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

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

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

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

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

**Subject:** **Waipoua River Road Sealing –Physical Works**

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## **Background**

The Waipoua River Road Sealing and Widening project is focused on the first 1.5km of Waipoua River Road from the intersection with SH12 to the Waipoua Forest Visitor Centre.

The project is fully funded by the Provincial Growth Fund (PGF) as part of Te Roroa's objectives to enable the delivery of the Rakau Rangitira project by creating an enhanced single entry point for the kauri walks and Tane Mahuta experience.

The project is part of the Kaipara Kick Start programme and the budget of \$1,600,000 is provided by the Provincial Growth Fund (PGF).

A rough order estimate for the physical works is \$1,000,000, plus GST.

## **Reason for the Report**

The purpose of this report is to seek approval from the Kaipara District Council to proceed with the procurement of physical works for Waipoua River Road Sealing.

## **Risk Management**

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

Low	Medium	High
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This procurement has been assessed as being high risk due to the value of the works, the tight timeframes associated with having a contract awarded before October 2020 and because the proposed procurement methodology is outside the requirements of the Kaipara District Council and NZTA.

## **Procurement Method**

The procurement process will likely involve two distinct elements;

### **Element 1 – Minor and Enabling Works**

The engagement of Te Roroa Environs to undertake any enabling / preparation works that they are confident they can undertake and can be completed before the main physical works begin. These works could include elements such as vegetation trimming or clearance, the constructing of minor retaining structures and alterations to or clearing of existing drainage assets.

## **Element 2 – Remaining Physical Works**

These works will consist of all remaining physical works required to complete the project. These works will be procured through direct negotiation with Fulton Hogan. Te Roroa Environs will be a nominated sub-contractor and Fulton Hogan will be expected to provide training opportunities for them during the works.

## **Procurement Objectives**

The objectives of the Provincial Growth Fund are to;

1. increase direct employment opportunities,
2. improve viability of existing businesses,
3. increase social inclusion and participation,
4. provide training opportunities for local people,
5. complement existing local visitor activities,
6. create better use of iwi assets and Maori development,
7. increase environmental sustainability,
8. increase regional or national resilience.

A further objective, created by the Covid-19 crisis, is to stimulate the local economy by starting physical works as quickly as possible.

While the overall project aims to meet all of these objects, the procurement method has been selected to meet certain objectives as follows;

### **Element 1**

Engaging Te Roroa Environs to undertake works before the main physical works begins allows these works to start sooner, meeting the objective to start stimulating the local economy. It can also contribute towards objectives 1, 2 and 3 by directly engaging a local, iwi owned and operated business.

### **Element 2**

Fulton Hogan are the preferred Contractor as they already undertake roading work in the Waipoua Forest so they understand the issues and requirements associated with working in such a vulnerable environment. As part of that work they also frequently sub-contract work to Te Roroa Environs so already have a well developed working relationship that can be used to contribute towards objectives 1 through 4. Engaging Fulton Hogan directly, rather than going through an open tender process, provides significant time-savings, allowing work to start earlier, and provides an opportunity for Fulton Hogan to be involved in the design stage.

## **Program**

### **Element 1**

Discussions with Te Roroa have occurred throughout this project and, as soon as this procurement method has been approved, detailed discussions on the work they can undertake will begin. By that time the design should have progressed enough to be able to detail the level of work available for Te Roroa Environs to price. The aim is to have a price agreed and for any non-weather dependent work to start in or before August 2020.

### **Element 2**

Once the procurement method is approved discussions will start with Fulton Hogan.. The exact program for the procurement will be discussed and determined with Fulton Hogan with the deadline for having a signed Contract being the end of September 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.....

### Approved by:      **Louise Miller**

Position                      Chief Executive

Sign                      

Date                      20May20

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