



Contracts Manual

October 2006

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INTRODUCTION

This Hutt City Council Contracts Manual sets out the specific policies, requirements and procedures concerning the preparation and administration of contracts for Council. It is to be read in conjunction with the New Zealand Contract Management Manual which is to be used as a guide for all Council Contracts. Users should note that this Hutt City Council Contracts Manual does not always follow the terminology of the New Zealand Contract Management Manual.

This Manual is part of a family of quality assurance documents. It sets out the minimum requirements that all Council contracts must meet and is to be followed by all Council officers and consultants.

Reference is made throughout this manual to both other Council documents and to external documents the provisions of which may require to be observed in the preparation and administration of contracts for Council. With the exception of *note 5* of this introduction, this manual does not, indeed must not, include or paraphrase any of the content of those other documents. This policy has been adopted for two reasons. Firstly, the other documents must be left to speak for themselves. Secondly, it is essential that following amendment to any of these other documents there is only the current version available and some obsolete provision is not inadvertently embedded in this manual.

Similarly other Council manuals and documents should only refer to this Contracts Manual and not include or paraphrase any of its contents.

The requirements set out in this manual are mandatory except in circumstances

- **Where the Client's Representative directs that alternative procedures or documents are to be adopted for a specific contract; or**
- **Where the Contract Manager or the Project Manager consider that alternative procedures or documents will best serve the interests in Council in respect of a specific contract. In these circumstances the Contract Manager or Project Manager shall bring the matter to the attention of the Client's Representative who may issue instructions for alternative procedures or documents to be adopted for that specific contract.**

Any Variation to the requirements and procedures of this Manual shall be documented and shall comply with the Local Government Act 2002 (Sections 76-81).

1. **Contents of the Manual**

The Manual contains four parts, as follows:

Part One: Contracts and their Uses

Part One defines the categories of contract that Council uses, and the various types of contract that fall within each of those categories.

Part Two: Professional Services Contracts

Part Two covers the policy and process of Professional Services Contracts.

Part Three: Physical Works Construction Contracts Physical Works Maintenance Contracts

Part Three covers the policy and process of Physical Works Construction Contracts and Physical Works Maintenance Contracts.

These two contracts are very similar. The **Supplement to Part Three** covers the areas in which Physical Works Maintenance Contracts differ from Physical Works Construction Contracts.

Part Four: Purchasing Contracts

Part Four covers the policy and process of Purchasing Contracts.

2. **Electronic Files**

The Hutt City Council Contracts Manual, all its standard documents and most of its related documents are held electronically on Council's Staffnet.

Each of Parts Two, Three and Four is followed by a list of appendices that relate to that particular Part together with the electronic filename and a hard copy of each listed appendix.

3. **Definition of Titles**

This Manual uses the following titles to define the officers responsible for preparing and administering contracts.

Client's Representative

Council officer with the authority to initiate and approve funding for works and services. The Client's Representative will usually be the Divisional Manager, or delegate (note that this term has a different meaning in the New Zealand Contract Management Manual).

Contract Manager

Council officer, or person nominated by the Consultant, responsible for preparing and administering Physical Works Construction, Physical Works Maintenance, and Purchasing Contracts.

The Contract Manager may change through the different phases of the contract, and often will be the Engineer under NZS 3910 or the Principal's Representative under NZS 3915.

Engineer

The professional engineer, architect, surveyor or other one natural person named or identified in the Special Conditions of Contract or such other one natural person as may be subsequently appointed by the Principal in accordance with the provisions of a contract to act as Engineer to a physical works construction or a physical works maintenance contract under NZS 3910 or to a purchasing contract. The Engineer shall not be a body corporate or firm.

Project Manager

Council officer, or person nominated by the Consultant, responsible for preparing and administering Professional Services Contracts.

4. *Transfund Requirements For Roothing Projects*

Contracts which claim financial assistance from Land Transport New Zealand must follow the provisions of the *Transfund New Zealand Competitive Pricing Procedure Manual (CPP Manual)*.

With regard to Limitation to Contract Value for determining methods of tendering for Professional Services and Physical Works involving Land transport New Zealand funding, CPP provisions have been included in this Contracts Manual.

Other provisions of the CPP Manual are not referred to elsewhere in this Contracts Manual.

5. *Hutt City Council's Purchasing Policy*

Contracts for Hutt City Council involve purchasing decisions and this shall comply with Council's Purchasing Policy.

This Policy sets out delegated authority limits and budgetary constraints, and additional consideration required when entering into variations to contractual arrangements, expending beyond Project Limits or Community Plan – approved budgets.

This Purchasing Policy has specific requirements for Declaration of Interest for all Council officers, project managers, engineers to contract or contract managers. Section 4.2 of the HCC Purchasing Policy (requirements for Declaration of Interest) is reported below to ensure familiarity and compliance with these requirements:

HCC Purchasing Policy – Section 4.2 : Declaration of Interest.

“Any personal interest, which may effect, or might be perceived to affect any officer’s impartiality in any purchasing transaction must be declared to the officer’s divisional or group manager. Personal interests in a potential party to a purchasing transaction that must be declared include any financial interests (either direct or via a spouse or partner) and any other non-financial personal interest arising from a past or present relationship.

An officer with a personal interest in a party to a purchasing transaction is not authorised to enter into any contractual arrangement with the party, or influence any fellow officer to enter into a contractual arrangement with that party. However, the divisional or group manager of the officer with a personal interest may enter into a contractual arrangement with that party providing all other appropriate purchasing or tender processes have been followed. In any such case, the divisional or group manager involved must record their consideration of the personal interest and reason for entering into the contractual arrangement.”