

26 March 2015

Memo To: Mayor and Councillors

Memo From: Administration Advisers

**Subject: WORKS AND INFRASTRUCTURE COMMITTEE – 26 MARCH
LATE ITEM**

1. Saxton Creek upgrade – Procurement of construction services

Document A1334898

A report titled Saxton Creek upgrade – Procurement of construction services is attached to be considered as a major late item at this meeting.

In accordance with section 46A(7) of the Local Government Official Information and Meetings Act 1987 and Standing Order 3.7.5, a procedural resolution is required before a major item that is not on the agenda for the meeting may be dealt with.

In accordance with section 46A(7)(b)(i) the reason why the item was not on the agenda is because it came to hand after the agenda had been distributed.

In accordance with section 46A(7)(b)(ii) the reason why discussion of this item cannot be delayed until a subsequent meeting is because a resolution on the matter is required before the next scheduled meeting of the Works and Infrastructure Committee to enable procurement of construction services in a timely manner.

Recommendation

THAT the item regarding Saxton Creek upgrade – Procurement of construction services be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable procurement of construction services in a timely manner.

Saxton Creek upgrade - Procurement of construction services

1. Purpose of Report

- 1.1 The purpose of this report is to update the Committee on a portion of the Saxton Creek upgrade and specifically to seek approval to enter into a contract with a Tasman District Council appointed contractor to include works on part of the Saxton Creek within the Nelson City Council boundary, as per the exceptional circumstances provision of Council's procurement policy.

2. Delegations

- 2.1 The Works and Infrastructure Committee has delegated authority to approve new capital and renewal projects within the areas of responsibility for the Committee.

3. Recommendation

THAT the report Saxton Creek Upgrade – Procurement of construction services (A1334898) and its attachment be received;

AND THAT approval be given to apply exceptional circumstances to Council's procurement policy allowing officers to enter into a contract with an already appointed contractor to include works on part of Saxton Creek within the Nelson City Council boundary;

AND THAT this be funded from existing 2014/15 budgets.

4. Background

- 4.1 The upgrade of Saxton Creek between Champion Road and Main Road Stoke, following the extreme April 2013 rainfall event, was signalled in the 2014/15 Annual Plan with construction planned to take place over 2014/15 and 2015/16.

- 4.2 This project, as part of a larger project, has been re-confirmed by Council through the draft 2015-25 LTP.
- 4.3 As reported to Council previously, discussions with the landowners are progressing. Agreement has however been reached with two key landowners in the upper reaches of the creek which includes an essential gravel trap.
- 4.4 Saxton Creek has its beginnings within the Tasman District Council (TDC) boundary. TDC has a project to upgrade their Champion Road Culvert which crosses Saxton Creek. This work has been designed, consented and awarded to a contractor under a public tendering procedure. TDC is keen to commence work to get ahead of the onset of the winter season.
- 4.5 NCC and TDC officers have been working together to achieve a seamless piece of work and the opportunity now exists, following key landowner agreements, to develop this further. This involves including some work within the NCC area under the contract awarded by TDC for their culvert upgrade.
- 4.6 This will mean this section of the project is managed by one contractor, and likely lead to more efficient and better experience for the (single) landowner involved.

5. Discussion

Budget

- 5.1 Council has funding of \$1.5 million to cover this work this financial year.

Procurement

- 5.2 At the outset of this project it was assumed that a traditional design, tender and build procurement process would be followed. However given the opportunity to move this forward to ensure a better outcome with the proposed TDC work, it is recommended that use be made of the existing TDC contractor to undertake a critical section of work up to and including the access bridge (which includes the essential gravel trap). Refer to Attachment 1.
- 5.3 This is a deviation from Council's procurement policy but offers economies of scale on the back of a publicly let tender. Council will negotiate terms and conditions favourable for its ratepayers.

Risks

- 5.4 The risk exists that NCC will not be able to negotiate terms with the contractor, however this risk is deemed to be very low. NCC has an excellent working relationship with the contractor and this is expected to continue.

5.5 The resource consent for the upper section still needs to be secured - however now that the two key landowner agreements have been secured this can be lodged. This could well delay the contractor.

5.6 Inclement weather could disrupt the progress of the works, but this would have been the case under the normal procurement process.

Scope of Project

5.7 The scope of the proposed works under this proposal includes the upgrade of 105m of the creek, retaining walls, the access bridge and gravel trap.

6. Options

6.1 The options are to approve or not a variation to Council's procurement policy.

7. Assessment of Significance against the Council's Significance and Engagement Policy

7.1 The decision is not significant in terms of the Significance and Engagement Policy.

8. Consultation

8.1 The project has been consulted on through the 2014/15 Annual Plan. As part of a larger project, it will be consulted on as part of the draft 2015-25 LTP.

9. Alignment with relevant Council Policy

9.1 The project aligns with all Annual Plans and Asset Management Plans.

10. Inclusion of Māori in the decision making process

10.1 Māori have not been consulted on with respect to this matter.

11. Conclusion

11.1 An opportunity exists to work with our TDC neighbours to progress a part of the Saxton Creek upgrade work including the gravel trap.

11.2 This will require a variation to Council's normal process, but is allowed for in the procurement policy. It will deliver a good outcome for Council and its ratepayers. Officers recommend this approach.

11.3 The risks have been assessed and deemed to be low.

11.4 TDC is open to this opportunity, which will allow their culvert upgrade to be undertaken.

Alec Louverdis
Group Manager Infrastructure

Attachments

Attachment 1: Plan of scope of works



Saxton Creek upgrade – Procurement of construction services