

Mangawhai Shared Path Phase 3 – To Award Contract CON1018

Meeting: Kaipara District Council
Date of meeting: 13 December 2023
Reporting officer: Tim Manning, Project Manager

Grounds for excluding the public: 7(2)(bii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

Reason for excluding the public: Commercially sensitive information is included in this report.

Purpose | Ngā whāinga

To seek approval to award Contract 1018: Mangawhai Shared Path Phase 3 – construction of nodes 5, 6B and 11-14.

Executive summary | Whakarāpopototanga

The Mangawhai Shared Path (MSP) Phase 2 and 3 is a Council approved project within the 2021/31 Long Term Plan. The approved budget available for the construction of Phase 3 is \$8,503,060. This has a local share component of \$3,231,163 and a Waka Kotahi subsidy of \$5,271,897.

The Engineers estimate for CON1018 Phase 3 physical works contract is \$8,144,909.

The negotiated a tender sum and recommend the award to the of value \$8,470,209 to Downer NZ.

All costs associated to Contract 1018 in this report are GST exclusive.

Recommendation | Ngā tūtohunga

That the Kaipara District Council:

- Approve the award of Contract 1018: Mangawhai Shared Path Phase 3 – construction of Nodes 5, 6B and 11-14 to Downer NZ for \$8,470,209 (GST exclusive).
- Delegates to the Chief Executive the authority for final approval of the procurement plans and contractual agreements for Contract 1018.
- Agrees that the report and decision be released publicly with the minutes of this meeting.

Context | Horopaki

The MSP project is a Council approved project with a 21/24 LTP budget of \$8,503,060 for Phase 3. The project has a 62% funding contribution from Waka Kotahi. The section of works include:

- From Wood St to the ITM on Molesworth Drive - sections 5-6B and from Mangawhai Central to Dune View Drive along Molesworth Drive - sections 11-14 (refer **Attachment A**)

The tender for Phase 3 closed on 17 November 2023.

Downer NZ were the only company to submit a tender. Their tendered sum was \$9,031,369.

Three other major Contractors attended the tender briefing for this project. However, they stated that they were too busy to commit to this work and this is unlikely to change in the foreseeable future.

Post tender price negotiations have occurred, and Downer NZ has reduced their price by \$561,160.42 to \$8,470,209.

Within the tender price there is \$162,400 of future proofing duct work for Northpower. This cost will be reimbursed by Northpower. Therefore, the total cost for the project will be \$8,307,809 compared to a budget of \$8,503,060. There is \$810,550 of contingency allowance within the tender price.

Discussion | Ngā kōrerorero

If the works are not started in the current financial year, then the Waka Kotahi funding will not carry over and will be lost.

The physical works are programmed to start 7 February 2024 and be completed by mid-November 2024.

Options

Option 1

Council approves the award of Contract 1018: Mangawhai Shared Path Phase 3 – construction of nodes 5, 6B and 11-14 to Downer NZ. This option enables the physical works for this Contract to start on 7 February 2024 and be completed by 15 November 2024. This also secures the budget available from Waka Kotahi.

Option 1 is the recommended option.

Option 2

Council approves the award of Contract 1018: Mangawhai Shared Path Phase 3 – construction of nodes 5, 6B and 11-14 to Downer NZ but for a reduced value. This can be done by reducing the width of the path to 2.5m instead of 3.5m to save cost. This would reduce the price by \$575,260.15. However, there are four critical issues with this:

- Stages 1 and 2 are 3.5m so reducing the width to 2.5m would not be in keeping with the first two stages.
- A 2.5m path would not satisfy the funding requirements of Waka Kotahi, so may jeopardize the 62% Waka Kotahi funding requiring further scope reductions or for Kaipara District Council to contribute more funding.
- It would not cater for the future usage expectations, so could result in additional expenditure on widening of the shared path in the future. Which would be significantly higher than any savings gained now.
- The savings for the reduced width are minor compared to the total cost.

Option 3

Council does not approve the award of Contract 1018: Mangawhai Shared Path Phase 3 – construction of nodes 5, 6B and 11-14 to Downer NZ. This would result in the works being delayed, if the works are retendered, or cancelled if they are not retendered. Either of these options could result in the funding from Waka Kotahi being withdrawn.

Financial implications

The available LTP budget for Phase 3 is \$8,503,060. This has a local share component of \$3,231,163 and a Waka Kotahi subsidy of \$5,271,897.

Risks and mitigations

The key risks associated for the delivery of Phase 3 are:

- Northpower utility diversion works cost more than what is budgeted. The mitigation strategy is to get fixed prices from Northpower. Plus, change the design on node 6B to reduce the path within isolated locations to avoid an expensive Northpower undergrounding cost.
- Utility service clashes result in increased costs and delays to the project. The mitigation strategy was to excavate to expose the actual location of the existing services in numerous locations along the route. This enabled advanced design and management of any clashes.
- A contingency allowance of \$810,550 is allowed for within the contract price.

Impacts on Māori

Te Uri O Hau have been liaised with and support this project.

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.

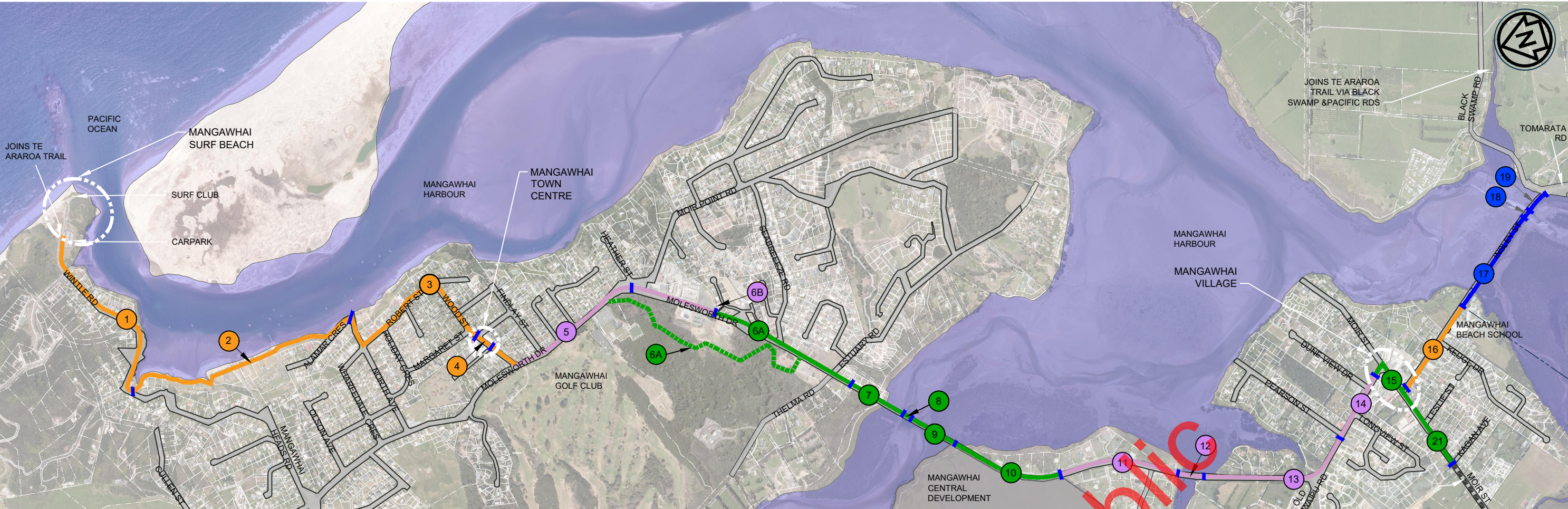
Next steps | E whaiake nei

If the recommendation is accepted, the next steps are to award Contract 1018: Mangawhai Shared Path Phase 3 – construction of nodes 5, 6B and 11-14 for Downer NZ and begin construction of the shared path in February 2024.

Attachments | Ngā tapiritanga

	Title
A	Mangawhai Shared Path Staging Plan Rev 6

PRELIMINARY
Release to Public



SCHEDULE OF PROPOSED WORKS

NODE		LTP	NODE		LTP	NODE		LTP	NODE		LTP
1	SURF BEACH CAR PARK SOUTH BDY TO BEACH ACCESS NO 10	2	6A	COMPLETED MANGAWHAI COMMUNITY PARK SHARED PATH ITM TO 90A MOLESWORTH DRIVE	1	10	COMPLETED MANGAWHAI CENTRAL DEVELOPMENT	1	15	COMPLETED MANGAWHAI VILLAGE COMMERCIAL AREA	1
2	BEACH ACCESS NO 10 TO NORTH AVE (ROUTE TO BE CONFIRMED DURING DESIGN PHASE)	2	6B	MOIR POINT RD TO ITM	1	11	MANGAWHAI CENTRAL DEVELOPMENT TO CAUSE WAY	1	16	MANGAWHAI VILLAGE COMMERCIAL AREA TO SCHOOL	2
3	NORTH AVE TO WOOD ST COMMERCIAL AREA	2	7	COMPLETED 90A MOLESWORTH DRIVE TO BRIDGE	1	12	CAUSE WAY	1	17	SCHOOL TO INSLEY STREET BRIDGE	3
4	WOOD ST (MANGAWHAI TOWN CENTRE)	2	8	COMPLETED MOLESWORTH DRIVE BRIDGE	1	13	CAUSE WAY TO PEARSON STREET	1	18	INSLEY STREET BRIDGE	3
5	WOOD ST COMMERCIAL AREA TO MOIR POINT RD	1	9	COMPLETED BRIDGE TO MANGAWHAI CENTRAL DEVELOPMENT	1	14	PEARSON ST TO MANGAWHAI VILLAGE COMMERCIAL AREA	1	19	BRIDGE TO TOMARATA RD INTERSECTION	3
									21	COMPLETED MOIR ST: KAGAN AVE TO INSLEY ST	1

- LTP KEY:
- LTP 1 (2021/24)
 - LTP 1 (2021/24)
 - LTP 2 (2024/27)
 - LTP 3 (2027/30)

Kaipara District Council

Public Excluded Minute of Decision

Date: Wednesday, 13 December 2023
Time: 2.41 pm – 3.10 pm
Location: Public Excluded Session

Members Present: Mayor Craig Jepson
Deputy Mayor Jonathan Larsen
Councillor Mike Howard
Councillor Gordon Lambeth
Councillor Ash Nayyar
Councillor Pera Paniora (left at 2.41 pm)
Councillor Mark Vincent
Councillor Rachael Williams
Councillor Eryn Wilson-Collins
Apologies: Councillor Ron Manderson

1. Public Excluded agenda items 13 December 2023

1.2 Mangawhai Shared Path Phase 3 – To Award Contract CON1018

Moved: Deputy Mayor Larsen

Seconded: Cr Howard

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- c) Agrees that the report and decision be released publicly with the minutes of this meeting.

Carried