

**10.1 PROCUREMENT PLAN - WAIPAWA TRUNK SEWER MAIN RENEWAL****File Number:** COU1-1400**Author:** Darren de Klerk, 3 Waters Programme Manager**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Procurement Plan\_Waipawa Trunk Sewer Main Renewal

The Council is satisfied that, pursuant to s48(1)(a)(i) of the *Local Government Act 2002*, the information to be received, discussed or considered in relation to this agenda item is:

- s7(2)(i) the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

**PURPOSE**

The matter for consideration by the Council is to review a procurement plan proposing to release a tender to market for the procurement of a contractor to deliver the renewal of the Waipawa Trunk Sewer Main.

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

- a) Council approves Option 1 to follow the process outlined within the procurement plan.
- b) That this report (without attachments) is released as publicly available information after the meeting.

<b>COMPLIANCE</b>	
Significance	This matter is assessed as being of some importance
Options	<p>This report identifies and assesses the following reasonably practicable options for addressing the matter:</p> <ol style="list-style-type: none"> <li>1. Approve following the process outlined within the Procurement Plan</li> <li>2. Decline Procurement plan, and remove project from procurement planning</li> </ol>
Affected persons	The persons who are affected by or interested in this matter are Council, officers, landowners, contractors and the general public.
Recommendation	<i>This report recommends option one – approval of procurement plan for addressing the matter.</i>
Long-Term Plan / Annual Plan Implications	No

<b>COMPLIANCE</b>	
Significant Policy and Plan Inconsistencies	No

## EXECUTIVE SUMMARY

This report outlines a proposed procurement plan for the release to market of the tender to renew up to 2200m of 375mm earthenware trunk sewer main in Waipawa.

The proposed procurement plan proposes an 'open tender process' using the 'weighted attributes' evaluation method.

Officers propose to release the tender to the open market on the 15<sup>th</sup> March 2019 and close the tender process on Friday the 12<sup>th</sup> April 2019. Evaluations will take place and be completed by Friday 26<sup>th</sup> April 2019 and a paper will be taken to council to recommend the contract award on Thursday 9<sup>th</sup> May 2019.

This will allow construction to begin on Wednesday 5<sup>th</sup> June 2019 and be completed by October 2019.

The market analysis highlights seven known contractors that may be interested, and going to the open market allows for any unknown tenderers the ability to bid.

## BACKGROUND

The main trunk sewer from McGreevy Street to the Waipawa wastewater treatment plant (WWTP) is a 375mm earthenware pipe and was installed in approximately 1910. The sewer is predominantly located within private property and is known to have poorly-sealed joints that allow significant groundwater infiltration and tree root ingress into the pipework.

The objective of the renewal/rehabilitation project is to provide a robust, sealed sewerage connection from the town centre to the wastewater pond at the WWTP. The programme forms part of the Big Water Story and has been allocated budget in year one and two of the upcoming LTP (FY 18/19 and 19/20, respectively).

Earlier remediation measures involved concrete encasement of the top portion of certain sections of pipework, however this has not remedied the issue.

## SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of some importance because the project does affect specific landowners as the pipeline crosses through their properties, access will be required to undertake this project. Council officers have and will continue to develop a communications and stakeholder engagement plan to outline how the affected landowners and any other stakeholders will be managed and communicated with.

## OPTIONS

### Option 1 Approve following the process outlined within the Procurement Plan

- a) Financial and Resourcing Implications
  - Based on the procurement plan, a contractor will be selected as the head contractor to deliver the project.

- Capital expenditure is forecast to be within budget as outlined within the engineer estimate in the procurement plan
  - During the Optioneering assessment, whole of life cost and operational requirements were assessed, and the best option decided on.
- b) Risk Analysis
- Some risk management will be required during construction and this will be assessed during evaluation to ensure the most suitable supplier is selected.
  - Stakeholder management has been highlighted as a risk and is also highlighted within the methodology of the procurement plan and emphasis will be placed on ensuring the contractor and council place importance on this throughout the project.
- c) Alignment to Project Thrive and Community Outcomes
- This project aligns with project Thrive through #thebigwaterstory.
- d) Statutory Responsibilities
- A planning assessment has taken place and only minor activities have been highlighted.
- e) Consistency with Policies and Plans
- Consistent with current LTP in funding phasing and project delivery.
  - Consistent with the Procurement and Contract Management Policy.
- f) Participation by Māori
- No specific engagement with Maori is required, as this would be to replace existing infrastructure, but overall stakeholder and landowner engagement will take place.
- g) Community Views and Preferences
- As above, emphasis will be placed on community engagement and communication for this project.
- h) Advantages and Disadvantages
- No disadvantages highlighted following the process outlined within the procurement plan.
  - Officers believe advantages are highlighted within the procurement plan as this is a significant project highlighted in the LTP, #thebigwaterstory and Project Thrive.
  - The construction and improvement of the trunk sewer main will also significantly improve the capacity of the network and infiltration and ingress affecting the Waipawa wastewater pond.

**Option 2 Decline Procurement plan, and revise project procurement plans**

- a) Financial and Resourcing Implications
  - Negative affects to financials of cost spent to date, not gaining any benefit.
- b) Risk Analysis
  - Risk of public perception of not completing a project outlined in the LTP without sound justification.
- c) Promotion or Achievement of Community Outcomes
  - Declining the process outlined within the procurement plan will not be promoting the outcomes specifically set in the LTP project Thrive and #thebigwaterstory.
- d) Consistency with Policies and Plans
  - Declining the procurement will again not be consistent with the messaging and intent outlined within Councils plans and policies
- e) Participation by Māori
  - None related to Option 2.
- f) Community Views and Preferences
  - Only negative if this project is delayed without reasonable justification and the process we believe is robust enough to highlight and address any risks.
- g) Advantages and Disadvantages
  - Only significant disadvantages can be perceived from declining the process outlined within the procurement plan.

**Recommended Option**

This report recommends Option One – To approve following the process outlined within Procurement Plan for addressing the matter.

**NEXT STEPS**

Following review of this report, it is recommended Council approves Option 1.

Upon approval of Option 1, Council officers will finalise detailed design and tender documentation and plan to release a tender to the market in March 2019 as outlined within the attached procurement plan.

**RECOMMENDATION FOR CONSIDERATION**

**That having considered all matters raised in the report:**

- a) Council approves Option 1 to follow the process outlined within the procurement plan.**
- b) That this report (without attachments) is released as publicly available information after the meeting.**