

CON960: Pōuto Road Seal Extension

Physical Works – Delegation of Authority to Award

Meeting: Kaipara District Council
Date of meeting: 26 August 2020
Reporting officer: Greg Monteith (Capital Works and Procurement Manager, NTA)

Purpose/Ngā whāinga

To seek approval for Council to delegate their authority to the Chief Executive to approve the award of Contract CON960 for Pōuto Road Seal Extension Physical Works.

Executive Summary/Whakarāpopototanga

Pōuto Road Seal Extension Phase 1 is a Provincial Growth Fund (PGF) project and is key to the success of other Kaipara Kick Start projects planned for the Pōuto Peninsula.

The contract award is for the sealing of stage one (first 10km of unsealed road). The works are time sensitive and to maximise the construction season and ensure this stage is completed in the 20/21 financial year we are seeking approval to delegate authority to award once procurement is complete.

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Delegates authority to the Chief Executive to approve the award of Contract CON960 for Pōuto Road Seal Extension Physical Works subject to the contract price being within the approved project budget of \$5,050,000.

Context/Horopaki

Project Background

Pōuto Road Seal Extension Phase 1 is part of the Kaipara KickStart programme of works and funding is being provided by the Provincial Growth Fund (PGF).

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 benefit 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.

Physical Works Procurement

A Procurement Business Case for Contract CON960, covering the physical works for Phase 1, was approved by Council on the 27th of May and implementation of the plan is underway with Registration of Interest process resulting in seven contractors being shortlisted;

- Broadspectrum,
- Fulton Hogan,
- Huband Contractors,

- Mason Contractors,
- TCD Civil Construction,
- United Civil Construction, and
- Wharehine Construction.

The second stage of the procurement process is currently underway, with each of the shortlisted contractors providing information for non-prices attributes that will be used in the Price Quality evaluation method. The attributes and corresponding weightings are;

- Relevant Experience and track Record – 10%
- Methodology, Resources and Social Objectives – 15%
- Relevant Skills – 15%.

The current estimated value of this Contract is \$4,200,000, which is in excess of the delegated authority of the Chief Executive and therefore requires Council approve to award.

This agenda is to request that Council delegates authority to the Chief Executive to award Contract 960 subject to the contract price being within the approved project budget of \$5,050,000.

Discussion/Ngā kōrerorero

This agenda item is for the award of the physical works required to complete Phase 1.

The aim is to reduce delays between the evaluation being completed and the award of the Contract and thus maximise the construction time. In doing so this will allow for the works to be awarded late August / early September rather than waiting for the September Council meeting (noting papers due by the 15th September) and gain an additional 4 to 5 weeks construction time.

It is noted a separate agenda item will be presented to Council to allow the inclusion into CON960 Phase 2 (next 10 km section) as a separable portion. The award of this portion of the works will be brought back to Council as a separate approval process.

Options

Option 1: Approve delegation of authority to the Chief Executive maximising construction time

Option 2: Decline. Request staff bring back an agenda item for contract approval to the September meeting.

The recommended option is **option 1**.

Policy and planning implications

There are no policy or planning implications.

Financial implications

The works are being funded through PGF and the current estimated value of the physical works is within the project budget of \$5,050,000.

Risks and mitigations

With the current changing political environment, the effects of Covid and the government's economic stimulus packages, there is a risk that if the funding is not committed soon, it could be repurposed to other works.

These works are key to the success of other Kaipara KickStart projects planned for the Pōuto Peninsula also being funded through PGF. If Pōuto Phase 1 does not go ahead, it is unlikely that Phase 2 and Pōuto Wharf will be able to continue.

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.

Consultation with the community has been occurring since the start of this project, mainly through the Kaipara KickStart group, and the Pōuto community is generally supportive of the project.

Next steps/E whaiake nei

The procurement process for CON960 will continue as per the approved Procurement Plan and upon completion of the process and evaluation of the submissions, the recommended to award will be prepared.

If Council has delegated authority to award, the recommendation to award will be presented to the Chief Executive for approval or rejection, and the recommendation and decision reported to Council as per Kaipara District Council's policies.

If Council has chosen not to delegate authority to award, the recommendation to award will be presented to Council at the next available meeting date.

Attachments/Ngā tapiritanga

	Title
1	Procurement Plan – Pouto Road Seal Extension – Phase 1 Physical Works