

INVITATION TO TENDER
FOR THE
PRODUCTION AND SUPPLY OF
PLATED STEEL COINS
FOR THE
RESERVE BANK OF NEW ZEALAND

The Reserve Bank of New Zealand invites tenders for its low value circulating coin production requirements for the next 3 year period.

This document is in two parts:

- the invitation to tender;
- coin specification and tolerances shown in Appendix 1

A draft contract will be available, upon request, to nominated representatives (see Section A below) one week after the release of this Invitation to Tender.

A THE TENDER

Tenders should be submitted in accordance with the conditions and specifications contained in this document. All tenders should be addressed to:

Chris Humphreys
Currency Operations
Reserve Bank of New Zealand
P O Box 2498
Wellington
New Zealand

Fax No; 64 4 471 0313
E-mail; Chris.Humphreys@rbnz.govt.nz

Tenders sent by facsimile and/or e-mail (as an attachment in .pdf format) will be acceptable.

Tenders must be received at the abovementioned address by 1200 hours New Zealand time on Thursday 31 January 2013. The Bank will confirm receipt of tenders.

Contact for Inquiries

Any inquiries relating to this tender should be made to Chris Humphreys [phone 64 4 471 3647].

Tenderers have the responsibility to make the necessary enquiries to ensure that they understand the requirements and the intent of the tender and seek any clarification on perceived errors, or inconsistencies or omissions.

Representative

Tenders must include the full name and full contact details (including an e-mail address) of a nominated representative, who will be a single point of contact through which further discussion or information about the tender can be co-ordinated. The Representative must have the authority on behalf of the tenderer to provide the acknowledgements required in the tender and to bind the tenderer and any sub-contractors. The Representative will have an active role in all negotiations and must be able to make commitments, at the relevant time, on behalf of the tenderer without the need to seek specific authorisation.

Mint Details

Tenders should contain information on the Mint's background, covering matters such as;

- Ownership and organisational structure;
- History;
- Financial stability and ongoing viability;
- Product range and customer profile;
- Production capabilities and technical expertise.

Tenders should include an undertaking to produce New Zealand coins only in production units wholly owned by your Company – no sub-contracting to other organisations will be permitted without the Reserve Bank's prior written consent.

The successful tenderer will be responsible for ensuring that the materials used, and the products supplied conform in all respects to the specifications contained in Section B below, Section H below and in Appendix 1. The tenders should demonstrate the tenderer's experience and ability to comply with these requirements, particularly in respect of plated steel coins. Where the tenderer has no previous record in the production of plated steel coin, the tenderer shall at the time of tendering, demonstrate to the satisfaction of the Reserve Bank, its (the tenderer's) ability to perform under the conditions of the contract.

References

Tenders should provide a list of referees (including contact details) that they consent to the Reserve Bank contacting, should the tender reach the short list stage. The referee/s should be able to vouch for the tenderer's ability in the following areas

- Ability to produce plated steel coins
- Quality and operational practicalities of the proposed packaging
- Reliability in terms of meeting delivery timetables
- Quality of product

B THE QUANTITIES

Coins

The quantities and denominations below are our current best estimates of the requirements for production, these may be revised.

Over the period 2013-2015 the Bank would expect to order approximately:

- 60m 10c coins
- 45m 20c coins
- 25m 50c coins.

The Bank will require a delivery of at least 60m 10c coins by November 2013 and a shipment of at least 40m 20c coins early in 2014.

Please quote for single orders of 60m 10c coins, 45m 20c coins and 25m 50c coins.

The quantity is indicative of a 3 year ordering cycle; final numbers for order will be mutually agreed.

Coin Composition and Specifications

Tenderers are required to quote for Coins based on the specification in Appendix 1, the inner layer of Nickel being optional.

C THE QUOTATIONS

The tender calls for quotations for the supply of Coins listed in section B above. Prices quoted should conform with Section E below and cover all ancillary costs (whether or not they are identified in this Invitation to Tender) pertaining to the supply of the subject coins to the Reserve Bank.

All price quotations should include the cost/s of insured delivery (CIP) of the coins to Wellington, New Zealand.

Price will cover the cost of providing (by courier or airfreight to Wellington, New Zealand, or as otherwise directed by the Reserve Bank) any sample blanks, preproduction sample coins, sample first run production coins or sample packaging required by the Bank. These coins will be additional to the quantities listed in Section B.

Tenders should indicate proposed payment terms (see Section J below).

D QUALITY ASSURANCE

The Bank will only accept coins of the highest quality under the terms of the contract with the successful tenderer. Accordingly, tenderers should submit suitable evidence of their Quality Assurance regime to ensure compliance to specifications and quality standards covering all aspects of production and supply.

The Reserve Bank will decide on what is acceptable in respect of all matters pertaining to quality, including (but not limited to)

- physical specifications
- consistency of conductivity
- plating thickness and finish
- packaging

Any coins that are of inferior quality to, or in any other respect contrary to that for which tenders were accepted, may be rejected by the Reserve Bank. In such an event the rejected coins are to be removed at the supplier's own risk and expense and the Reserve Bank shall be reimbursed for all expenditure incurred on the rejected coins. The successful tenderer shall provide replacement coins of acceptable quality at no charge to the Bank within 3 months of the advice of rejection.

E PRICES

All tenders should provide fixed quotations in New Zealand dollars and country of origin currency (or US dollars) and calculated on a CIP (sea freight) basis.

Tenders should show separately any charges for tooling, purchase of raw materials, manufacturing, packaging and freight. As well, all other cost items are to be identified in the quotation in order to provide a total price. Tenderers are also to include the exchange rate/s used to convert from their local currency (or US dollars) to New Zealand dollars.

In respect of coins for delivery in 2013, any exchange rate risk, metal price risk and production cost risks are to be borne by the successful tenderer. However, in respect of the metal prices, rather than an outright lump sum tender, tenderers may submit tenders expressed in New Zealand dollars based on an internationally recognised benchmark, such as the London Metal Exchange mid-day cash prices, for the constituent metals ruling on 15 January 2013, plus the Contractor's premium, converted to New Zealand dollars at the London spot buying rate US/NZ\$ (or country of origin exchange) ruling at mid-day on 15 January 2013. The benchmark prices on which the valuation is calculated must be stated as well as the actual exchange rate used. Should the Bank accept a tender using this method, the final price will be adjusted to the benchmark prices for the constituent metals ruling on the agreed date of purchase, plus the Contractor's premium, and converted to New Zealand dollars at the London spot buying rate US/NZ\$ (or country of origin exchange) ruling at mid-day value that same day.

In respect of coins for delivery in future years, the quoted prices may be renegotiated at the request of either party, with any adjustment being in line with:

- (a) any variations in the quantity of coins ordered;
- (b) movements in the cost of raw materials per the benchmark prices for the constituent metals, or per metal purchase contracts (which must be made available to the Reserve Bank to sight);
- (c) movement in production costs (including labour) per the Consumer Price Index (or equivalent index) in the country of manufacturer; and
- (d) any variations in the design and/or specifications of the coins initiated by the Reserve Bank that are outside the requirements of this invitation to tender.

The prices quoted by the successful tenderer and accepted by the Bank will be the benchmark prices for the term of the contract with any adjustments being made only with the agreement of both parties, and in terms of the above.

F DESIGNS AND MASTER TOOLS

- (a) The obverse design for all coins shall feature the current Ian Rank-Broadley portrait of the Queen with the words – "Elizabeth II, New Zealand" and the year of minting. The reverse designs and edge treatments are described in Appendix 1. Any variations will be agreed between the Bank and the successful tenderer prior to implementation.
- (b) If required, the Bank will make available to the successful tenderer all master tools for the reverse and obverse of each of the coins.
- (c) Date changes to the master tools will be required and tenderers should incorporate this into their tender.

G SAMPLES

- (a) The successful tenderer will provide the Reserve Bank with 1,000 of each of the Coin denominations to be struck, for approval and testing before production commences. Dates and times to be mutually agreed but sufficiently ahead of production to allow for testing and the delivery date achieved.
- (b) The successful tenderer will provide the Reserve Bank with 10,000 of each of the coin denominations from the production runs, for testing and calibration by the various cash industry participants. Dates and times to be mutually agreed but sufficiently early in production to allow for testing and the delivery date achieved.

H PACKAGING

Roll and Wrap into Cardboard boxes into Nefab Boxes

Nefab boxes need to be constructed to take account of the physical limitations that constrain the Bank's operations. For example containers that are larger than 720mm x 950mm will not fit through our vault doors and our bullion lift has a weight limit of 2 tonne.

Nefab boxes must:

- Not exceed 1100kgs (gross dynamic load capacity)
- Be designed for safe handling by pallet trucks and powered forklift and have 4 way entry by such equipment.
- Have dimensions that are:

Width \leq 720mm;
 Length \leq 950mm;
 Height as required but \leq 1000mm

- Be able to be safely stacked 4 high (4,500kg static load capacity)
- Be colour coded (per table below) to identify denomination:

Denomination	10 cents	20 cents	50 cents
Color Code	Pink	White	Yellow
Coins per Roll	50	25	20
Roll per Cardboard box	50	50	50
Cardboard boxes per Nefab Box	120	200	200
Nefab Box value (NZD)	\$ 30,000	\$ 50,000	\$ 100,000

I TERMS OF DELIVERY

Tenderers should quote C.I.P. for deliveries by sea freight to the port of Wellington, New Zealand.

The Bank sees timely delivery as critical. Accordingly, tenderers should detail their 'Business Continuity Plans' to provide the Bank with comfort that the tenderer is well placed to avoid delivery delays in the event of unforeseen disasters or problems affecting production or shipment. The Bank reserves the right to include a penalty clause for late delivery in the contract with the successful tenderer.

Standard shipping containers are to be used - 20 feet FCL STC. Stacked one Nefab box high within the container.

J PAYMENT

Payment will be made by the Reserve Bank in New Zealand dollars to a nominated bank account, unless the Bank has agreed to make payment in another currency. Payment for the annual orders will be made against invoice, on the 20th of the month following receipt of each shipment.

Should the successful tenderer wish that payment be made in another currency, the Bank will consider such a request, but will reduce the payment by the amount of bank or other charges incurred in effecting the payment in such a way.

K TENDER PROCESS

Evaluation Criteria for the Tender

The Evaluation Criteria include, but are not limited to:

- Full compliance with Section L, below;
- The tenderer's ability to demonstrate that it can meet the specifications outlined in this Invitation to Tender document;
- Durability
- Confidence in the medium-term viability of prices quoted.
- Quality assurance;
- The organisation structure, stability and financial viability of the tenderer;
- Capability to produce and deliver the coins within planned time frames, including assessment of 'Business Continuity Plans';
- Whether there is a cost advantage in accepting any tender.

These criteria are intended for guidance only so that tenderers may assess the suitability of their tender. They are not ranked in any order or given any particular weighting.

Evaluation of tenders at Stages 1, 2 and 3 of the Evaluation Process will be judged by the written response to this Invitation to Tender (and any subsequent authorised communications) and no account shall be taken of any additional information presented in person or not asked for in writing.

Evaluation Process

The Bank retains control of the tender process. Any tenders will be used solely for the purposes of meeting the requirements of the Bank.

A general indication of the intended steps to be undertaken by the Bank in selecting a successful tenderer is as follows:

Stage 1 – Initial evaluation

Review of the tenders to ensure they meet the minimum requirements (including compliance with Section L of this document).

Stage 2 – Suitability Review and Scoring

Suitability review, scoring the tenders against the evaluation criteria.

Stage 3 – Short-listing

Assessment for short-listing taking into account:

- Suitability Review (as described above);
- Cost analyses
- Reference checks
- Risk analyses; and
- Clarification of any issues raised during the assessment phase with the tenderers.

Stage 4 – Final Decision and Notification

- Personal presentation by tenderers (should the Bank request short listed tenderers to visit New Zealand to do so)
- Selection of preferred tenderer;
- Further reference checks, if necessary;
- Notification to all tenderers in writing as to whether their tender has been selected; and
- Contractual negotiations with successful tenderer.

The steps outlined above are indicative only. The Bank reserves the right at its discretion to, at any stage, alter the steps it will take in evaluating the tenders and negotiating with tenderers.

L TENDER RULES**Validity of Information**

The Bank has used all reasonable efforts in compiling the tender. However, it will not be liable to tenderers or any third party for any inaccuracy or omission in the tender or in any additional information the Bank may provide as part of the tender process.

Acceptance of the Tender Rules

Submission of a tender by the tenderer to the Bank will be treated as acknowledgement and acceptance of these Tender Rules by the tenderer. This should be explicitly acknowledged in the tender. In addition, the Bank will require nominated representatives (in terms of Section A above) to provide such an explicit acknowledgement before we release the draft contract document to individual tenderers. Where the tenderer intends to engage third parties to perform any part of the tender, these third parties will also be bound by these Tender Rules (to the extent relevant).

Non-conforming Tenders may be Excluded or Considered

Any non-conforming tender, including, without limit, any late tender, may be excluded from or accepted for consideration by the Bank in its discretion.

Validity Period

Once submitted each tender remains open for acceptance by the Bank, is irrevocable, and may not be withdrawn or changed, except with the prior written consent of the Bank. All prices and costs described in the tender will remain firm until conclusion of an agreement with the successful tenderer (if any), subject to the Bank being entitled to the benefit of any reduction in price or cost announced after the date of the tender for items included in the tender.

Authorised Communications

Only those communications that are in writing from the Bank (as noted in Section A) may be considered as duly authorised expression on behalf of the Bank. Correspondingly, only those communications from tenderers that are in writing will be recognised by the Bank as authorised expressions on behalf of that tenderer. Correspondence by e-mail between the Bank and the tenderers nominated representative (see Section A above) will be authorised communications.

Correspondence/Clarification Sought by Tenderer

All correspondence is to be directed to the address detailed above [Section A]. The Bank will respond to any requests for clarification and may respond to any other questions it receives, unless, in the Bank's opinion there is good reason why it is inappropriate to do so. The Bank may, at its discretion, provide all tenderers with copies of the questions and the responses without identification of the source of the question. If a tenderer is unable to obtain clarification on any matter relating to the requirements of the Invitation to Tender, the tenderer should indicate where it believes the tender to be ambiguous or unclear and should describe the interpretation it has adopted in preparing its tender.

Deviations from Form of this Tender

Any deviation from the requirements of this Tender (whether in format, content or substance) must be clearly marked and a written explanation give for each deviation (including the effect of such deviation).

Addenda to this Tender

Information not specifically required for the Tender but considered by the tenderer to be of value to the evaluation should be included as an addendum to the tender.

Confidentiality

The Bank's obligations

The Bank will use reasonable efforts to maintain the confidentiality of information supplied in the tender. However, the Bank is subject to various disclosure requirements, such as under the Official Information Act 1982, and is not liable for any disclosure it believes in good faith it is required to make. The tenderers should clearly indicate those parts of its tender which it regards as commercially sensitive and confidential. It is not acceptable to mark the entire tender as such.

Tenderer's obligations

This document may not be used in any other context, nor may it be disclosed to any party not directly involved in the formulation of a Tender response. Where other parties are involved, those parties are deemed to be subject to the obligation of confidentiality.

Tender Preparation Cost

The tenderer must bear all its costs in preparing, submitting and presenting any tender and all other costs incurred by it throughout the evaluation process and any resulting contract negotiations, including without limit, the cost of undertaking further investigations to finalise details of pricing, services or service levels.

No Canvassing/Undisclosed Benefits

Tenderers' representatives must not directly or indirectly canvass or provide any form of inducement or reward to, any representative of the Bank in respect of this tender. Also, any contact by the tenderers' representatives with any representative of the Bank must be with the prior express authorisation of the Bank. Any "unauthorised" contact or any attempt to canvass, induce or reward may be considered ground for rejection of the tenderer's tender.

Notice of the Outcome

The Bank will use all reasonable efforts to notify each tenderer who submitted a complying tender of the success or otherwise of the tender within a reasonable time of the Bank making any final decision.

Information Correct

The Bank will rely on any information provided by or on behalf of a tenderer in respect of this tender. The tenderer must ensure that all information it provides is complete and accurate.

Privacy

Each tenderer authorises the Bank to collect any information from the tenderer and relevant third parties (such as referees) and to use that information in respect of the tenderer. Where that information is known to the tenderer, it may require the Bank to update or correct that information.

Rights Reserved by the Bank

Without limiting any other Tender Rules described in this tender, the Bank reserves the unrestricted rights to at any time:

- Change any date in this tender process (e.g. to extend or shorten timeframes);
- Apply, or change, any policy or criteria relating to participation in this tender process or evaluation of tenders;
- Exclude any person or organisation from this tender process for any reason;
- Suspend or cancel this tender process by notice;
- Decline all tenders and re-tender under the same or different terms and conditions;
- Change any condition, procedure or rule of this tender process by notice;
- Consider or not consider, accept or reject any non-compliant tender;
- Liaise or negotiate with any tenderer or other person at any time without disclosing this to, or involving or doing the same with, any other tenderer or person (whether before, during or after this tender process);
- Not accept the lowest cost or any tender, or enter into any contract;
- Reconsider any tenderer previously declined;
- Vary its requirements, provided this is notified to tenderers;
- Not give any reason for any rejection, failure or otherwise of any tenderer or tender, or any suspension or cancellation of this tender process.

Indemnity

If a tenderer breaches the Tender Rules and, as a result of that breach, the Bank incurs costs or damages (including without limit, the cost of any investigations, procedural impairment, repetition of all or part of the tender process and enforcement of intellectual property rights or confidentiality obligations), then the tenderer indemnifies the Bank against such costs or damages.

No Agreement until Final Contract Signed

Tender selection is provisional and no binding agreement for the supply of coins exists until final costing and contract details have been agreed by the Bank and a final contract is signed.

Final Contract to be based on Bank Standard Terms and Conditions and on Tender Documents

Any final contract between the parties will be based on the Bank's standard contract terms and conditions and on the tender received. A draft contract document will be

available to individual tenderers nominated representatives (see Section A above) one week following the release of this document, provided that the nominated representatives explicitly acknowledge their acceptance of these Tender Rules.

Public Statement


No tenderer will at any time make any public statement in relation to this invitation to Tender, the evaluation process and the award of any subsequent contract without the prior written consent of the Bank.

New Zealand Law

This tender process is governed by the laws of New Zealand.

APPENDIX 1

SCHEDULE OF NEW ZEALAND GENERAL CIRCULATION COINAGE SPECIFICATIONS

DENOMINATION	50 Cent	20 Cent	10 Cent
ALLOY (see notes below) ALL LAYERS TO BE MEASURED AT THE CENTRE OF THE COIN.	Ni, Cu, Ni, plated steel Inner layer, 6 (+/- 2)µm Ni, Middle layer, 17µm (+/- 5) Cu, Outer Layer 10 (+/- 3)µm Ni	Ni, Cu, Ni, plated steel Inner layer 6 (+/- 2) µm Ni, Middle Layer 14 (+/- 5)µm Cu Outer Layer 10 (+/- 3)µm Ni	Copper plated Steel Inner Layer 5 (+/- 2)µm Ni, Outer Layer 30 (+/- 5.0)µm Cu
EMS	All Coins to be checked to the agreed settings on a Scan Coin SC4000 Machine. See Appendix 1 notes for setting tolerances.		
DIAMETER (mm)	24.75	21.75	20.50
DIAMETER TOLERANCE (mm)	± 0.12	± 0.10	± 0.10
COIN WEIGHT (gms)	5.00	4.00	3.30
BULK WEIGHT TOLERANCE (gms)	500 g per 100 ± 7.5 gms (1.5%)	400 g per 100 ± 6 gms (1.5%)	330 g per 100 ± 5 gms (1.5%)
PIECE WEIGHT TOLERANCE (gms)	± 0.15 (± 3%)	± 0.12 (± 3%)	± 0.1 (± 3%)
COIN EDGE THICKNESS (mm)	1.70	1.56	1.58
COIN EDGE TOLERANCE (mm)	± 0.127	± 0.127	± 0.127
DESIGN (see notes below)	Captain James Cook's barque 'Endeavour'  50 cent (24.75mm)	Maori Body Carving – 'Pukaki'  20 cent (21.75mm)	Maori Head Carving  10 cent (20.5mm)
EDGE TREATMENT	Unmilled.	“Spanish Flower” (7 indents evenly spaced.) (Depth 250 microns.) Width 11° +/- 1.5)	Unmilled.

TOLLERANCE SPECIFICATIONS LISTED OVERPAGE

Notes:

Electro Magnetic Signal (EMS) is defined as the electrical properties of a coin as set by the SC4000 machine when calibrated to coins from the master set.

Scancoin SC4000 sensor tolerances

100% of production coins are to be run through a Scan Coin SC4000 machine with coins outside the listed Sigma being rejected. It is the EMS of the master coins that is to overrule.

Note: it is anticipated that only minor changes will be required to the copper layer to adjust the EMS to match the EMS of the master coins.

Scancoin sensor tolerances after calibration to >2000 master set coins.

SCANCOIN SC4000 Sensor**Sensor Tolerance**

DIAMETER	+/- 6 Sigma
THICKNESS	+/- 6 Sigma
IC1	+/- 3 Sigma
IC2	+/- 6 Sigma
IP	+/- 6 Sigma
OC1	+/- 6 Sigma
OC2	+/- 6 Sigma
OP	+/- 6 Sigma