

**10.4 PROCUREMENT PLAN - WAIPAWA FIREFIGHTING STAGES 1 - 3****File Number:** COUI - 1400**Author:** Darren de Klerk, 3 Waters Programme Manager**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. C-1140 Procurement Plan (Waipawa Water Firefighting Stages 1 - 3)

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

- s7(2)(f)(i) free and frank expression of opinions by or between or to members or officers or employees of any local authority
- 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 and approve the procurement to deliver Stages 1 to 3 of the Waipawa Water Firefighting and Shortfalls programme.

**RECOMMENDATION FOR CONSIDERATION**

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

- a) **That council approve the procurement plan to release contract 1140 to the open market to deliver Stages 1 – 3 of the Waipawa water firefighting and shortfalls upgrade programme.**
- b) **That the report and minute relating to this item be released as publicly available information on 03 June 2021**

**EXECUTIVE SUMMARY**

The procurement plan proposes to contract a supplier for the first 3 stages of this project to improve the firefighting and shortfalls capacity, with stages 1 and 2 ready to be constructed once a supplier is identified, this will also allow scale and ability to release broader outcomes while working within existing Long Term Plan budgets.

**BACKGROUND**

The Waipawa-Otane water supply has two distinct abstraction points alongside the Waipawa River.

- 1) Tikokino Road – this is the primary supply; the consented outtake is 33,264 m<sup>3</sup>/day in a 7-day period at no more than 55 l/s.
- 2) Johnson Street (adjacent to pumping station at the end of street) – this is only used during periods of high demand to ensure supply is maintained to the eastern side of Waipawa; the consented outtake of 21,168 m<sup>3</sup>/day in a 7-day period at no more than 35 l/s.

Water from the Tikokino bores is pumped to both the Waipawa Reservoir on Abbotsford Road and the Otane Reservoirs. An emergency PRV is in place to bypass the Otane Reservoirs if needed and thus supply Otane from the Waipawa system.

During high demand periods, Operations can turn on the Johnson Street bores to fill the Johnson Street Reservoir, with water subsequently boosted directly in the Waipawa distribution network.

The demand in Waipawa consists essentially of approximately 2,000 residential users and two truck wash stations.

Central Hawke's Bay District Council (CHBDC) manages the water supply network in Waipawa. A hydraulic model has been developed in recent years, which was used to assess the network performance. The following challenges were identified:

- **[resilience]** There is a lack of strategic storage, and risks of security of supply if there are any issues with the existing source, reservoir or trunk mains; this project will help to provide resilience to the trunk mains from Abbotsford Road Reservoir into the Waipawa network.
- **[fire]** Resolving areas of fire flow compliance; this project will enable greater flows into Waipawa to address the existing shortfalls identified and to reduce the risk to property owners.
- **[growth]** Servicing planned future growth and infill; this project will enable greater flows into Waipawa to address the future growth identified in areas and beyond.
- **[growth]** Allowing for potential new connections inside the urban boundary; this project will enable greater demand via infilling within the existing Waipawa network extents and reduce the effects these may have on areas of low pressure.
- **[reliability]** Replace existing aging assets to increase reliability in to the network; this project aligns the replacement of a number of assets with the wider renewal planning for the Waipawa network that has been identified for high priority renewal.

In order to adhere to fire flow compliance and reduce water security risk in the system, Council has identified the works outlined in the scope for the first 3 years of the Waipawa works programme.

## DISCUSSION

Central Hawke's Bay District Council plan to tender this project as a build contract and expect that the tenderers will present a tender back to Council on how best to install the water supply upgrade in Waipawa.

A key component will be the ability to deliver to our programme.

Based on the above, we assume we will receive a number of tenders with methodology and price and will evaluate based on **Price / Quality**.

The tender submission must be submitted in two documents as follows to GETs:

- Document One: Proposal Excluding Price
- Document Two: Price

The tender administrator will distribute 'Document One: Proposal Excluding Price' to all evaluators once proposal has been checked for any errors, 'Document Two: Price' will be opened together during the moderation meeting to decide and confirm the preferred supplier based on the evaluation

## RISK ASSESSMENT AND MITIGATION

The procurement is fairly low risk, the project team has assessed the following risks as part of the procurement and proposed works.

Risk	L	C	Rating	Mitigation action/ Control	Responsible
Lack of Tenderers	M	H	High	Early notification and proactive notices to tenderers, open advertising, maximise timeframe for responses	Darren de Klerk
Meeting Timeframes	M	M	Medium	Open communications	Darren de Klerk

Exceeding Budgets	M	H	High	Good management, clear scope, good variation process	Darren de Klerk
Equipment Procurement Lead Times affecting delivery	M	M	Medium	Council procuring early	Darren de Klerk
Water Supply Disruption	H	M	High	Investigate proposed shutdown effects, contingency plans in place.	Darren de Klerk

#### FOUR WELLBEINGS

The [Long Term Plan](#) through our THRIVE objectives, focuses on durable infrastructure, smart growth and being environmentally responsible. Durable long term sound and innovative infrastructure will be a key factor in determining our preferred supplier, while ensuring we factor in with whole of life cost for the asset moving forward.

As per Councils Procurement Strategy, the tender evaluation criteria will place emphasise on the broader outcomes the project can achieve.

As part of the procurement process, Tenderers will be required to provide a Sustainable Procurement Plan outlining how they propose to address the following themes: People, Economy, Health & Safety and Environment as set out below. The Council is looking for Tenderers who will maximise the broader opportunities this Project has the capacity to deliver, who have the competitive edge and who will lead the way in delivering the above sustainable themes over and beyond those outlined within the contract specifications.

#### DELEGATIONS OR AUTHORITY

The tender has an estimate over \$1m and requires approval of either the Council or the Finance and Infrastructure Committee.

#### SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed of some significance, and a communications plan will be drafted to accompany this procurement and the works to follow.

#### OPTIONS ANALYSIS

**Option One** – To approve the procurement plan

**Option Two** – To reject the procurement plan, and provide guidance on proposed amendments

	<u>Option 1</u>	<u>Option 2</u>
	<b>To approve the procurement plan</b>	<b>To reject the procurement plan, and provide guidance on proposed amendments</b>
<b>Financial and Operational Implications</b>	Within project team planning	Does not align with project team planning
<b>Long Term Plan and Annual Plan Implications</b>	Aligned with 2021-2031 LTP budgets	Dependant on outcomes does not align with LTP budgets

<b>Promotion or Achievement of Community Outcomes</b>	Achieves community outcomes and more so through broader outcome inclusions into procurement	Dependant on outcomes does not align with community outcomes
<b>Statutory Requirements</b>	N/A	N/A
<b>Consistency with Policies and Plans</b>	Consistent with asset management plans and procurement policy	Dependant on outcomes may not align with asset management plans and procurement policy

### Recommended Option

This report recommends **option one** to approve the procurement plan for addressing the matter.

### NEXT STEPS

Upon approval, the project team will deliver on the works programme as identified in the overarching design programme and the timeline as laid out in the procurement plan.

### RECOMMENDATION

That having considered all matters raised in the report:

- a) That council approve the procurement plan to release contract 1140 to the open market to deliver Stages 1 – 3 of the Waipawa water firefighting and shortfalls upgrade programme.
- b) That the report and minute relating to this item be released as publicly available information on 03 June 2021