



Hastings District Council

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OPEN A G E N D A

TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 31 May 2018**

Time: **9.00am**

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

Subcommittee Members	Chair: Councillor Travers <i>Ex Officio: Mayor Hazlehurst</i> Councillors Lawson, Nixon, Redstone and Watkins (Deputy Chair) Chief Executive and Group Manager: Asset Management
Officer Responsible	Group Manager: Economic Growth & Organisation Improvement – Craig Cameron (<i>Quorum = 4</i>)
Committee Secretary	Christine Hilton (Extn 5633)

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, 31 MAY 2018

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 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 17 May 2018.
(Previously circulated)

4.	CON2018025 Hastings District Network Pavement Marking 2018-2022	5
5.	CON2018024 Hastings District Network Maintenance and Renewals - Street Lighting and Traffic Signals 2018-2022	9
6.	Additional Business Items	
7.	Extraordinary Business Items	

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 31 MAY 2018

FROM: TRANSPORTATION OPERATIONS ENGINEER
TIM BATEMAN

SUBJECT: CON2018025 HASTINGS DISTRICT NETWORK
PAVEMENT MARKING 2018-2022

1.0 SUMMARY

- 1.1 The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. CON2018025 – Hastings District Network Pavement Marking 2018-2022.
- 1.2 Public tenders were invited and tenders closed at 4pm on Wednesday 16th May 2018.
- 1.3 The contract is expected to run from 1st July 2018 to 30th June 2022. Council has the option to extend the contract for a further one year with a one year extension, subject to a satisfactory annual review of performance by the contractor and at the sole discretion of the Principal.
- 1.4 This report concludes by recommending that Contract CON2018025 be awarded to Roadrunner Markers Ltd at the tendered price of \$1,268,305.64 (excl. GST).

2.0 BACKGROUND AND SCOPE OF WORK

- 2.1 This Contract is included within the Long Term Plan and budget has been allocated.
- 2.2 This contract is for the maintenance of all pavement markings within the Hastings District Council's roading network, for both Urban Plains (DRA1) and Rural (DRA2) areas.
- 2.3 The pavement marking works include standard maintenance markings of existing and new construction works. It also includes the replacement of defective raised reflective pavement markers (RRPM's).
- 2.4 Associated works will consist of inspections, data collection, planning and the provision of all plant, labour and materials to undertake and complete the works of the contract.
- 2.5 The contract requires the implementation of proactive strategies to enable management of risks and the timely completion of the contract.
- 2.6 The contract has a very strong emphasis on inspections, planning, programming and analysis from the Road Assessment and Maintenance Management (RAMM) database, with the introduction of a condition rating method every time a routine inspection is undertaken.

- 2.7 The implementation of 'long life markings' thermoplastic or similar will also be incorporated into the strategy when and where appropriate on high wear and high use intersections.

3.0 HEALTH AND SAFETY AND RISK MANAGEMENT

- 3.1 The contract included a specification that covers the requirements for Health and safety risk management and temporary traffic management.
- 3.2 The contractor must provide a health and safety plan for approval by the Engineer.
- 3.3 The contract document includes a Hazard register of the identified health and safety risks that may be encountered by the Contractor while performing his duties under this contract. The register includes items such as working in the live traffic lane. This is not a definitive list and there may be other risks and hazards that the client is unaware of.
- 3.4 The contractor must appoint a site health and safety manager responsible for the preparation, submission, implementation and management of the site health and safety plan and in particular monitoring and identifying and where required, rectifying items which do not comply with the Health and safety plan.

4.0 COMMUNICATIONS AND PUBLIC RELATIONS MANAGEMENT

- 4.1 This contract is for the installation of pavement markings and as such has low impact on road users.
- 4.2 The contractor is required to submit traffic management plans for any work in the road corridor.
- 4.3 Where it is deemed that work will impact on residents, letter drops will be used to inform residents of the nature and duration of the works.

5.0 TENDERS RECEIVED

- 5.1 Tenders were publicly advertised on GETS with tenders closing at 4pm on Wednesday 16th May 2018.
- 5.2 Two Tenders for this contract were received from the following:
- Roadrunner Markers Ltd
 - Orsborn Roadmarkers Ltd

6.0 TENDER EVALUATION

- 6.1 In accordance with the conditions of tendering, tenders were evaluated in line with the NZTA Procurement Manual using the Price Quality Method.
- 6.2 The Tender Evaluation Team (TET) comprised the following:

Jag Pannu - Transportation Manager - TET Convener and Qualified CPP Evaluator

Tim Bateman – Transportation Operations Engineer - TET Convener and Qualified CPP Evaluator

Adam Jackson – Transportation Operations Manager - TET Convener and Qualified CPP Evaluator

6.3 Price quality is a supplier selection method where the quality attributes of suppliers are graded, and the preferred supplier is selected by balancing price and quality through the use of a formula.

6.4 The evaluation process requires that each Tender submit two (2) envelopes (envelope 1 and envelope 2) within one (1) envelope.

- Envelope 1 contained the Non Price attribute information in accordance with NZTA Procurement Manual and RFT Requirements. The attributed weightings were nominated by council. The attributes requested and the weightings were as follows:

Relevant Experience	PASS / FAIL
Track Record	PASS / FAIL
Relevant Skills	15%
Resources	15%
Methodology	20%
Price	50%

- Envelope 2 contains the tender price form and the Schedule of Prices.
- Non Price Attributes for each Tenderer were graded and the Supplier Quality Premiums (SQP) were calculated and confirmed. The envelope 2 Tender form and Schedule of Prices remained unopened at this stage of the evaluation process.

4.5 Following the confirmation of SQP the price envelopes of both Tenderers were opened and the prices summarised below. Note that the lowest scoring tenderer always has an SQP of \$0.0:

Name of Tenderer	Tender Price (Excl GST)	Value of Fixed Sums from the Schedule of Prices	Net Tender Price
Roadrunner Markers Ltd	\$1,268,305.64	\$0	\$1,268,305.64
Orsborn Markers Ltd	\$1,491,825.59	\$0	\$1,491,825.59

Note: The Engineers Estimate is \$1,649,578.43 and is based on current market rates.

6.5 The prices were checked for consistency with the price schedule in the Request for Tender (RFT) and for any arithmetic errors. No errors were found.

4.7 The SQP values were then deducted from the Net Tender Price (Tender Price less any fixed sums) to determine the lowest evaluation price. This is summarised in the following table.

Name of Tenderer	Net Tender Price	Less SQP Value	Evaluation Price
Roadrunner Markers Ltd	\$1,268,305.64	\$214,500.00	\$1,053,805.64
Orsborn Markers Ltd	\$1,491,825.59	\$0.00	\$1,491,825.59

4.8 The preferred supplier is the supplier that presents the proposal that is within the RFT's scope and requirements, passes on all non-price attributes and has the lowest evaluation tender price.

4.9 Roadrunner Markers Ltd are the preferred Tenderer and are also the incumbent.

7.0 BUDGET

7.1 Council's Budget Allocation for this Project is as follows:

Budget Area	Total Budget	Tender Cost	Variance
General Maintenance	\$1,634,000.00	\$1,268,305.64	\$365,694.36

7.2 The variance of \$365,694.36 will be used to support the other Contract costs. These include further installation of thermoplastic markings, the maintenance of further cycle lanes and school zones. All additional works will be approved by the Engineer.

8.0 IMPLEMENTATION ISSUES

8.1 There are no expected implementation issues with this contract.

9.0 RECOMMENDATION

A. That the report of the Transportation Operations Engineer titled "CON2018025 – Hastings District Network Pavement Marking 2018-2022" dated Thursday 31 May 2018 be received.

B. That Contract No. CON2018025 - Hastings District Network Pavement Marking 2018-2022 be awarded to Roadrunner Markers Ltd at the tendered price of \$1,268,305.64 (excluding GST).

Attachments:

There are no attachments for this report.

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 31 MAY 2018

**FROM: TRANSPORTATION OPERATIONS ENGINEER
TIM BATEMAN**

**SUBJECT: CON2018024 HASTINGS DISTRICT NETWORK
MAINTENANCE AND RENEWALS - STREET LIGHTING
AND TRAFFIC SIGNALS 2018-2022**

1.0 SUMMARY

- 1.1 The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. CON2018024 Hastings District Network Maintenance and Renewals - Street Lighting and Traffic Signals 2018 - 2022.
- 1.2 Public tenders were invited and tenders closed at 4pm on Wednesday 9 May 2018.
- 1.3 The contract is expected to run for three years with the option to extend for two additional and optional one year periods, subject to a satisfactory annual review of performance by the contractor and at the sole discretion of the Principal.
- 1.4 This report concludes by recommending that Contract CON201024 be awarded to Pope Electrical Ltd at the tendered price of \$3,004,831.50 (excl. GST).

2.0 BACKGROUND AND SCOPE OF WORK

- 2.1 This Contract is included within the Long term Plan and budget has been allocated.
- 2.2 This contract is for the Network Management and Maintenance of Councils Urban and Plains (DRA1) and Rural (DRA2) Street Lighting & Traffic Signals.
- 2.3 The extent of the works will be to maintain all the street lights and traffic signals within the Hastings District.
- 2.4 Street Lighting includes lights on free standing poles, lights on existing power reticulation poles and pedestrian crossing pole lights. The work involved in this Contract includes the maintenance of LED luminaires, lamps, modules, lanterns, pole extensions, poles and associated wiring as required.
- 2.5 Works also consist of inspections, data collection, programming, planning and the provision of all plant, labour and materials to undertake and complete the works of the Contract.
- 2.6 The contract requires the implementation of proactive strategies to enable management of risks and the timely completion of the contract works.
- 2.7 The contract has a very strong emphasis on inspections, planning, programming and analysis from the Road Assessment and Maintenance

Management (RAMM) database, with the introduction of a condition rating method every time a routine inspection is undertaken.

2.8 The Contractor will undertake within strategically planned areas:

- maintenance of existing street lights
- upgrades of street light columns
- maintenance of existing traffic signals
- the upgrade / replacement of traffic signals

3.0 HEALTH AND SAFETY AND RISK MANAGEMENT

3.1 The contract includes a specification that covers the requirements for health and safety risk management.

3.2 The contractor shall supply a health and safety plan for approval by the Engineer and shall supply evidence to confirm their Health and safety competence prior to commencement of the services.

3.3 The contract document includes a Hazard register of the identified health and safety risks that may be encountered by the Contractor while performing his duties under this contract. The register includes items such as working at height, working in the vicinity of live electrical cables and working in the live traffic lane. This is not a definitive list and there may be other risks and hazards that the client is unaware of.

4.0 COMMUNICATIONS AND PUBLIC RELATIONS MANAGEMENT

4.1 The work is predominantly for the maintenance of street lights and traffic signals in the road corridor. The contractor is required to submit traffic management plans for any work in the road corridor.

4.2 The work may include inspections on the road and such work will be undertaken using the appropriate traffic management plan. This will generally be of low impact and does not require notification of road users.

4.3 Where it is deemed that work will impact on residents, letter drops will be used to inform residents of the nature and duration of the works.

5.0 TENDERS RECEIVED

5.1 Tenders were publicly advertised on GETS with tenders closing at 4pm on Wednesday 9 May 2018.

5.2 One Tenderer for this contract was received from the following:

- Pope Electrical Ltd

5.3 A review of information available was made during the tender evaluation process to consider the risk of considering one tender. The items considered were:

- Pope Electrical Ltd are the incumbent contractor who showed considerable interest throughout the tender period.

- The information supplied by Pope Electrical Ltd satisfies all the attributes as set out within the RFT. Their past track record and performance gives council confidence that they are able to continue to provide the services expected for the contract duration.

Every opportunity was given to other contractors to submit a tender document and prices through the open tender system (GETS).

- 5.4 Considering the items in 5.3 above, the Tender Evaluation team considered that the tender from Pope Electrical Ltd is a competitive tender that should be considered further.

6.0 TENDER EVALUATION

- 6.1 In accordance with the conditions of tendering, tenders were evaluated in line with the NZ Transport Agency "Procurement Manual" using the Price Quality Method.

- 6.2 The Tender Evaluation Team (TET) comprised the following:

Jag Pannu - Transportation Manager - TET Convener and Qualified CPP Evaluator

Tim Bateman – Transportation Operations Engineer - TET Convener and Qualified CPP Evaluator

Adam Jackson – Transportation Operations Manager - TET Convener and Qualified CPP Evaluator

- 6.3 Price quality is a supplier selection method where the quality attributes of suppliers are graded, and the preferred supplier is selected by balancing price and quality through the use of a formula.

- 6.4 The evaluation process requires that each Tender submit two (2) envelopes (envelope 1 and envelope 2) within one (1) envelope.

- Envelope 1 contained the Non Price attribute information in accordance with NZTA Procurement Manual and RFT Requirements. The attributed weightings were nominated by council. The attributes requested and the weightings were as follows:

Relevant Experience	PASS / FAIL
Track Record	PASS / FAIL
Relevant Skills	15%
Resources	15%
Methodology	20%
Price	50%

- Envelope 2 contains the tender price form and the Schedule of Prices.
- Non Price Attributes for each Tenderer were graded and the Supplier Quality Premiums (SQP) were calculated and confirmed. The envelope 2 Tender form and Schedule of Prices remained unopened at this stage of the evaluation process.

6.5 Following the confirmation of the SQP the price envelope of the Tenderer was opened and the price is summarised below.

Name of Tenderer	Tender Price (Excl GST)	Value of Fixed Sums from the Schedule of Prices	Net Tender Price
Pope Electrical Ltd	\$3,004,831.50	\$340,000.00	\$2,664,831.50

Note: The Engineers Estimate is \$2,650,000.00

6.6 The prices were checked for consistency with the price schedule in the Request for Tender (RFT) and for any arithmetic errors. An error of \$1.10 was found, this was due to rounding up / down by the contractor.

6.7 The SQP values were then deducted from the Net Tender Price (Tender Price less any fixed sums) to determine the evaluation price. This is summarised in the following table.

Name of Tenderer	Net Tender Price	Less SQP Value	Evaluation Price
Pope Electrical Ltd	\$3,004,831.50	\$0.00	\$3,004,831.50

6.8 The preferred supplier is the supplier that presents the proposal that is within the RFT's scope and requirements, passes on all non-price attributes and has the lowest evaluation tender price. As Pope Electrical Ltd were the only submitted tender, the calculated SQP value is zero.

6.9 As the tenderers submitted price exceeded the Engineers estimate and that Pope Electrical Ltd are the preferred supplier under Clause B.5.7 we were able to negotiate the price.

6.10 Pope Electrical Ltd were invited to enter into negotiations which they agreed to.

6.11 The Items within the RFT that were under discussion were the supply of new LED luminaires, where the Engineers estimate for these items were based on a 'bulk' supply, however the tenderers price was based on 'single' supply where there is little or no discount, hence the tenderers amount is greater.

6.12 In order to reduce the price risk for the contractor it was discussed that the LED lantern types with high value would be removed from the appropriate schedule and that Council would purchase the items as and when they were required. A provisional sum of \$30,000.00 would be added to a provisional materials item for any units that need replacing for any other reason than that of a failure.

6.13 This enabled Council to take on the risk of the supply of new luminaires enabling Council to maintain a reasonable stock, negotiate with suppliers and to ensure that the most up to date technology is used on the network.

6.14 Under the negotiations, the tender price submitted would be reduced by \$517,832.52 for the four year period with a provisional sum of \$120,000.00

per year added as a materials provisional sum. The revised schedule below shows the amended tender value:

Submitted Tender Price	Total of removed items	Provisional items added	Revised tender price
\$3,004,835.92	\$517,832.52	\$120,000.00*	\$2,631,001.50

* there is a 20% materials on cost added to this amount

- 6.15 The revised figure of \$2,631,001.50 is less than the Engineer's estimate of \$2,650,000.00.
- 6.16 All LED Luminaires that have been installed under the accelerated programme have a 10 year warranty so any failures will be replaced by the supplier at no cost to Council.
- 6.17 Pope Electrical Ltd have agreed and accepted the negotiations as discussed in the above points and have confirmed the revised schedule and tender price.

7.0 BUDGET

- 7.1 Council's Budget Allocation for this Project is as follows for a four year period:

Budget Area	Total Budget	Tender Cost	Variance
General Maintenance	\$1,844,000.00*	\$2,631,001.50	\$787,001.50

* Budget excludes project work assigned to this contract

- 7.2 The total budget amount excludes major project work that as yet is uncertain in value during the four year contract period. This explains the variance of \$787,001.50. Works completed under this contract each year will not exceed the approved budget.

8.0 IMPLEMENTATION ISSUES

There are no expected implementation issues with this contract.

9.0 RECOMMENDATION

- A. That the report of the Transportation Operations Engineer titled "CON2018024 - Hastings District Network Maintenance & Renewals – Street Lighting & Traffic Signals 2018-2022" dated 31 May 2018 be received.
- B. That Contract No. CON2018024 - Hastings District Network Maintenance & Renewals – Street Lighting & Traffic Signals 2018-2022 be awarded to Pope Electrical Ltd at the tendered price of \$2,631,001.50 (excluding GST).

Attachments:

There are no attachments for this report.