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**File:** **PROCUREMENT PLAN**

**To:** **Kaipara District Council**

**CC:** **Jim Sephton, Louise Miller**

**From:** **Rachael Mannion**

**Date:** **13 May 2020**

**Subject:** **Pouto Road Seal Extension – Materials Preparation**

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## **Background**

### **The Project**

The Pouto Road Seal Extension project involves sealing the remaining unsealed sections of Pouto Road in two phases;

- Phase 1; 10km of Pouto Road, from the current end of seal through to the intersection with Ari Ari Road. This phase has been approved and the design work is underway.
- Phase 2; the remaining section of unsealed road, approximately 11km. The business case to obtain the full funding is underway.

The project aims to provide;

- tourists with safe access to and from the proposed wharf, as well as campgrounds and other high amenity locations;
- school and tertiary students with safe minivan and bus journeys;
- locals benefiting from an increased level of service reducing major risk from the potential head to head collision with heavy freight; and finally
- the forestry drivers with correct geometry and speed guidance to enable safe and efficient transfer of wood.

The project is part of the Kaipara Kick Start programme and will be fully funded by the Provincial Growth Fund (PGF) as follows;

- Phase 1: \$5,050,000 approved for the design and physical works
- Phase 2: \$330,000 approved to complete the business case and \$2,800,000 approved 'in-principal' awaiting the completed business case

### **This Procurement**

The physical works for both phase will require a significant amount of aggregate to be placed on the road. The exact amounts will depend on the final detailed design by initial estimates give a range of 50,000 to 70,000m<sup>3</sup>.

The transportation of this volume of material to a remote site such as Pouto can have a major impact on the overall project cost. Sourcing the material from the Greenhill Quarry, owned by the Kaipara District Council and located on the Pouto Peninsula, could reduce the transportation costs by \$600,000 to \$900,000, depending on the final volume of material required.

This procurement is for the works required to extract material from the quarry and process that material so it can be used on the Pouto Road seal extension.

As the final volume of material required and rates to extract and process the material are uncertain, the Engineer's estimate to complete the works is given as a range;

	Phase 1	Phase 2	Combined
Maximum	\$700,000	\$760,000	\$1,460,000
Minimum	\$350,000	\$380,000	\$730,000

Note that the funding for Phase 2 has not been released at the time of writing so the works for Phase 2 will be included only as a provisional item.

## Reason for the Report

The purpose of this report is to seek approval from the Kaipara District Council to proceed with the tendering of the works required to set-up in the Greenhill quarry and extract and process the material required to enable the sealing of Pouto Road Phase 1 and 2.

## Risk Management

The risk level has been assessed and is included in the table below.

Low	Medium	High
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The risk for this procurement has been assessed as being medium due to the reasonably high value, tight time-frames and reliance on obtaining a consent before works can start. It has not been deemed as 'high risk' as the physical works associated with this are not technically difficult or reliant on specialist skills nor are there any requirements for exceptionally high quality.

## Procurement Method and Objectives

The Provincial Growth Fund and Kaipara District Councils Procurement Strategy are aimed at providing opportunities for local people and businesses. These works can be one of those opportunities by procuring through a closed competitive process inviting only local contractors.

The Covid-19 crisis has created another objective; to stimulate the economy as quickly as possible by starting works as quickly as possible. Splitting the material extraction and processing from the main physical works contract should allow this work to start sooner. Starting these works quickly does rely on obtaining a consent, which is why the consenting work is a priority for the project team

## Program

Task	Indicative Time
Identify Contractors to invite	May 2020
Complete tender document	June 2020
Pricing by Contractors	June – July 2020
Evaluation and award of Contract	July – August 2020
Works Start (provided consent obtained)	August 2020

## Approvals

### Prepared by:

Position [Click here to enter text.](#)

Sign .....

Date .....

### Approved by: **Greg Monteith**

Position [Click here to enter text.](#)



Sign .....

Date .....20/05/2020.....

### Approved by: **Jim Sephton**

Position General Manager - Infrastructure



Sign ..... .....

Date .....20/05/20.....

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**Approved by:**     **Louise Miller**  
**Position**            Chief Executive

A handwritten signature in blue ink, appearing to read "Louise Miller".

*Sign*

*Date*            20May20

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