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**File:** PROCUREMENT PLAN  
**To:** Kaipara District Council  
**CC:** Jim Sephton, Louise Miller  
**From:** Rachael Mannion  
**Date:** 16 July 2020  
**Subject:** Pōuto Road Seal Extension Phase 2 Physical Works

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## Background

The Pōuto Road Seal Extension Phase 2 continues on from Phase 1 and involves sealing the remaining unsealed sections of Pōuto Road from the end of Phase Ari Ari Road to the end of the peninsula.

The project is part of the Kaipara Kick Start programme and is to be funded entirely from the Provincial Growth Fund (PGF). \$330,000 of funding has been released for the investigation stage and a further \$2,800,000 for implementation has been 'approved in principle' and will be released upon acceptance of the business case that was submitted in early July 2020.

The physical works portion of the Phase 2 is expected to be in the order of \$2,500,000 to \$3,000,000.

## Reason for the Report

The purpose of this report is to seek approval from the Kaipara District Council for the procurement plan of Pōuto Road Seal Extension Phase 2 Physical Works.

## Risk Management

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

Low	Medium	High
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The tendering method selected below is based on the risk level determined above.

## Procurement Method

### Direct Award at Council's Discretion

Phase 2 physical works will be included in CON960 (Pōuto Road Seal Extension Physical Works Phase 1) as a Separable Portion to be awarded solely at the discretion of the Principal (Kaipara District Council). This has the potential to reduce the costs of Phase 2 as the contract will already be established in the areas and have acquired all, or most, of the resources necessary to complete the works.

The Schedule of Prices for Phase 2 will include the items required to complete the physical work but the quantities will be estimates only. Once the detailed design for Phase 2 has been completed, the quantities and extent of work required will be confirmed. At that stage, if Council chooses, the final price for Phase 2 can be agreed with the Contractor, based on their tendered rates, and the works awarded.

Should the Contractor for CON960 be underperforming, unable or unwilling to complete both phases of the works within the timeframes, or unwilling to agree on a reasonable price, Phase 2 can be removed from CON960 and retendered.

### **Retendering**

CON960 is to be evaluated using the Price Quality Method (PQM) and any contractors that do not meet the minimum requirements for each attribute are eliminated from the tender process. At the time this procurement plan was written, a Registration of Interest process for CON960 had closed, with seven contractors making the shortlist, however some of these may be eliminated in the next stage when their attributes are evaluated in much greater detail.

Should the Phase 2 works require retendering, rather than starting from scratch, those contractors that tendered for CON960 and were not eliminated, will be invited to be part of a closed tender process. The contractors will be evaluated using the Price Quality Method.

### **Procurement Objectives**

The objectives of this procurement process is to obtain a contractor who will undertake the work safely, efficiently, to a high quality, can have the works completed in the timeframes required, and can contribute towards the social objectives of the Provincial Growth Fund and the Kaipara District Council;

- increase direct employment opportunities,
- improve viability of existing businesses,
- increase social inclusion and participation, and
- provide training opportunities for local people.

These objectives form part of the evaluation criteria for CON960 and will also be included in the evaluation of Phase 2 works, should they be re-tendered.

### **Program**

The physical works for Phase 1 will be starting in the summer of 2020/2021 and the physical works for Phase 2 will need to be undertaken in the summer of 2021/2022 to be completed by June 2022 when the PGF agreement ends. It is anticipated that the detailed design for Phase 2 will be completed by mid-2021, at which time Council will also have enough information on the performance and capabilities of the Contractor undertaking Phase 1 of the works to be able to make an informed decision on whether or not to award Phase 2.

Making this decision in mid-2021 will allow enough time to negotiate a final price and / or retender the works and have the contractor start the physical works in late 2021, allowing at least 6 months for completion.

## Approvals

**Prepared by:** Rachael Mannion


Position Procurement and Projects Manager - NTA

Sign  .....

Date 30 July 2020 .....

**Approved by:** Greg Monteith

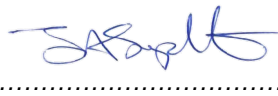
Position Capital Works and Procurement Manager - NTA

Sign  .....

Date 30/07/2020 .....

**Approved by:** Jim Sephton

Position General Manager - Infrastructure

Sign  .....

Date 30/07/2020 .....

**Approved by:** Louise Miller

Position Chief Executive

Sign  .....

Date 31 July 2020 .....