

CONFIDENTIAL MEMORANDUM

TO: Finance & Audit Committee

MEETING DATE: 18 November 2020

TITLE: Approval of Award of Contract 3923 for Professional Service (Design) for City Centre Streetscape Upgrade

PRESENTED BY: Robert van Bentum, Manager - Transport and Infrastructure

APPROVED BY: Sheryl Bryant, Acting Chief Infrastructure Officer

It is recommended that this report be considered with the public excluded, as permitted by the Local Government Official Information and Meetings Act 1987 under clause:

s7(2)(h) Commercial Activities - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities

RECOMMENDATION FOR PUBLIC RELEASE

When the tender has been awarded and the contract signed, approximately 18 December 2020.

RECOMMENDATION(S) TO COMMITTEE

1. That the Committee approves the award of Contract 3923 – Professional Services Design for City Centre Streetscape Upgrade to Beca for \$1,007,690 (One Million, Seven Thousand, Six Hundred and Ninety dollars) excl GST.
 2. That the Chief Executive be given delegated authority to sign contract documents on behalf of Council.
 3. That the confidential memorandum entitled ‘Approval of Award of Contract 3923 for Professional Service (Design) for City Centre Streetscape Upgrade’ and decisions, presented to the Finance & Audit Committee on 18 November 2020, be released from Part II following award of tender and signing of the contract.
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1. ISSUE

1.1 Council approved the procurement process of the Design Services for the remaining streets in Programme 244 City Centre Streetscape (Streets for People) at the June 2020 Infrastructure Committee meeting. This report presents the outcome of that procurement process and seeks approval from Council for the award of contract.

2. OVERVIEW OF PROJECT SCOPE

2.1 In 2010 Palmerston North City Council (PNCC) commenced a new urban design journey to address many years of poor urban design outcomes for the City, including the city centre. This resulted in the development of both the City Centre Framework 2013 (CCFW) and City Centre Streetscape Plan 2016 (CCSP) to inform and guide future city centre urban development and streetscape change.

2.2 In 2018 PNCC set the vision of ‘Small City Benefits, Big City Ambition’ with PNCC city centre transformation being identified as one of its top ‘City Shaping’ moves. The strategic goal is being both an innovative - growing city, and a creative - exciting city. The CCFW and CCSP sets the strategic direction, defines actions to achieve this direction and lays out the staging of the delivery.

2.3 Figure 1 below illustrates the staging, timeframes and available budgets for Streets for People for the 2018 Long Term Plan.

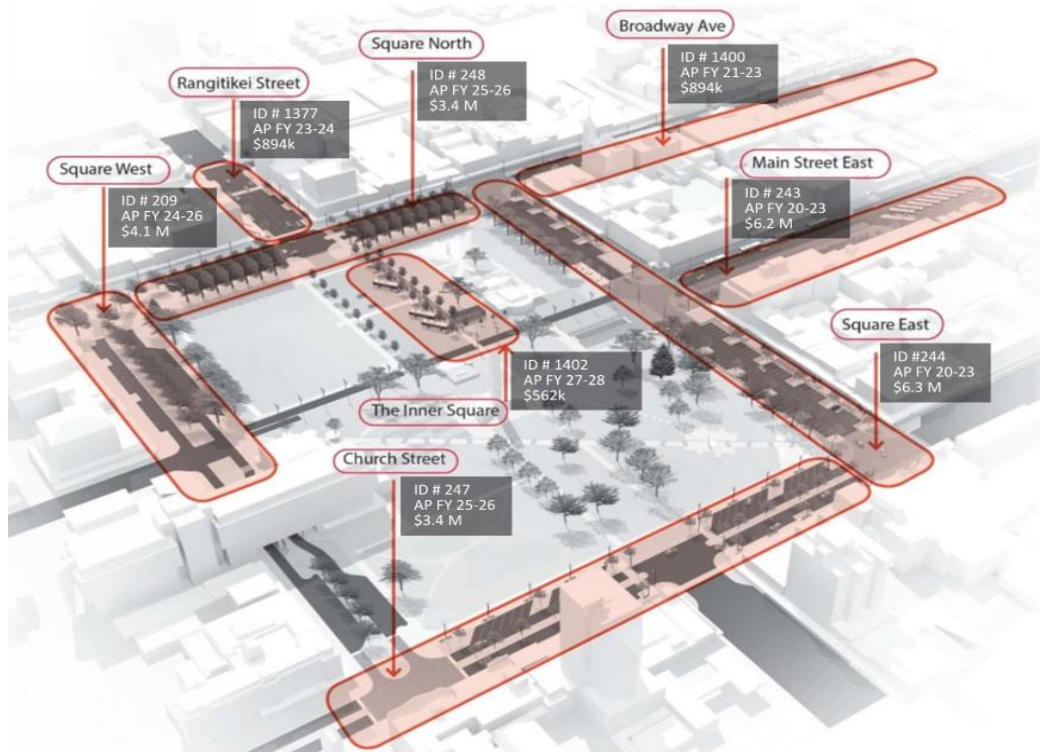


Figure 1. Schematic of Streetscape Upgrade

2.4 Square East stages 1 and 2 are now complete, and learnings have been compiled.

3. PROCUREMENT OVERVIEW

3.1 Following the Infrastructure Committee approval of the procurement process, PNCC engaged WT Partnership to manage the process to procure Professional Services for the following roles:

- Landscape & Arborist design
- Structural design
- Civil design
- Hydraulic & Services design

3.2 In conjunction with Palmerston North City Council, WT Partnership (WTP) developed and submitted a call for Registrations of Interest (ROI), via open tender, on the Government Electronic Tendering Services (GETS) website. The call for ROI was for professional services across Landscape & Arborist, Structural, Civil, Hydraulic & Services. Respondents were required to demonstrate their experience and approach across five key questions, each weighted 20%, with successful tenderers to be shortlisted and invited to submit a Request for Proposal. Responses to the ROI closed at 5pm on 13 July 2020, with 17 responses being received across the core services.

3.3 Upon receipt of the submissions, responses were scored individually against the evaluation criteria set out within the ROI. The following people made up the evaluation team:

- Personal Privacy S 9(2)(a) OIA PNCC Senior Urban Designer
- Personal Privacy S 9(2)(a) OIA WT Partnership
- Personal Privacy S 9(2)(a) OIA PNCC Project Manager PMO

3.4 In order to ensure a consistent and fair approach to the scoring had been adopted, WTP chaired a moderation exercise to review the overall submissions and moderate any anomalies within the individual scoring. The evaluation was completed by WT Partnership and the recommendation accepted by PNCC on 23rd July 2020 to shortlist the following submitters and invite them to provide a Request for Proposal (RFP).

Landscape Architect - Incl. Arboriculture & Lighting Design

1. Beca
2. s7(2)(b)(i) Third Party
3. s7(2)(b)(ii) Third Party Commercial

Structural & Civil Design - Incl. Traffic Engineering & Geotechnical

1. Beca
2. [Redacted]
3. [Redacted]

Hydraulic & Services Design

1. Beca
2. [Redacted]
3. [Redacted]

3.5 The RFP closed 4pm, 4 September 2020.

4. PROPOSAL EVALUATION

4.1 The (2 envelope – Price / Non-price attribute) RFP closed on 4 September at 4pm with all shortlisted consultants providing a compliant Proposal. The tenders were evaluated by the panel below. [Redacted] WT Partnership, acted as moderator.

- [Redacted] PNCC Project Delivery Team Leader PMO
- [Redacted] PNCC Project Manager PMO
- [Redacted] PNCC Senior Urban Designer

4.2 The tenders were assessed against a set of non-priced evaluation criteria and price with the criteria and weightings as set out in Table 1.

Table 1. Evaluation Criteria and Weighting

Tenders - evaluation criteria	Weighting (%)
1. Prequalification	Pass/Fail
2. Track Record	10%
3. Stakeholder Engagement and Management	10%
4. Resources	10%
5. Methodology and Programme	15%
6. Health & Safety	5%
7. Local Impact	5%
8. Innovation	5%
9. Price	40%
Total	100

4.3 The evaluation team undertook individual assessments of each of the proposals and then met to moderate a single score for each of the criteria and these scores are summarised in Table 2.

Table 2. Non-Price Attribute Scores

Tenderer Name - Landscape	Score	Rank
Beca	s7(2)(b)(i) /60	s7(2)(b)(i) Third Party C
s7(2)(b)(i) T	s7(2)(b)(i) /60	
s7(2)(b)(i) Third Pa	s7(2)(b)(i) /60	
Tenderer Name – Civil	Score	Rank
Beca	s7(2)(i) /60	s7(2)(b)(i) Third Party C
s7(2)(b)(i) Third Pa	s7(2)(b)(i) /60	
s7(2)(b)(ii) Third Party Commercial	s7(2)(i) /60	

4.4 The moderated non-price attributes results were added to the price submittals to identify the final scores which are detailed in Table 3.

Table 3. Overall Tender Scores and Rank

Tenderer Name - Landscape	Price	Price Score	Price Rank	Combined Score %	Rank
Beca	\$351,195.0	s7(2)(b)(ii) Third Party Commercial			
s7(2)(b)(i) T	s7(2)(b)(ii) Third Party Commercial				
s7(2)(b)(i) Third Pa					
Tenderer Name – Civil	Price	Price Score	Price Rank	Combined Score %	Rank
Beca	\$656,495.0	s7(2)(i)	s7(2)(b)(ii) Third Party Commercial		
s7(2)(b)(i) Third Pa	s7(2)(b)(i) Third Party Commercial	s7(2)(i)			
s7(2)(b)(ii) Third Party Commercial	s7(2)(b)(i) Third Party Com	s7(2)(i)			

4.5 Based on this evaluation the evaluation team undertook an interview with the highest scoring respondent, in this case Beca. WT Partnership moderated this interview which verified the bid as compliant and in line with the RFP intent.

4.6 The Beca proposal of \$1,007,690 (plus GST) from project inception through to detailed design and represents considerable savings on the anticipated fee levels for a staged approach to design.

4.7 Reference checks were completed with two referees, both of whom were client leads, on the nominated design projects. Answers to questions were positive and both referees indicated they would use Beca again. The reference projects were:

- **s7(2)(b)(ii) Third Party Commercial**
- **s7(2)(b)(ii) Third Party Commercial**

4.8 Following the submission of tenders, WT Partnership collated the tenders into a consolidated tender clarification schedule. All cost related clarifications have been considered as part of the financial review. WT Partnership have assessed the tender ‘tags’ at this stage to be in line with the intent of the contract and that they do not carry significant risk to the value of the proposal.

5. BUDGET FUNDING

5.1 Table 4 provides an overview of the PNCC FY 2018 to 2028 Long Term Plan and the funding allocated to the Streets for People Programme.

Table 4. PNCC FY 2018 to 2028 LTP Funding for Streets for People (\$000)

	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	Total
Rangitikei Street					89	805					\$894
Broadway Ave			580	2,700	2,400						\$5,680
Inner Square									51	511	\$562
Square West						412	2.6	1.1			\$4,110
Main Street East		621	1,500	2,500	1,400						\$6,020
Square East	2,600	2,800	800								\$6,200
Church Street							340	3.1			\$3,440
Square North								222	2.0		\$2,420
Total	2,600	3,420	2,880	5,200	3,880	1,210	2,940	4,420	2,050	511	\$29,130

Note: Figures are rounded and are indicative only.

5.2 A revised schedule of carry forwards was approved by Council at the 19 August meeting of the Finance and Audit Committee. The report included an additional request to carry forward \$1,428,871 in Programme 244. This funding allowed for the allocation of \$957,000 for Project 1859 Advanced Design and Construction.

- 5.3 The Beca proposal of \$1,007,690 (plus GST) is to be delivered over two financial years, commencing in the current financial year with the remainder of the work completed in the 2021/22 financial year.
- 5.4 The forecast expenditure on the Beca proposal for the current year is in the order of \$333,000, with the remaining \$674,690, spent in the 2021/22 financial year.
- 5.5 Forecast spending for the 2020/21 financial year for Project 1859 is outlined in Table 5.

Table 5. Forecast Spending 2020/21

Forecast spending 20/21 financial year	\$
Beca - Concept Design	§7(2)(D)(ii) Third Party C
Potholing and investigations (as required)	§7(2)(D)(ii) Third Par
Internal Project Management	§7(2)(D)(ii) Third Par
External Project Management	§7(2)(D)(ii) Third Par
Total	\$453,000

6. PROGRAMME

- 6.1 The programme submitted by Beca (and adjusted to align with Council’s approval process) provides for completion of concept design in early June 2021. The significance of Te Marae O Hine has been highlighted in the procurement process. Officers will ensure that the project partners with Iwi in the development of the Concept Design, as well as early stakeholder engagement. There is an opportunity at the end of this stage to get a high-level cost estimate and seek Council approval prior to proceeding to Developed Design. If required at this stage design changes can be made to manage expected cost to fit within the available budget. The programme aligns to the forecast spend on Concept Design work in the 2020/21 financial year.
- 6.2 The Developed Design stage is due for completion August/September 2021. There will continue to be Iwi and stakeholder involvement during Developed Design. At the completion of Developed Design PNCC will have the opportunity to obtain a second cost estimate and also to seek Council approval. If required at this stage design changes can be made to manage cost within the allocated budget. The intent is to complete the Developed Design work for all stages of Streets for People.
- 6.3 Detailed Design and Construction can be phased to optimize procurement and facilitate early contractor and stakeholder engagement. This may include completing and tendering more than one stage concurrently to leverage cost benefits associated with reduced number of site establishment and disestablishment occurrences. It is anticipated that early contractor engagement will occur mid-late 2021.

7. RECOMMENDATIONS

7.1 Council Officers recommend Beca Limited are confirmed as the preferred tenderer and, subject to the agreement of final terms, engaged to deliver the multidisciplinary design for the Streets for People from project inception through to Detailed Design inclusive. The following points are noted:

- The value of the engagement shall be \$1,007,690 +GST.
- The engagement is intended to be for all disciplines but PNCC will reserve the right to replace a discipline as needed.

8. NEXT STEPS

The next step, should Council approve the award of tender, will be to finalise the PNCC model Short Form Contract for Consultant Engagement for signing by both parties.

9. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual - 174	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council’s policies or plans?	No
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the outcomes of the Creative and Liveable Strategy	
The recommendations contribute to the achievement of action/actions in the City Centre Plan	
The actions include:	
<ul style="list-style-type: none"> • Deliver the city centre streetscape plan, including the urban bus terminal. • Collaboration on city centre development opportunities, e.g. former Police Station • Deliver on sustainable practices including crime prevention through environmental design (CPTED) and encouragement of city centre living • Iwi Partnerships: Continue focus on underlying historic and cultural elements such as Te Marae o Hine, to ensure these are appropriately acknowledged and reflected in the future cityscape, and to maximise the opportunities that iwi narratives offer to 	

strengthen the contemporary development of the City	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The city centre streetscape plan is designed to increase City Centre Vibrancy and improve the perception of the City. The procurement of design services for the remaining elements of the City Centre Streetscape Programme as a single engagement provides significant savings for design costs compared to a staged approach but also offer the potential of more efficient delivery of the works as enabling more effective control of the outcome cost to ensure the largest possible footprint for the streetscape upgrade programme.

ATTACHMENTS

Nil