

CON963: Waipoua River Road Sealing Physical Works -Delegation to Award Contract

Meeting: Kaipara District Council
Date of meeting: 30 September 2020
Reporting officer: Curt Martin, PGF Roothing Project Manager

Purpose/Ngā whāinga

To seek Council approval to delegate authority to the Mayor and Chief Executive to approve the award of Contract 963 for Waipoua River Road Sealing Physical Works.

Executive summary/Whakarāpopototanga

The Waipoua River Road Sealing project is part of the Kaipara KickStart programme and the budget of \$1,600,000 is provided via the Provincial Growth Fund (PGF).

With the current changing political environment, the effects of Covid and the government's economic stimulus packages, it is considered high priority to have a contract awarded and the funds committed as soon as possible to reduce the risk of the funding being repurposed for other works.

Fulton Hogan has indicated that the construction would take approximately three months, providing the opportunity to have all, or most of, the works completed before the 2020 Christmas break subject to favourable weather conditions.

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- a) Delegates authority to the Mayor and Chief Executive to approve the award of Contract 963 for Waipoua River Road sealing works subject to Te Te Roroa approving the award of the contract, and subject to the contract price being within the approved project budget of \$1,600,000 + GST.

Context/Horopaki

Project Background

The Waipoua River Road Sealing project is 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.

Physical Works Procurement

A Procurement Plan for Contract 963, covering the physical works, was approved by Council on the 27th May 2020, and implementation of the plan is underway with discussions being held with Te Roroa Environs and Fulton Hogan to determine the most cost-effective design and negotiate a final contract price.

It is expected that the value of this contract will be in excess of \$1,000,000 which would exceed the delegated financial authority of the Chief Executive and therefore requires Council approve to award.

It is recommended that Council delegates authority to the Mayor and Chief Executive to award Contract 963, subject to the contract price being within the approved project budget of \$1,600,000. The aim is to reduce delays between the tender evaluation being completed and the award of the contract as the approval to award would not need to wait for the next Council meeting to occur.

Discussion/Ngā kōrerorero

The design of the sealing of Waipoua River Road has been progressed and discussions with Fulton Hogan and Te Roroa are in progress to agree on a contract price. This agenda item is for the award of the physical works contract required to seal Waipoua River Road.

Options

- Option 1: Council approves the delegation of financial authority to the Mayor and Chief Executive to award Contract 963 for Waipoua River Road Sealing Physical Works.
- Option 2: Status quo. A recommendation to award a contract would be taken to Council in October or November.

The recommended option is **Option 1**.

Policy and planning implications

There are no policy or planning implications.

Financial implications

The works are being funded 100% through PGF and the current estimated value of the physical works contract exceeds the Chief Executive's delegated financial authority.

Risks and mitigations

These works are key to the success of Te Roroa's Rakau Rangitira project.

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.

Delays in awarding a contract would also delay the commencement of the construction works.

Significance and engagement/Hirahira me ngā whakapapa

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

Discussions and negotiations with Fulton Hogan will continue and upon completion of the process the recommendation to award a contract will be prepared.

Seek Te Roroa approval to award Contract 963 once the contract price has been agreed.

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

If Council has elected not to delegate authority to award a contract, the recommendation to award will be presented to Council for a decision most likely at the October Council meeting.

Attachments/Ngā tapiritanga

	Title
A	Procurement Business Case and Associated Agenda Item