

## 9.4 LAND TRANSPORT RESPONSE PROCUREMENT - TITOKI BRIDGE

### File Number:

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**Attachments:** 1. Procurement Plan - Titoki Bridge (C-1272)

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)(h) the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities
- 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 direct procurement of a contractor to provide construction services for the repairs to Titoki bridge.

Approval of Council is required as the individual procurement values exceed the delegated authority of the \$1 million held by the Chief Executive in accordance with Councils Delegated Financial Authority.

### RECOMMENDATION

1. **That the procurement plan to procure a partner to deliver C-1272 to construct the Titoki bridge is approved to a value of up to \$1.2m.**
2. **That having approved the procurement plan to directly procure the contract (C-1272) with Concrete Structures (NZ) Ltd, Council delegates to the Chief Executive the award and negotiation of the contract following a procurement process that is consistent with the procurement plan.**
3. **That the resolutions of this report are released as publicly available information following contractor award.**

### EXECUTIVE SUMMARY

Following the significant damage caused by Cyclone Gabrielle in February 2023, a number of sites across the district have been identified for bridge repairs and replacement. One of these structures is Titoki Bridge. The adoption of this procurement plan will allow the design and construction of this high priority bridge reinstatement project to get underway. This response project is required to be completed within the funding window, prior to 30 June 2024, as stipulated by Waka Kotahi. Any works completed beyond this date will incur council contributions.

This procurement plan clearly articulates how delivery of the works can be achieved within a limited construction season, November 2023 - May 2024.

### BACKGROUND

On 20 February 2023 Council received \$35.94m funding from Waka Kotahi to enable critical infrastructure repairs to be made following the impact of ex-tropical Cyclone Gabrielle in accordance with the Emergency Procurement Provisions of Councils procurement policy and in

alignment with Waka Kotahi emergency procurement rules.

Given the importance that this site plays for local businesses and residents within this rural community, the direct engagement of a specialist bridge contractor during the immediate response phase shall ensure critical momentum on bridge and culvert replacements. To date, initial ground investigations, concept design plans and preliminary drawings have been prepared on these key sites under emergency procurement.

Recognising the shift in procurement planning, while not under 'normal' conditions, approval is sought from the elected Council to complete these procurements that fall outside of the Chief Executives delegation.

## DISCUSSION

Titoki bridge was designed in 1957, as a single span simply supported steel-concrete composite bridge. The bridge is located on Titoki Road, which is a dead-end road coming off Pourerere Road with no alternative access to the houses and farm businesses on the other side of the bridge.

The recent scouring of the riverbed and bank which occurred as a result of Cyclone Gabrielle has progressed this scour to such an extent that the piles are now at a risk of being undermined. The loss of bank material is such that a potential sudden slip circle failure mechanism may occur due to the shallow embedment and minimal confining material.

With the scour face regression towards the piles reaching a critical point, this bridge is now at risk of collapse and is being regularly monitored. This is the reason for us to move with pace to ensure the balance of the structure is not lost.

Currently the bridge is closed to all heavy vehicles and limited to resident access only. With no alternative route and the local topography not being suitable for simple alternative access - by means of a low-level crossing or temporary bridge structure.

In an effort to expediate the procurement processes, a specialist bridge contractor was approached in the early stages of the emergency response period to discuss design options, access, constructability and safety in design.

The purpose of this procurement plan is to seek endorsement from Council for direct appointment in order to prevent further delays and ensure delivery of these projects utilising 100% Waka Kotahi funding.

## RISK ASSESSMENT AND MITIGATION

Risk is inherent in all procurement activities. Effective risk management is required to ensure that Council and our ratepayers are not exposed to significant unmitigated risk and future liability.

Risk	Mitigation	Rating
Contractors having capacity to deliver as a result of wider cyclone response works being undertaken by neighbouring local authorities, Transport East Coast Rebuild (TREC) and regional council.	Be aware of contractor's capacity and forward programme of work within the region. Timely approvals for procurement plans.	High
Not direct appointing D&C contract, given the work completed to date, may have a negative impact on relationships.	Maintain communication with contractors to ensure they are kept up to date with funding and procurement challenges.	Moderate
Increase in procurement and construction timeframes will have knock on effects to not delivering within the required timeframes for Waka Kotahi funding or as expected by community.	Direct appointment of Titoki bridge to expedite procurement and maximise construction timeframes.	Significant

Risk	Mitigation	Rating
Deviating from direct award will increase procurement costs.	Direct appointment of Titoki bridge will reduce procurement costs.	Moderate
Ineffective consultation with stakeholders and partners including iwi.	Implement communication plan and maintain regular updates with all parties.	Moderate
Not achieving the broader outcomes goals for Council (THRIVE).	Pre-start workshop with contractors to outline broader outcomes and agree on deliverables.	Low
Contractors having ability to deliver in the timeframe.	Expedite direct appointment to ensure maximum physical works window.	Moderate

#### FOUR WELLBEINGS

In alignment with the government procurement rules and CHBDC's procurement policy, a key focus within the procurement for Ex-tropical Cyclone Gabrielle response will be to seize the opportunity to maximise broader sustainable benefits within individual repair categories wherever possible.

This will include considering broader outcomes such as environmental sustainability, health and safety, economic prosperity and local employment. In the coming week an initial engagement with contractors will discuss how best to maximise the benefits available

The proposed contractor can source and fabricate all required steelwork and precast units from their own businesses in Dannevirke and Hastings, respectively. This is beneficial not only by reducing lead times on materials but also by minimising the carbon footprint through haulage distances, thus achieving positive environmental broader outcomes.

#### DELEGATIONS OR AUTHORITY

The value of procurement for contract C-1272 is \$900,000. However due to the specialist nature and complexity of the temporary and permanent works, an additional contingency of 33% has been applied to bring the total project cost capped at \$1.2m.

#### SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as low and not requiring specific engagement in advance of a decision.

#### OPTIONS ANALYSIS

**Option One** – To approve the direct source of Concrete Structures Ltd to deliver the works at Gwavas Bridge and Emmett's Civil Construction Ltd to deliver the works at Douglas Cutting Bridge.

**Option Two** – To reject the procurement plan and provide advice on next steps.

	<u>Option 1</u>	<u>Option 2</u>
	<b>To approve the procurement plan</b>	<b>To reject the procurement plan and provide advice on next steps</b>
<b>Financial and Operational Implications</b>	This option reduces both the financial and resourcing costs of a longer open market procurement approach and allows for the projects to be funded through Waka Kotahi's planned response (no financial contribution from Council).	Rejecting the procurement plans will delay ability to procure a key specialist bridge construction project in a saturated market within an already a tight timeframe and may risk funding opportunity and delivery.
<b>Long Term Plan and Annual Plan Implications</b>	No implications to Long Term Plans or Annual Plans.	No implications to Long Term Plans or Annual Plans, although if current funding timeframes are missed, future works may need to be funded by council in part.
<b>Promotion or Achievement of Community Outcomes</b>	This strategy will allow community outcomes to be realised through timely delivery of an important community asset.	Will delay delivery of the projects and in turn reinstatement of a key community lifeline.
<b>Statutory Requirements</b>	Aligns with policies, legislation and NZTA requirements	Not applicable.
<b>Consistency with Policies and Plans</b>	Consistent with emergency procurement policies.	Depending on advice from Council this could be consistent with the procurement policy.

### Recommended Option

This report recommends **Option One** – To approve the procurement plan for addressing the matter.

### NEXT STEPS

On the basis that Council approve the recommended option to approve the procurement plan Officers will complete due diligence and contract negotiation with the nominated contractor before awarding the contract to deliver physical works on this priority site.

### RECOMMENDATION

1. That the procurement plan to procure a partner to deliver C-1272 to construct the Titoki bridge is approved to a value of up to \$1.2m.
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