

Dargaville Wharf - Physical Works Contract Award

Meeting: Kaipara District Council
Date of meeting: 05 August 2020
Reporting officer: Jody Kelly, Project Manager

Purpose/Ngā whāinga

The contract value for Dargaville Wharf is over \$500k and therefore requires Council to approve award. The preferred tenderer recommendation is Bellingham Marine Ltd at a price of \$653,732.00.

This report is seeking approval to delegate signing authority to Louise Miller for the Dargaville Pontoon Physical Works Contract.

Executive summary/Whakarāpopototanga

The Dargaville Wharf upgrade involves building a new pontoon that connects to the existing council owned wharf in Parenga Street, Dargaville.

Council approved the adoption of the Wharf as an asset in the 11 December 2019 meeting. The Programme Business Case (PBC) has been approved (**Attachment A**) which identified the capital funding to complete the wharf upgrade. This secured a total \$4.0m capital funding with \$395,000 allocated to the physical works for Dargaville Wharf. This funding is 100% provided by the Provincial Growth Fund (PGF).

Given the specialised nature of the works, three preselected companies were invited to tender, one tender was received from Bellingham Marine NZ Ltd. The Tender Evaluation was completed with the recommendation to Award Contract 955 Dargaville Wharf Pontoon to Bellingham Marine Limited for the Tendered Price of \$653,732.00 as per recommendation.

The difference in budget and contract value can be accounted for through a transfer of risk (a head contractor rather than a number of separate contracts being managed by KDC), detail design to be completed and limited competition in this specialized area.

The Dargaville Wharf upgrade is the priority for completion, with the projected construction completion date for 31 October 2020. The Bellingham programme duration is 3 months for final detailed design, fabrication, and installation, therefore highlighting a tight delivery timeframe and urgency to finalise the contract for physical works.

This decision will enable the team to finalise and award the contract to Bellingham Marine Limited so physical works can commence immediately.

Recommendation/Ngā tūtohunga

That Kaipara District Council:

- a) Awards the Dargaville Pontoon Physical Works Contract to Bellingham Marine Limited.
- b) Delegates the Chief Executive the authority to finalise and sign Contract 955 with Bellingham Marine Limited valued at \$653,732 to deliver the Dargaville Pontoon Physical Works.

Context/Horopaki

The Dargaville Wharf/Pontoon Business Case was completed as part of the Wharves Project being delivered within the Kaipara Kickstart programme. The Wharves Project completed a Feasibility

Study and PBC on 22 April 2020, this investigated the potential to build and reinstate a number of wharf assets on the Kaipara harbour using \$4.0m of PGF funding to create appropriate transport connections.

The final PBC and Feasibility Study for Kaipara Wharves was endorsed by MBIE on the 26 May 2020, awarding \$4.0m from the PGF to support the feasibility study and prioritisation of infrastructure investment to create the most valuable connections on the Kaipara harbour.

The PBC included the priority of wharf developments. These are the Dargaville Wharf pontoon and Pahi wharf renewals, new wharf at Pōuto Point, investigation of beach landing sites at Otamatea marae, Arapaoa marae and Oruawharo marae.

The Dargaville Pontoon was selected as a likely hub of any transport network on the Kaipara harbour and therefore prioritised as the first wharf to be completed.

Iwi engagement and the cultural assessment have been completed. The construction start date for consultation and a blessing is yet to be programmed but will be initiated immediately after the physical works contract is finalised, allowing KDC to keep the community informed.

The programme team are therefore ready to complete the following activities ahead of construction commencement, (pending contract signing):

- a) Community Notification – start date, duration, and extent of physical works on site,
- b) Blessing of new infrastructure before physical works commence.

Discussion/Ngā kōrerorero

The PBC confirms Dargaville Wharf as the first build priority with a completion date of October 2020.

A tender evaluation report was prepared on 16 June 2020, confirming the tender process followed the approved procurement plan and the outcome and recommendation.

This included the following summary;

- there were three preselected companies invited to tender in March 2020. The tender was extended on two occasions relating to the current pandemic and closed on the 29 April 2020.
- One tender was submitted to the KDC electronic tender portal. The tender received was from Bellingham Marine NZ Ltd.
- The tender assessment method was Lowest Price Conforming with conformance standard checks for non-price attributes.
- The Tender Evaluation Team consisted of Conal Summers (Qualified Tender Evaluator), James Blackburn (Director, Hawthorn Geddes Engineers & Architects) and Mark Bell (KDC).
- The only conforming tenderer by default was Bellingham Marine NZ Ltd.

A recommendation report was provided by Hawthorn Geddes - Qualified Tender Evaluator on 11 May 2020 (**Attachment B**) confirming the following detail;

The rough order estimate for the provision of the pontoon and gangway delivered to site and floated was \$245,000 based on discussion with Bellingham's at an early stage, without any ancillary works (early November 2019). The tendered price for this aspect is \$273,259. However, the works were quantified and expanded significantly following stakeholder discussions, to include:

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| ▪ Ducting / servicing to the pontoon including pedestals | (\$14,874) |
| ▪ Extraction and disposal of existing timber fender piles | (\$43,510) |
| ▪ Extraction and re-setting of existing steel pile | (\$14,150) |
| ▪ Installation of 7 additional steel fender piles | (\$89,705) |
| ▪ Sleeving, sand filling, capping of existing steel anchor piles | (\$69,425) |
| ▪ Car park protective measures (land based crane operations) | (\$500) |
| ▪ Detailed soundings survey to the pontoon and berth footprint | (\$5,620) |

Policy and planning implications

There are no immediate policy and planning implications.

Financial implications

The project is 100% PGF funded, funding is approved in principle, but it is not secure until the project is completed (infrastructure built).

The Dargaville Wharf upgrade has a 3-month programme until completion, this therefore implicates funding if it cannot be completed on time, there is a risk that funding will be reallocated outside of KDC.

Risks and mitigations

Risk	Mitigation
The \$4.0m funding is 100% PGF, this is to complete the capital wharf infrastructure outlined in the PBC. Delay in accessing and utilising these funds within an acceptable timeframe to MBIE, could put this funding at risk, being reallocated to other non KDC projects. Dargaville Pontoon completion date is set for 31 October 2020.	Delegate signing authority to Louise Miller. Physical works contract signed and awarded to Bellingham's Marine Ltd so works can commence immediately.
The issue of not having sufficient funds to complete all four elements – Dargaville, Pahi, Pōuto, Beach Landings has been raised.	The contingency available will be put towards the overrun of the increased tender cost for Dargaville. Cost saving measures are being investigated for the remaining wharf projects, this includes engagement of an independent QS and combining value engineering during the planning and design phases.
Negative feedback from community regarding investment in wharf infrastructure if we cannot deliver on time and funding is lost.	Contract award to Bellingham's to commence work immediately to meet programme requirements and secure funding.
Procurement Methodology – Head Contractor	The risk of having multiple contractors (and coordination thereof) has been transferred to the head contractor.

Options

1. Award the contract and delegate the Chief Executive to finalise and sign the contract. This will enable the physical works to commence as soon as the contract is signed. This option is in line with the PBC and is the recommended option.
2. Not award the contract. This will cause considerable delay to the project and may put funding and the project at risk.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

The project team will manage the remaining supporting activities to enable construction to commence as soon as the physical works contract is signed.

Attachments/Ngā tapiritanga

	Title
A	Kaipara Wharves and Water Transport Programme Business Case
B	CON955 - Tender Evaluation