there are alternative routes for any future water infrastructure requirements.

## **8.0 FINANCIAL IMPLICATIONS**

8.1 The works identified in this contract are to be funded from Council's budget allocations for roading, wastewater and parks and properties.

8.2 The table below shows project costs for the 2017/18 financial year and compares the costs anticipated as a result of this tender to the allocated funds. The allocated funds are based on officers' preliminary estimates for the individual projects to develop the renewals budgets plus any adjustments made by the Asset Managers to the project budgets in the interim as the work programme is delivered.

8.3 The funds Officers assigned for this Project for the Maraekakaho Rd and Windsor Ave sites are shown below:

Budget Area	Tender Price	Material Costs	Ancillary Costs	Total Project Cost	Funds Allocated	Variance
<b>Subsidised Rooding</b>	\$843,218.00		\$108,004.00	\$951,222.00	\$960,000.00	\$8,778.00
<b>Unsubsidised Rooding</b>	\$193,880.75			\$193,880.75	\$200,000.00	\$6,119.25
<b>Wastewater</b>	\$48,028.00		\$11,000.00	\$59,028.00	\$60,000.00	\$972.00
<b>Parks &amp; Property</b>		\$2,700.00		\$2,700.00	\$5,000.00	\$2,300.00
<b>Total</b>	<b>\$1,085,126.75</b>	<b>\$2,700.00</b>	<b>\$119,004.00</b>	<b>\$1,206,830.75</b>	<b>\$1,225,000.00</b>	<b>\$18,169.25</b>

- 8.1 A Contract contingency of \$140,000 (Maraekakaho Rd & Windsor Ave only) has been included in the above costs.
- 8.2 The “Ancillary Costs” items include design fees and auxiliary works by others outside the contract.
- 8.3 Following the award of the contract at the tendered price the Railway Rd / SH2 Intersection site will be removed in accordance with the Conditions of Contract.

## 9.0 RECOMMENDATION

- A) That the Transportation Asset Manager’s report titled “Tender Recommendation: **CON2017065 – Road Reconstruction - Maraekakaho Rd (Southampton St to Francis Hicks Ave), Windsor Ave (Ada St to Grove Rd) and Railway Rd/SH2 Intersection** be accepted.
- B) That the tender for Contract **CON2017065 – Road Reconstruction - Maraekakaho Road (Southampton St to Francis Hicks Avenue), Windsor Avenue (Ada Street to Grove Road) and Railway Road/State Highway 2 Intersection** from Russell Roads Limited at the tender price of **\$1,279,846.75 (excl. GST)** be accepted.
- C) That the removal of the Railway Road/SH2 Intersection site, with the value of **\$194,720.00 (excl. GST)**, from the scope of works of Contract **CON2017065 – Road Reconstruction - Maraekakaho Road (Southampton Street to Francis Hicks Avenue), Windsor Avenue (Ada Street to Grove Road) and Railway Road/SH2 intersection** be authorised.
- D) That Contract **CON2017065 – Road Reconstruction - Maraekakaho Road (Southampton St to Francis Hicks Avenue), Windsor Avenue (Ada Street to Grove Road) and Railway Road/SH2 Intersection**, as amended by the withdrawal of the Railway Road site, be awarded to Russell Roads Limited at the price of **\$1,085,126.75 (excl. GST)**.

### Attachments:

1 Tender evaluation form

cg-14-17-00067



TENDER EVALUATION - LOWEST PRICE CONFORMING

Contract : CON2017065

HDC. PREQUALIFICATION PROCEDURE

Road Reconstruction - Mamekākaho Rd (Southampton St to Francis Hicks Ave, Windsor Ave (Ada St to Grove Rd) and Railway Rd / SH2 Intersection (CON2017065)

CLASS 1 TENDER

CLASSIFIED ROAD CONSTRUCTION COMPLEX A

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

Russell Roads			Downer			Fulton Hogan					
\$1,279,846.75			\$1,490,919.08			\$1,577,555.00					
Correct			Correct			Correct			Correct		
AB	DB	DP	AB	DB	DP	AB	DB	DP			
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
P	P	P									

✓ Retrieved information  
 X None or inadequate

Pass  
 Fail

Tender meets requirements  
 Tender fails requirements

Signed: ABocha Date: 17/08/17  
 name : Ansonica Bocha (AB)

Signed: [Signature] Date: 17/8/17  
 name : Derek Bensemann (DB)

Signed: [Signature] Date: 17/8/17  
 name : Dev Parkinson (DP)

(Certified Assessor)



**HASTINGS DISTRICT COUNCIL  
TENDERS SUBCOMMITTEE MEETING  
THURSDAY, 28 SEPTEMBER 2017**

**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. External Credit Rating Services**
- 9. CON2017071 Anderson Park BD1108 Sportsgrounds Changing Room Upgrade**
- 10. Te Mata Park Toilets and Shelter Construction - CON2017079**
- 11. Havelock North Trunk Water Main - Direct Engagement of Steelpipe NZ for Pipe Supply**

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:

<b>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</b>	<b>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</b>	<b>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</b>
<b>8. External Credit Rating Services</b>	<b>Section 7 (2) (h)</b> The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. Cost information was provided as confidential.	<b>Section 48(1)(a)(i)</b> 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.
<b>9. CON2017071 Anderson Park BD1108 Sportsgrounds Changing Room Upgrade</b>	<b>Section 7 (2) (h)</b> The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. Costs provided by the Tenderers are confidential.	<b>Section 48(1)(a)(i)</b> 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.

10. **Te Mata Park Toilets and Shelter Construction - CON2017079**
- 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).  
Costs provided by the Tenderers are confidential.
- 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.
11. **Havelock North Trunk Water Main - Direct Engagement of Steelpipe NZ for Pipe Supply**
- 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).  
Contract negotiations for the supply of materials.
- 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.