

Meeting:	FNDC Council Meeting, 15th of December 2022
Name of item:	Contract Award - Contract 7/22/159 – Emergency Works Slip – Fairburn Road
Author:	Franz Wagner – NTA Project Manager
Authoriser: Management	Andy Finch, General Manager – Infrastructure and Asset
Date of report:	10/11/2022

1 Purpose

To seek Council approval to award Contract 7/22/159 - Emergency Works Slip – Fairburn Road to Donovan Drainage & Earthmoving Ltd. for a contract value of \$1,148,325.00 + GST.

2 Recommendations

That Council:

- a) Award Contract to Donovan Drainage & Earthmoving Ltd. for a contract value of \$1,148,325.00 + GST (one million one hundred and forty eight thousand, three hundred and twenty five dollars and zero cents), and
- b) Approve an additional 10% contingency of \$115,675.00 + GST, and
- c) Delegates authority to the Chief Executive to execute the associated document approval
 - a. Contract signing
 - b. Supplier recommendation approval
 - c. Purchase Order approval

3 Background:

The NTA assets team has identified and prioritised the Fairburn Rd slip as emergency works associated with a heavy rain event in the week of 4 October 2021 undermining the road and ultimately affecting access.

The carriageway has been temporarily repaired enough to maintain single lane through-fare traffic until permanent repairs can be undertaken.

- The project brief was handed to the NTA Capital Works team on 1/06/2022.
- The professional services contract was awarded on 9/06/2022
- The Procurement Plan was approved on 22/09/2022.
- The contract was advertised and tenders closed on 21/10/2022.
- The tender evaluation was completed on 27/10/2022

Tenders were evaluated in accordance with the Conditions of Tendering stated in the tender documents. The tender evaluation method was “Lowest Price Conforming (LPC)” in accordance with the Waka Kotahi New Zealand Transport Agency Procurement Manual (September 2019 Edition).

4 Discussion:

Contract 7/22/159 was tendered to the open market through GETS (Government Electronic Tendering System) and closed on the 21st October 2022. There were three submissions received.

#	Tenderer	Tendered Price
1	Donovan Drainage & Earthmoving Ltd	\$1,148,325.00
2	Northland Transport Ltd	\$1,151,848.00
3	GeoStabilization NZ Ltd	\$1,187,984.00
	Engineers Estimate	\$831,000.00

The lowest conforming tender sum of \$1,148,325.00 (excl. GST) is 138% of the Engineer's Estimate at \$831,000.00 (excl. GST). While this is significantly greater than the engineers estimate, the three tendered sums received are within 3% of each other and considered to be market cost.

Donovan Drainage & Earthmoving Ltd has successfully tendered and completed similar works for the Far North District Council. They completed the works on time and to a high level of quality.

The price received from the conforming tenderer Donovan Drainage & Earthmoving Ltd, exceeds CE Financial Delegation levels and requires the approval of Council to be awarded.

The tender validity period of 60 working days for the contract expires on 20 December 2022, and the contract will need to be awarded by council on or before this date.

We now seek Council approval to award Contract 7/22/159 - Emergency Works Slip – Fairburn Road to Donovan Drainage & Earthmoving Ltd. for a contract value of \$1,148,325.00 + GST

5 Summary:

- Price received from the conforming tenderer Donovan Drainage & Earthmoving Ltd was \$1,148,325.00+ GST
- Tendered sum of \$1,148,325.00 (excl. GST) is 138% of the Engineer's Estimate
- Price received from Donovan Drainage & Earthmoving Ltd. has been evaluated and considered as an appropriate tendered sum.
- Donovan Drainage & Earthmoving Ltd. have previously completed similar works for FNDC to a high standard.
- This approval exceeds the CE delegation and requires Council approval.
- Approval is now requested to award Contract 7/22/159

6 Financial Considerations:

The works are considered Emergency Works (generally reactive works that typically become necessary after storm events) under Waka Kotahi funding rules. Which means additional subsidy is available for these works outside the already approved RLTP funding.

These works are subsidised by Waka Kotahi at the current Financial Assistance Rate (FAR) of 69%. Construction costs (**including contingency**) and funding apportionments are indicated in the following table.

Project Cost	Subsidised share	FNDC share
\$1,264,000.00	\$872,160.00	\$391,840.00

The additional funding application for the subsidy is expected to be approved by Waka Kotahi and the outcome will be communicated to the **FNDC Council Meeting, 15th of December 2022**.

Funding for the Local Share will come from the FNDC Emergency Works Roading Reserve Fund which has sufficient available funds of \$3 million as at the end of June 2022 (which is an 'unaudited' figure). The (external) audit is currently being undertaken by Deloitte as per normal process.

7 Significance and Engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via the publication of this agenda on the Council website.

8 Report Approval

Review by:



Jon Wyeth,
 Capital Works Team Leader, NTA
 Date: 18/11/2022

Approved by:



Greg Monteith,
 Capital and Procurement Manager NTA
 Date: 21/11/2022

Approved by:



Calvin Thomas,
 General Manager, NTA
 Date: 22/11/2022