



# Hastings District Council

Civic Administration Building  
Lyndon Road East, Hastings

Phone: (06) 871 5000

Fax: (06) 871 5100

WWW.hastingsdc.govt.nz

---

## OPEN AGENDA

---

### TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 18 October 2018**

Time: **9.00am**

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

<b>Subcommittee Members</b>	Chair: Councillor Travers <i>Ex Officio: Mayor Hazlehurst</i> Councillors Lawson, Nixon, Redstone and Watkins (Deputy Chair) Acting Chief Executive Group Manager: Asset Management
<b>Officer Responsible</b>	Group Manager: Economic Growth & Organisation Improvement – Craig Cameron <i>(Quorum = 4)</i>
<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 or for which funds are allocated to the Council by the Provincial Growth Fund (and related parties).

### **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 \$10,000,000

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, 18 OCTOBER 2018**

**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 General Counsel or the Democratic Support Manager (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 4 October 2018, including minutes while the public were excluded.  
*(Previously circulated)*

<b>4.</b>	<b>CON2018056 - Water Sampling &amp; Testing Services - Drinking (Potable) Water</b>	<b>5</b>
<b>5.</b>	<b>Additional Business Items</b>	
<b>6.</b>	<b>Extraordinary Business Items</b>	
<b>7.</b>	<b>Recommendation to Exclude the Public from Item 8</b>	<b>9</b>
<b>8.</b>	<b>Direct Engagement of TechnologyOne for Procure to Pay Software</b>	

**REPORT TO: TENDERS SUBCOMMITTEE**

**MEETING DATE: THURSDAY 18 OCTOBER 2018**

**FROM: 3 WATERS MANAGER  
BRETT CHAPMAN**

**SUBJECT: CON2018056 - WATER SAMPLING & TESTING SERVICES  
- DRINKING (POTABLE) WATER**

---

## **1.0 SUMMARY**

- 1.1 The purpose of this report is to advise the Tenders Subcommittee that a contract has been agreed with Water Testing HB Ltd to cover our ongoing drinking water sampling and analysis programme.
- 1.2 The report also requests that the action of the Chief Executive in agreeing to the direct engagement and the contract be endorsed.
- 1.3 Contract No. CON2018056 - Water Sampling & Testing Services – Drinking (Potable) Water includes all routine sampling, analysis and reporting based on the international Standard NZS ISO/IEC 17025:2018.
- 1.4 HDC and Water Testing HB Ltd have operated in a service delivery arrangement for many years however, a more formal contractual basis was necessary so that this critical service would continue to be delivered enabling Council to meet its obligations under the Health Act and Drinking Water Standards.
- 1.5 This contract is in effect a formalisation of arrangements that have been in place for a number of years. The arrangement and operational expenditure form part of our core drinking water obligations each year.
- 1.6 The development of a routine schedule and the pricing of this work demonstrates value to Council and the community.
- 1.7 As the only Ministry of Health registered laboratory based locally, there was no advantage in tendering this work and the contract was approved by the Chief Executive Officer under his financial delegation. As there is potential that the value of the contract could, on an annual basis exceed the level of the Chief Executive's delegation, officers consider it prudent that the direct engagement and contract arrangements are reported to and endorsed by the Subcommittee.
- 1.8 The contract is expected to run for three (3) years with the ability for HDC to extend the contract by 2 years and a further 2 years at its sole discretion up to a maximum term of 7 years.
- 1.9 This report concludes by recommending that this report be received and the Chief Executive's actions endorsed.

## **2.0 Background and Scope of Work**

- 2.1 The scope of work is to manage and undertake water sampling and testing for the Hastings District Council (HDC) Water Services Asset Management

- Group. All sampling will occur within the Hastings District and will cover all water supplies under HDC management.
- 2.2 The water quality sampling and testing for drinking water supplies enables HDC to comply with the requirements of the Drinking Water Standards for NZ 2005 (2008).
- 2.3 Further, based on the Government Inquiry into the Havelock North contamination event, gaps were identified in HDC's approach to managing the sampling and testing of drinking water such that the results for compliance could not be fully relied upon.
- 2.4 Both HDC and Water Testing HB have been developing improved standards, practices and procedures to ensure that we can have a high degree of confidence in the sampling and analytical results produced.
- 2.5 All sampling and testing for compliance purposes will be carried out by an IANZ accredited laboratory meeting the requirements of NZS ISO/IEC 17025:2018 – General Requirements for the Competence of Testing and Calibration Laboratories.
- 2.6 This standard contains requirements for laboratories to demonstrate that they operate competently and are able to generate valid results. This standard is also used as the basis for independent annual audits by IANZ to maintain accreditation.
- 2.7 The establishment of a formal contract encapsulates the work that has been underway to ensure a high standard is applied and imbedded in all aspects of our drinking water compliance programme.
- 2.8 Performance standards and key deliverables are as follows:

#### 9. Deliverables

The following are the key deliverables:

Deliverables	Due Date
The provision of all reports in compliance with the requirements of NZS ISO/IEC 17025:2018 standard and the DWSNZ.	In accordance with the Contract requirements

#### 10. Performance standards

The following are the required Performance Standards:

Performance Standards-Key Performance Indicators(KPI's)	Compliance
Sampling and testing as scheduled	100%
Passing IANZ and client audits	100%
Turn-around times for lab tests achieved	95%

### 3.0 Budget

- 3.1 The Annual Budget Allocation for this routine operational work for the 2018/19 financial year is \$1.0M excluding GST.
- 3.2 This amount is based on an increased level of sampling and analysis following the Havelock North contamination event in August 2016.

- 3.3 It is noted that the sampling regime is determined from the HDC drinking Water Monitoring Plan which sets out the extent and frequency of sampling to satisfy operational and compliance needs. The contract sets out the agreed charge rates for samples.
- 3.4 This monitoring plan will be reviewed periodically to ensure that we are maintaining our monitoring regime in accordance with changes that are being implemented as part of our Drinking Water Strategy and as new projects are delivered over the next 3 – 5 years.

Budget Area	Annual Operational Budget	Total Contract Budget (3 Years)
740.2342.100750.00	\$1,000,000 ex. GST	\$3,000,000 ex. GST
<b>Total</b>	<b>\$1,000,000 ex. GST</b>	<b>\$3,000,000 ex. GST</b>

Table 1

- 3.5 There are no additional Council supplied materials for this contract.

#### 4.0 RECOMMENDATION

- A) That the report of the 3 Waters Manager titled “CON2018056 - Water Sampling & Testing Services - Drinking (Potable) Water” dated 18/10/2018 be received.
- B) That the Chief Executive’s actions in entering into Contract No. CON2018056 - Water Sampling & Testing Services – Drinking (Potable) Water by direct engagement with Water Testing HB Ltd be endorsed.
- C) That authority be granted to the Group Manager: Asset Management to award, within the authorised budget allocation, variations and contract extensions up to a maximum of seven (7) years.

#### Attachments:

There are no attachments for this report.





**HASTINGS DISTRICT COUNCIL  
TENDERS SUBCOMMITTEE MEETING  
THURSDAY, 18 OCTOBER 2018**

**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. Direct Engagement of TechnologyOne for Procure to Pay Software**

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:

<i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>	<i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>	<i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>
<b>8. Direct Engagement of TechnologyOne for Procure to Pay Software</b>	<b>Section 7 (2) (i)</b> 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). The pricing is subject to further negotiation with the supplier..	<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.