

<b>Central Hawke's Bay District Council</b>  <b>TENDERING POLICY</b>	<b>POLICY MANUAL</b>	
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## **THE TENDERS BOARD**

The Tenders Board hereinafter called the Board will meet from time to time to consider all tenders for works and services supplied to and sales made from the Central Hawke's Bay District Council and to make recommendations to the Chief Executive.

The following will constitute the Board and be entitled to vote. The Technical Services Manager or a deputy nominated by the Technical Services Manager shall chair the meeting and shall be entitled to a casting vote if an equality of votes occurs.

- a) The Technical Services Manager
- b) The Chief Finance Officer
- c) The Regulatory Services Manager
- d) The Land Transport Manager
- e) The Utilities Manager

The Managers above may nominate an alternative if they are unable to attend.

At any deliberations of the Board, three of those entitled to vote shall constitute a quorum, one of which must be the Chairman or his deputy.

A Councillor Appointee shall also sit on the Board to supervise the tender evaluation process. The Councillor Appointee has no vote.

The Councillor Appointee must nominate an alternative Councillor in their absence. The Councillor Appointee or their nominated alternate will be present at all tender openings and shall ensure that the tender process (from a governance perspective) has been administered correctly. As there are various types of tenders the appropriate manager when recommending to the CE for award shall also advise the Councillor Appointee of the results.

The Councillor Appointee at regularly scheduled Council meetings shall report all tender openings to the Council including the names of all tenderers for each tender offering and the name of the successful tender.

In carrying out their duties the tenders board may utilise the services of advisors including staff members and consultants as appropriate for the tender under consideration.

## **PURCHASING OF SERVICES**

### **PURCHASE OF WORKS AND SERVICES UNDER \$5,000**

After carrying out due diligence in seeking contractors, works and services can be ordered by Council staff from one contractor who they consider is reasonably priced and produces work of a high quality.

Staff can only approve works and services that are within their limit of delegated authority. An official Council Order shall be issued for the work.

For financially assisted roading contracts, the procedures shall be in accordance with the provisions of the New Zealand Transport Agency Planning Procurement and Funding Manual and the CHBDC Land Transport Procurement Strategy or as otherwise directed by the New Zealand Transport Agency.

#### **PURCHASE OF WORKS AND SERVICES BETWEEN \$5,000 AND \$100,000**

All contracts for the supply of works and services that are likely to involve the Council in expenditure between \$10,000 and \$100,000 shall be submitted to a minimum of three contractors whom the Council staff responsible for the purchase consider have the appropriate expertise to carry out the type of work called for.

For financially assisted roading contracts, the procedures shall be in accordance with the provisions of the New Zealand Transport Agency Planning Procurement and Funding Manual and the CHBDC Land Transport Procurement Strategy or as otherwise directed by the New Zealand Transport Agency.

If three quotations are not called for, the written approval of the Chief Executive must be obtained including an explanation why this policy is not being complied with.

#### **PURCHASE OF WORKS AND SERVICES THAT ARE MORE THAN \$100,000**

All contracts for the supply of works and services that are likely to involve the Council in expenditure of \$100,000 or more shall be put to tender.

For large projects where tendering costs are likely to be high a two-part selection process may be used. Where a two-part tendering process is used the short listing procedure will be in accordance with the provisions in the Land Transport New Zealand's Manual of Competitive Pricing or as promulgated in the request for tender.

In any case of emergency in securing goods or services, the Council staff concerned may, after conferring with the Mayor or Chief Executive, call for quotations or order the work directly in lieu of inviting tenders under this policy.

If the work is to be purchased without tendering, a report is to be presented to Council explaining why.

### **TENDERING PROCESS**

#### **INVITATION TO TENDER**

Every advertisement calling for tenders shall contain information regarding:

- a) What is being tendered.
- b) Where tender documents can be obtained from.
- c) The final date and time by which all tenders must be received by the Tenders Board.
- d) The address to which such tenders should be sent or delivered.

Each contract document must contain the fact that the Council may reject all or any tenders submitted.

A fee may be charged for the supply of documents relating to tenders.

Where the value of the contract is estimated to exceed \$100,000 tenders shall be invited with at least 14 days public advertising, over the title of the Chief Executive, in one or more local newspapers circulating in the district.

Electronic advertising and notification of tenders and supply of tender documents may be used at the discretion of the Chief Executive.

## **RECEIPT OF TENDERS**

A Tender Box shall be provided at the Central Hawke's Bay District Council office in Ruataniwha Street, Waipawa in respect of all tenders to be submitted.

The Tender Box shall be equipped with a lock, the key shall be held by the Technical Services Manager.

All tenders delivered in person or received by mail shall be placed in the Tender Box. If the tender document is too large for the Tender Box, the document shall be received by the front counter staff who shall record the time and date of receipt of the document and if necessary note anything unusual about the document, on the document. The document shall then be held in the safe until tender opening time.

Any unidentified tender which is opened inadvertently shall be placed in a sealed envelope and the envelope placed in the Tenders Box with the time, date and place of receipt and the initials of the receiving officer being noted on the outside of such an envelope or communication.

Faxed or emailed tenders shall not be accepted.

The Tenders Box shall be sealed and removed at the closing time so as to exclude late tenders being placed in the Tenders Box. Any tenders received after the closing time for the tender shall be stamped indicating the date and time of receipt and shall be passed unopened to the Chairman at the time of opening the Tenders Box.

In special circumstances late tenders may be received, at the Tender Board's discretion. Late tenders that are not accepted will be returned unopened to the tenderers.

## **CONSIDERATION OF TENDERS**

### **OPENING AND RECORDING OF TENDERS**

The Tenders Board shall meet at such a time and place as may be directed by the Chairman to record and open tenders submitted. This must be within five working days from the date of the closure of Tenders or as described in the Request for Tender.

A record of each Tenders Board meeting shall be made. All tenders submitted and received shall be officially recorded in the meeting record. The meeting record is to be signed by the Chairman as correct and counter-signed by the Councillor Appointee present. In spite of the requirement for a Councillor Appointee to attend the meeting.

At no stage may additions or alterations be made to original tender document prior to award of the contract unless the tender evaluation process is "quality based" which allows the Council officers to negotiate an acceptable tender.

## **CONSIDERATION AND EVALUATION OF TENDERS**

All tenders received shall be treated in confidence and any documents relating to such tenders shall be treated as confidential information.

Any tender received may be withdrawn by the relevant tenderer before that tender is accepted, but no tender once received may be amended unless permitted by New Zealand Transport Agency Planning Procurement and Funding Manual and the CHBDC Land Transport Procurement Strategy.

All tenders for physical works and professional services will be evaluated in accordance with the procedures described in the Request for Tender. For financially assisted roading contracts, the procedures shall be in accordance with the provisions of the New Zealand Transport Agency Planning Procurement and Funding Manual and the CHBDC Land Transport Procurement Strategy or as otherwise directed by the New Zealand Transport Agency.

The Tender Evaluation Team will determine from the tendered relevant information which of those tenders comply with the requirements of the Request for Tender. Any tender which does not comply with the specification or conditions stated in the Request for Tender shall not be considered as a valid tender. In the event that any tender received contains any apparent error, the Tender Evaluation Team may seek clarification

Should it be required, the Tender Evaluation Team may request further information from any or all of the tenderers it deems appropriate to facilitate the decision, but it shall not be permitted to negotiate a change in the tendered price or in the case of a unit rate contract any of the tendered rates unless specified in the tender evaluation process.

The Tender Evaluation Team shall report in writing their recommendation for awarding of the contract to the Chief Executive. The Chief Executive shall record in writing their approval of the awarding of the contract, with a copy of that approval being forwarded to the Councillor Appointee.

The appropriate Portfolio Councillors shall be invited to attend the deliberations of the Tenders Evaluation Team to observe the tender evaluation process and to provide advice if asked to do so.

The lowest of any tender for supply of works and services, or the highest tender for sale of assets, need not necessarily be accepted.

The Tender Evaluation Team after due deliberation will, within ten days of the closure of the tenders, report to the Chief Executive unless circumstances such as contract negotiation, contract clarification prevent this from happening. The information provided to the Chief Executive shall be as follows:

- 1 The name of the recommended tenderer.
- 2 The tendered price of the recommended tenderer.
- 3 A list of all the tenders received, and the price tendered by each tenderer.
- 4 For any contract where other than the highest price conforming tender (in the case of a contract for sales) or the lowest price conforming tender (in the case of a contract for supply of works or services) is recommended, the reasons for that recommendation. For financially assisted contracts which do not use lowest price conforming process, the appropriate New Zealand Transport Agency procurement methods must be applied as defined in the CHBDC Land Transport Procurement Strategy or as otherwise directed by the New Zealand Transport Agency.

Where tenders have been called and the Chief Executive considers that the most advantageous tender should not be accepted, then a report is to be presented to Council to explain why.

#### **ADMINISTRATION OF TENDER DOCUMENTS**

After consideration of the report, the Chief Executive will authorise to send an acceptance or non-acceptance letter to all tenderers. At this stage all tender documents including a copy of the evaluation and the Chief Executive's memorandum are filed in a separate folder and kept on the shelf in the Services Administration Officer's office. In the case of unopened price envelopes they will be returned to the tenderer unopened.

The tender is then processed and a contract is prepared and signed and all correspondence and financial information is kept in the separate folder on the shelf in the Services Administration Officer's office except as noted above.

Once the contract is finished all documentation for the contract, including:

- Tender documents
- All tenders
- The Contract Document
- All contract correspondence
- Copies of financial data

is put together and filed in the archives and kept for a minimum of seven years.