

Meeting: FNDC Council Meeting, 9th of February 2023
Name of item: Procurement Plan and Contract Award - 7-22-100 - FNDC Raised Traffic Facilities 2021-24
Author: Franz Wagner – NTA Project Manager
Authoriser: Andy Finch, General Manager – Infrastructure and Asset Management
Date of report: 21/12/2022

1 Purpose

To seek:

- 1.1. NTA Delegated Authority approval of the Procurement Proposal for Contract 7/22/100 - FNDC Raised Traffic Facilities 2021-24, and,
- 1.2. Endorsement of Council Delegated Authority approval to award Contract 7/22/100 - FNDC Raised Traffic Facilities 2021-24 to a maximum contract value of \$1,961,000.00 including contingency upon satisfactory conclusion of the Tender Evaluation phase.

2 Recommendations

2.1. That NTA Department and General Manager approve the Procurement Proposal contained herein, and endorsement of 2.2 below.

2.2. That Council:

- i) Acknowledge the approved NTA Procurement Proposal, and,
- ii) Delegate authority to the FNDC Chief Executive Officer (CEO) to award Contract 7/22/100 - FNDC Raised Traffic Facilities 2021-24 to a maximum contract value of \$1,961,000.00 including contingency upon satisfactory conclusion of the Tender Evaluation phase, including:
 - Supplier Recommendation approval.
 - Contract Signing
 - Purchase Order approval

3 Background:

The primary objective of the Raised Traffic Facilities programme is to reduce the risk of death and serious crash injury outcomes by introducing traffic calming and pedestrian safety measures to reduce traffic speeds and improve pedestrian safety within the urban and residential environment where vulnerable road users are present.

The Far North District Road Safety Reviews were undertaken by the NTA Road Safety Team which has informed the Raised Traffic Facilities and Pedestrian Improvements programmes. These programmes are subsidised by NZTA Waka Kotahi as part of their Low-Cost Low Risk Road to Zero and Pedestrian Improvements programmes. The following sites are identified for construction in the 2021-24 period.

Ward	Location
Te Hiku	Ahipara township
Te Hiku	Commerce Street and Pukepoto Road, Kaitaia
Te Hiku	Redan Road, Kaitaia
BOI-Whangaroa	Moerewa
Kaikohe-Hokianga	Kaikohe North

4 Discussion:

The procurement amount exceeds \$1m. The approval process will thus follow the current FNDC DFA (Delegated Financial Authorisations) limits as outlined below:

Value of Procurement	Great than \$1.0 million	Complies with 2022 FNDC DFA Limits
Proposed Procurement Method	Open Market	Complies with Government Rules of sourcing
Proposed Tender Evaluation Method	Lowest Price Conforming	Complies with Government Rules of sourcing
Approval Mechanism	<ul style="list-style-type: none"> Procurement Plan Supplier Recommendation Report 	Complies with 2022 FNDC DFA Limits
Approver	Delegations to CEO approved through Ordinary Council Meeting	Complies with 2022 FNDC DFA Limits

Council approval to delegate authority to the CEO to approve the recommended supplier and award the contract once evaluated is being sought to allow contract commencement up to 2 months earlier based on the current progress of the procurement phase and council meeting times. Delegating authority will also ensure the contract can be awarded within the Tender Validity Period once evaluated.

The total budget of the 2022/23 and 2023/24 Raised Traffic Facilities and Pedestrian Improvements programmes is \$2,197,903.00 and has a remaining available budget of \$2,004,842.88 at the time of writing this report. The estimated construction cost of Contract 7/22/100 - FNDC Raised Traffic Facilities is \$1,961,000.00 including contingency. There are sufficient available funds for this procurement. Refer '**Financial Considerations**' section below for further information.

The contract will be divided into Separable Portions for 2022/23 and 2023/24 to ensure construction spends align with annual available budgets. The contractor will only be instructed to commence the 2023/24 Separable Portion once budgets have been approved through the annual plan process for 23/24.

The Procurement Proposal includes advertising the tender package to the open market, then evaluating submissions based on the Lowest Price Conforming method in accordance with the

Government Rules of Sourcing. This method will allow an open and fair contest for local and other suppliers, while also ensuring value for money is maintained for the construction works.

The tender evaluation process will include the following PASS / FAIL Minimum Requirements on Relevant Experience, Relevant Skills, Methodology, Track Record and Financial Viability. Specifically, the Tender Evaluation Team may exclude a tender submission from further consideration if:

- Attribute submissions are not made on the forms provided in the RFT-enclosed Template.
- The Contractor has not indicated agreement as appropriate with - and / or not signed the Declaration.
- The Contractor is not registered on SITEWISE or has a score $\leq 60\%$.
- The nominated financial referees are not independent of the Contractor's company, and / or provide unfavourable financial references and / or would not be available to provide a complete financial reference and / or are not appropriately qualified to advise on the Contractor's financial performance over the last two years and / or the Contractor's ability to finance the Contract Works. Evaluators are looking for: Banking portfolio manager or external accountant or auditor, or such like as being acceptable.
- The nominated Relevant Experience Project performance referees are not independent of the Contractor's company, and / or provide unfavourable project performance references and / or would not be available to provide a complete project performance reference and / or are not appropriately qualified to advise on the Contractor's nominated Relevant Experience Project performance.
- The nominated Technical Skill performance referees are not independent of the Contractor's company, and / or provide unfavourable Technical Skill performance references and / or would not be available to provide a complete Technical Skill performance reference and / or are not appropriately qualified to advise on the Technical Skill performance of the nominated Contract Manager and the nominated Site Foreman respectively.
- The Contractor does not provide Evidence of Company Insurance
- The Contractor has not provided 3 relevant projects of comparable scope, traffic exposure and complexity which shall all have attained Practical Completion Certificates in the last five years.
- The Contractor and his nominated Sub-Contractor (if relevant) has received PACE Scores less than 60 from FNDC / NZTA / NTA / Local Authority in the last FIVE years. (Evaluators will interrogate the NTA PACE register for previous performance assessments). If no PACE is available, then the nominated referee must attest performance across all PACE criteria at a minimum of 3 out of 5 for every criterion respectively, i.e. "ACCEPTABLE - meets the criterion in full, but at a minimal level".
- The Contractor has not provided a programme demonstrating completion within the project period and / or not provided a list of resources which the Contractor will have at his disposal to deliver this contract.

5 Summary:

- The procurement of the physical works for the FNDC Contract 7/22/100 - FNDC Raised Traffic Facilities 2021 - 24 is for the implementation of the highest priority traffic calming and pedestrian improvement measures in the district as identified by the NTA Road Safety Team.
- The anticipated value of the associated physical works will be > \$1m. The tendering and the evaluation methods will follow the Government Rules of Sourcing, i.e. Open Tender and Lowest Price Conforming respectively.
- The Procurement Proposal requires NTA Department and General Manager approval.

- The Supplier Recommendation and other associated documents will require Council approval delegated to the CEO to expedite the award process allowing works to proceed at a pace so that delivery timeframes can be comfortably achieved in the last year of the LTP, and to also avoid the risk of not meeting the tender validity period.

6 Financial Considerations:

These works are subsidised by Waka Kotahi as Minor Improvements/ Low-Cost Low Risk at the current FAR of 69%. High-level construction cost estimates for this procurement (Contract 7/22/100) including contingency, and financial information for the 2022/23 and 23/24 programmes are provided below.

Project	22/23 – 23/24 Budget (\$)	Spend/ Commitments to date (\$)	Remaining Available Budget (\$)	Cost Estimate of this Procurement (\$)
Low-Cost Low Risk (Raised Traffic facilities)	2,093,903.00	141,343.62	1,952,559.38	1,910,000.00
Low-Cost Low Risk (Pedestrian Improvements)	104,000.00	52,716.50	52,283.50	51,000.00
TOTALS	2,197,903.00	194,060.12	2,004,842.88	1,961,000.00

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 and the website created for this purpose.

8 Report Approval

Review by:



Jon Wyeth,
Capital Works Team Leader, NTA
Date: 16/01/2023

Approved by:



Greg Monteith
Capital Works and Procurement Manager, NTA
Date: 17/01/2023

Approved by:



Calvin Thomas,
General Manager, NTA
Date: 18/01/2023