

9.7 TRANSPORT CHOICES - PROCUREMENT PLAN

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1. Transport Choice Procurement Plan - Otane
2. Transport Choice Procurement Plan - Porangahau

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 the approval of the Transport Choices Procurement Plan, to construct footpaths in Otāne and Porangahau through external funding.

RECOMMENDATION

1. That the procurement plan to procure and deliver C1265 Otāne Transport Choices is approved with a cap of \$3.2 million.
2. That the procurement plan to procure a Supplier to deliver C1288 Porangahau Transport Choices is approved with a cap of \$380 thousand.
3. That the Chief Executive is delegated Authority to execute Contracts with the procured Suppliers for Contracts C1265 and C1288, on the basis the procurement is consistent with the Procurement Plans, and the associated external funding from Waka Kotahi for these contracts is realised.
4. That the resolutions of this report are released as publicly available information following any resulting Contract Award.

EXECUTIVE SUMMARY

Both the Otāne and Pōrangahau townships have few footpaths, limiting the connectivity of the township. Central Hawke's Bay Integrated Spatial Plan 2020-2050 identified the need for the improvement of footpaths and cycling facilities in Otāne.

With funding from Waka Kotahi's CERF Transport Choices initiative funding, Central Hawke's Bay District Council is able to design and construct approx. 5.4km of footpath/shared pathways in Otāne and 470m of footpath in Porangahau if we meet the deadline of project completion by June 2025.

In November 2023, Waka Kotahi made a decision to pause the transport choices funding until a new Government was formed. This decision impacts all councils that had not yet signed an implementation agreement. Central Hawke's Bay District Council was one of the councils who's funding status is currently unknown.

It is recommended by Officers that Council continue with the procurement of contractors with a clause stating the contract award is subject to Waka Kotahi's approval of the funding. This will

ensure we are prepared and on track to meet the June 2025 project deadline if the funding is approved by the new Government and further demonstrates our readiness to deliver this important body of work.

BACKGROUND

Council receives feedback on a regular basis that there is a lack of footpaths in Otāne, which hampers the ability for residents to walk from the residential areas to the centre of town and creates safety issues for tamariki and parents to walk and cycle safely to school. Council actively use and maintain a robust prioritisation matrix to direct investment into footpaths. Otāne sits routinely at/near the top of this list based on well-recorded need for investment in walking/cycling in the fast-growing community.

While the funding package focussed purposefully on Central Hawke's Bay's three main urban centres, the district boasts a large number of smaller remote urban centres that are the heart of large surrounding rural communities. Of its many beach communities, the largest community and urban centre exists at Pōrangahau. The Pōrangahau community is vibrant, rooted in history and a key part of Central Hawke's Bays rural and coastal heart. There is a strong Māori community in/around the township with Council holding strong and important relationships with local hapu, the Ngāti Kere Hapu Authority.

The community suffers largely from a lack of walking/cycling infrastructure with most streets lacking any form of pedestrian access. Of particular importance to the community is the connection to the local school on Keppel Street. This route is walked daily by most tamariki who attend the school and currently walk largely down the centre of the road. While the issue is well-known to both Council and community, Council has to date been unable to afford the needed investment to create safe pedestrian access along Keppel Street. Council is therefore proposing to add a project to provide for pedestrian access to the school, to provide safer access to tamariki walking to school, and to enable the avoidance of short vehicle trips for children to be dropped-off/picked-up from school.

Council has met with the Otāne working group/community four times to gather input into the designs. On 18 September 2023 until November 2023, FOLKL held a survey to gage the community perceptions and experiences of the Otāne transport. The survey results can be viewed here: [Folkl-Otāne-Transport-Choices-results.pdf](#).

The Porangahau school has been consulted on the designs and Council is planning to do a letter drop to residents on Keppel Street.

Council has worked with Stantec to prepare Request for Tender (RFT) documents which are in the final stages of development.

It is planned that an update will be given to the Otane and Porangahau communities on the current funding situation prior to the Christmas break with the comms team being close to release on this.

DISCUSSION

The installation of the new footpaths and shared pathways in Otāne and Pōrangahau will create a safe way for residents and tamariki to walk to and from school and the town centre therefore keeping our communities connected. Waka Kotahi should the funding be approved is offering to 100% fund this project if we can meet their deadlines which reduces financial stress on CHBDC.

The scope of this project is to:

Otāne project: to construct approximately 5.4km of walking and cycle ways in Otāne as well as associated investment in painted demarcation and the creation of safe crossings at key intersections and a shared pathway.

Pōrangahau project: To construct a 470m walking path on the edge of the main accessway to the local school. This vital connection will ensure the safety of children who by majority walk to school, currently on the road.

The key deliverables for this project will include:

- Community consultation.
- Detailed designs for traffic management and construction of footpaths and shared pathways.
- Contract award.
- Installation of footpaths and shared pathways.
- Safety training course with tamariki about how to get to and from school safely using the footpaths.

Works must be completed by June 2025 to align with the Waka Kotahi deadline.

CHBDC is working with the local contractor community and running local contractor engagement workshops throughout January 2024, the RFT will be released following these workshops in February 2024. This is hoped to give the local contractor community have further tools to support them in the process of working with GETS and how the RFT process works.

RISK ASSESSMENT AND MITIGATION

Our key assumption is that full implementation of our project remains possible within current budget/funding approved. The resolutions provide sufficient.

| Risk | Mitigation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Contractors having capacity to deliver because of cyclone response works being undertaken resulting in implementation schedule being delayed | Be aware of contractor's capacity and forward programme of work within the region. Timely approvals for procurement plans. |
| Contractors not having availability to tender due to lack of resources/experience | Allow six weeks for tenders to be submitted instead of the GETS approved 18 working days |
| 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. | Start the projects in 2024 to allow time for overrun if needed to meet the Waka Kotahi June 2025 deadline |
| Ineffective consultation with stakeholders and partners including iwi. Consensus on footpaths and shared pathways is not achieved – multiple stakeholders cannot align their interests and find a common ground. | Implement communication plan and maintain regular updates with all parties. |
| Loss of Waka Kotahi funding due to budget being reallocated | Maintain regular updates with Waka Kotahi. |
| Project scope reduction if tender responses are a higher cost than the set budget | Work within the constraints of the budget using the information from the Otane community survey (closed 1 Nov 2023) to assist with scope reduction |

FOUR WELLBEINGS

The objectives adopted to align with project THRIVE, being to:

- Achieve a safe transport system for users.
- Achieve a transport network that is resilient, reliable and efficient.

- Provide transport choices to meet social, environmental and cultural needs.
- Develop a transport system that contributes to a carbon neutral Hawke's Bay.
- Minimise travel demand through planning and development.

DELEGATIONS OR AUTHORITY

Only Council has delegated Authority to execute the Otāne Transport Choices Procurement Plan, being over the Chief Executives delegated financial authority. Both plans are presented to Council for approval for completeness and community visibility.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of some significance. It is of high interest to community to see that Council positions itself as best as possible to maximise this funding.

OPTIONS ANALYSIS

There are two primary options to Council:

Option 1 – Approve the Procurement Plans

This option would see the Procurement Plans approved and the contracts released to the market, albeit their award would be conditional on funding being confirmed by Waka Kotahi.

This is Officers recommended approach, noting that it is a further step to ensure that Councils planned are as progressed as possible to ensure it is in as strong as position as possible to secure the funding.

Option 2 – Do not approve the procurement plans and wait until formal funding notification is given

This options, sees Council not approve the procurement plans, waiting until formal funding notification from Waka Kotahi is provided.

| | <u>Option 1</u> To approve the procurement plans | <u>Option 2</u> To not approve the procurement plans and wait until formal funding notification is given |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial and Operational Implications | This option reduces both the financial costs and allows for the projects to be funded through Waka Kotahi's the CERF Transport Choices initiative funding (no financial contribution from Council). | Rejecting the procurement plans will delay ability to procure specialists for construction in a saturated market within an already tight timeframe and may risk funding opportunity and delivery. |
| Long Term Plan and Annual Plan Implications | There are no obvious implications. | There are no obvious implications. |
| Promotion or Achievement of Community Outcomes | This strategy will allow community outcomes to be realised through connectivity between facilities and support community infrastructure and cultural heritage | Will keep the community separated with the means of connection being via road |
| Statutory Requirements | Not applicable. | Not applicable. |

| | <u>Option 1</u> To approve the procurement plans | <u>Option 2</u> To not approve the procurement plans and wait until formal funding notification is given |
|--------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Consistency with Policies and Plans | Aligns with the Central Hawke's Bay Integrated Spatial Plan 2020-2050 | Will need to find a budget source to deliver the Central Hawke's Bay Integrated Spatial Plan 2020-2050 |

Recommended Option

This report recommends **Option one** – approve the procurement plans for addressing the matter.

NEXT STEPS

Having approved the procurement plans, Officers will continue to prepare and ensure that the projects are as ready to be progressed as possible to ensure that Council is as best placed to secure the funding. This will see the Contracts let to the market, albeit subject to funding being confirmed by Waka Kotahi.

RECOMMENDATION

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