

Waimea Water Augmentation Project – Lee Valley Dam

Project Management Request for Proposal

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NOTICE TO SUBMITTERS

This document has been prepared for the purposes of obtaining Proposals for the supply of Project Management Services to the Waimea Water Augmentation Committee through the Tasman District Council.

This Request for Proposal is being issued by:

Tasman District Council on behalf of the Waimea Water Augmentation Committee

Date of Issue: 27 May 2013

Date that Responses Open: 4 June 2013

Date and Time that Responses Close: 2.00 pm Wednesday 19 June

RFPs must be delivered to: Tasman District Council, 189 Queen Street, Richmond
or email pamela.white@tasman.govt.nz

RFPs must be labelled: **Project Management Services to the
Waimea Water Augmentation Committee**

- 1) All information contained in this document, including that relating to the scale and scope of the work required, is based on the best available records and is provided in good faith.
- 2) Tasman District Council accepts no liability whatsoever for any losses or obligations suffered by any party who relies upon this document.
- 3) The submitter is wholly liable for all costs incurred through their participation in this Request for Proposal process.
- 4) Tasman District Council is subject to the provisions of the Local Government Official Information and Meetings Act 1987. The guiding principle of that Act is that Official Information shall be made publicly available unless there is a good reason for withholding it. A Request for Proposal will become official information once it is received by Tasman District Council. The Act lists a number of grounds that may constitute good reason for withholding official information, such as:
 - a) Where making the information available would disclose a trade secret or would unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information; or
 - b) Where withholding the information is necessary to enable Tasman District Council to carry out, without prejudice or disadvantage, commercial activities; or
 - c) Where withholding the information is necessary to enable Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

Tasman District Council recognises that Requests for Proposal may contain commercially sensitive information. In order not to compromise the respondent's competitive position, Tasman District Council undertakes, subject to its statutory obligations, to protect the respondent's commercially sensitive information, where it is identified as commercially sensitive.

Approved for release

Lindsay McKenzie, Chief Executive

CONTENTS

1. Introduction	4
2. Background	6
3. Scope of Role and Deliverables	8
4. Skills and Attributes of Proposer	12
5. Information required within Proposal	14
6. Selection Process:	15
7. Indicative Timetable	17
8. Terms of Contract	17

1. Introduction

The Waimea Plains is acutely water short with current water resources significantly over allocated. Tasman District Council is a Unitary Council and has obligations under the Resource Management Act and the National Policy Statement on Freshwater to address the over allocation of water and better manage water quality. Water supply constraints have economic and environmental consequences that need to be addressed.

The Tasman District Council, through the Waimea Water Augmentation Committee, has spent nearly 10 years investigating solutions to this issue. The proposal is to establish a water augmentation dam in the upper Lee Valley catchment to store and supply water to the Waimea Plains. The proposed scheme is 'run-of-the-river'.

Council is now looking to appoint a Project Manager to work with Council, the Waimea Water Augmentation Committee, water users and the community on a number specific tasks that need to be progressed as part of the overall project.

It is anticipated that the Project Manager could be an individual or a consultancy company, and the work will involve around 1000 hours over a two year period. There is a fixed budget allocated to this contract.

As well as specific skills and experience, the Project Manager will demonstrate the various attributes described in this document. Relationships are key to the success of the project, so a high level of professionalism; ethical conduct; integrity and communication skills are vital to the successful Proposer.

1.1 *Communications during the RfP process*

The primary point of contact up until the closing of date and time for proposal will be

Joseph Thomas
Resource Scientist -Water
joseph.thomas@tasman.govt.nz
03 543 8494
0274 583674

The following people are also available to respond to questions and provide advice and information

Lindsay McKenzie
Chief Executive
lindsay.mckenzie@tasman.govt.nz
03 543 7205

Pamela White
Executive Assistant
pamela.white@tasman.govt.nz
03 543 8405

Murray King
Chair - WWAC
kingsway@ts.co.nz
021 684901

Active lobbying of any member of the Council, its staff, or members of the Waimea Water Augmentation Committee may result in a proposal not being considered.

2.2 Closing Date

Requests for Proposal must be received at the Tasman District Council office by **2.00 pm on Wednesday 19 June 2013**. Responses received after this time will not be considered. Responses may be submitted in writing (hardcopy) or via email (softcopy).

Submitters must provide the following contact details:

Name and/or Company Name (if applicable)

Contact Person

Mail address

Courier address

Phone/email contact details

2. Background

The water resources of the Waimea Catchment are over allocated and there are water quality and supply constraints in most summers. Occasional severe droughts limit land use and the Waimea River can run dry. Decisions about water management in the catchment – a planning and regulatory response – were delayed in 2001 while water augmentation options were evaluated.

The current method of rationing water use is only a holding pattern. To help identify a long term solution the community founded and funded the Waimea Water Augmentation Committee (WWAC).

WWAC is a community group that was formed to help resolve the acute water shortage problems of the Waimea Basin. It includes representatives elected by the Waimea Basin Water Users comprising more than 400 water permit holders; it also includes local iwi and environmental interests represented by Fish & Game and the Department of Conservation. Tasman District and Nelson City Councils are represented by Councillors and Council staff.

The proposed solution after nearly 10 years of investigation and consultation by WWAC and others is the Lee Valley Dam. However the Dam is only part of the solution. Changes to the water management provisions in the Tasman Resource Management Plan are required and are currently underway. Those changes address both a “with” and “without” dam option, with the possibility that there is no guarantee that water in the river can be augmented to support extraction and in-stream uses at an affordable cost.

Assuming that it goes ahead, the dam will be one of the largest investments the Tasman community has made in its core infrastructure. A feasibility investigation on the Lee Valley proposal was completed in early 2010. Design work is currently progressing (due for completion in mid-2013) on the site above Onslow Creek in the Lee Valley. The dam will hold 13.4 million cubic metres of water and cost about \$41.6 million (in 2009 dollars). It will provide water for both irrigation and urban supply to the equivalent of 7,765 hectares and increase water flows in the Waimea River to:

- preserve environmental flow requirements
- recharge the underlying aquifers during periods of drought
- provide water in the rivers for recreation during summer
- provide a secure water supply to Richmond, Brightwater and Wakefield for the long term (100 years).

It is proposed that the dam be owned by a co-operative company. A shell company has been formed (DamCo) that could become the proposed cooperative/community owned company.

The Council has provided WWAC with project management, coordination and administration resources to date. It is also a significant funder of the work to date. The Council’s powers under the Local Government Act and Local Government Rating Act have been used to obtain contributions from water users and others in the catchment.

In late 2012 WWAC requested Council’s support for project management and funding parts of the next critical phase of this project. WWAC’s request was necessary because the project has become

increasingly complex with multiple work streams to manage i.e. finalising estimates, undertaking the Plan Change, applying for resource consents, securing access to and ownership of land, financial modelling, and partial activation of DamCo. That support was agreed. This RfP is one response. The other has been the provision of up to \$200,000 over two years to support the project management function.

The agreed roles and responsibilities of the parties in summary are –

- The Project Manager will be contracted to the Tasman District Council and will be accountable to the Chief Executive for their overall performance
- The Project Manager will provide deliverables to the Council, WWAC and DamCo
- WWAC remains in overall control of the project and represents the irrigation community interest
- Council will ensure that the project is consulted on with the Tasman community
- A decision on whether or not a dam is built in the Lee Valley will be the Council's following community consultation
- Council will continue to provide WWAC with ongoing project management, coordination and resources
- Joseph Thomas will continue to have the primary support role to WWAC
- WWAC and the Council are signatory to most of the contracts and funding arrangements
- The Government has been a major funder of the project to date and potentially have a role in future aspects
- DamCo (i.e. registered company) has been formed in anticipation of being the dam owner

3. Scope of Role and Deliverables

The following sections of this RfP set out in general terms the scope of services to be provided and the related deliverables. The Project Manager is to have overall responsibility for the successful planning, execution, monitoring, control and closure of this phase of the project. The key areas of work will relate to programming work and budgets; governance structure and function; land access and acquisition; the Resource Management Plan Change; resource and building consents; funding; dam design and tendering.

3.1. *Establish a Memorandum of Understanding between the Partners*

There are several entities with a stake in the project – Council, WWAC and its member organisations and DamCo. There are significant external partners including the Government as funder. An MOU will be established as a priority to define, with respect to each of the Partners:

- undertakings
- roles
- resourcing
- relationships
- responsibilities
- funding
- decision making processes

This MOU will confirm the reporting lines and responsibilities to each entity of the Project Manager, and other current support people.

It is envisaged that the Project Manager's contractual accountability will be to the Council, that they will have a close working relationship with Joseph Thomas (Council's current main support person) in supporting WWAC and will have a role in supporting DamCo with the advice it needs to complete the tasks it assumes.

3.2. *Roles and Relationships*

This is a multi-stakeholder project involving central and local government, Iwi, water users, recreational users, community representatives, consultants and advisers among others. Managing those relationships well is the key to the success of the project.

3.3 Programming, Budgets and Reporting

The Council has set a budget for its contribution and the project has its separate 'closed' account.

The Council's Finance staff provide financial reporting. The Project Manager will develop a work plan as well as monitor and report on income and expenses and progress against set timelines, set budgets and planned deliverables. As aspects of the project are time critical the work plan will provide delivery dates for all key deliverables. WWAC and the Council will have input into and approve the work plan.

3.4 Structures and Governance

It is envisaged that DamCo will be the vehicle for forming a community owned company. A significant amount of work has been done on the governance and ownership arrangements. Further work is needed and advice will be required on the role of DamCo in the short to medium term. It is likely that DamCo will need to be the applicant for resource consents - hence the need to activate the company. The issues may include -

- When and how to activate
- Directorships and their obligations
- Capital and funding
- Relationship with WWAC and Council
- Reporting and accountabilities
- Companies Act matters
- Local Government Act matters
- Local Government (Rating) Act matters
- Financing
 - Crown role
 - rates
 - shareholding
 - politics and advocacy
 - relationship with Nelson City Council
- Risks/liabilities
- Pre-construction, construction and post-construction operational roles

The Project Manager will work with the other stakeholders and current advisers to activate DamCo and support it to achieve its purpose.

3.5 Land Access and Acquisition

A key early task is to secure access to the proposed dam site and to obtain conditional agreements to acquire the site. The dam footprint, the area of impoundment and any adjacent land that is integral to the project is to be acquired. It is likely that the process including the negotiations will be outsourced. The Mayor, Councillors and community members on WWAC have a stake in the process. Some agreements have already been reached for preliminary access.

The Project Manager will arrange and supervise contacts with the external providers and manage the multiple relationships on which the access and procurement process depends. This is to occur at each phase of the project including with -

- Crown (DoC)
- Iwi
- Forest leases
- Private and Corporate owners

The negotiations are likely to be sensitive, each of the landowners has their needs and preferences and the process will be challenging. The Public Works Act is a tool to be used preferably to achieve a willing buyer / willing seller outcome vs compulsory acquisition.

Success means securing access and conditional sale and purchase agreements for the Council and DamCo on reasonable commercial terms. Good relationships with landowners will be maintained so that the dam can be built without impediment.

3.6 Plan Change

A change to the Tasman Resource Management Plan is underway. The Council is processing the change as part of its Resource Management Act responsibilities.

The timelines are critical to the next phases of the project. Resources are being shared to progress the Plan Change e.g. community engagement and consultation. This is not a major area of work for the Project Manager other than to ensure Plan Change timelines are met and managed so that resource consent applications can be made in a timely way.

3.7 Consenting

The advice to WWAC and the Council is that the applicant for the resources consents for the dam should be DamCo. To enable that, DamCo needs activation and guarantees that its liabilities can be met in the absence of its own capital to fund the consenting process.

If the Council provides guarantees to DamCo to enable the directors to meet their obligations the Council will need assurances about the vesting or transfer of DamCo's assets in the event that the project doesn't proceed. These will need to be formal agreements.

WWAC will manage the resource consent application process and obtain building consents on behalf of DamCo when the time comes. The Project Manager will provide support to this process as required and coordinate the timing of the consenting process with other workstreams.

3.8 Dam Design and Tendering

A feasibility investigation on the Lee Valley proposal was completed in early 2010. Design work is currently progressing (due for completion in 2013) on the site above Onslow Creek in the Lee Valley. The proposed solution is a dam holding 13.4 million cubic metres of water costing about \$41.6 million (in 2009 dollars) that will provide water for both irrigation and urban supply to the equivalent of 7,765 hectares.

As currently proposed, the dam would be approximately 52 metres high and constructed of rockfill with a concrete face. It would take approximately two years to build and one to three months to fill, depending on the time of year filling starts.

WWAC/Tasman District Council have contracted Tonkin and Taylor as the lead designer and Opus International as peer reviewer. Tonkin and Taylor have progressed the design of the dam to Stage Three level (80%). The peer reviewer is currently reviewing the Stage Three design and is to provide advice on project cost estimates and methods to obtain better cost certainty.

WWAC is managing the current contracts to complete the design and tender documentation. The Project Manager will assist by managing any conditional tendering arising from the Stage Three design.

4. Skills and Attributes of Proposer

Council and WWAC are open to proposals from individuals and consultancies. If an individual is chosen we envisage a contract for service rather than a fixed term employment agreement.

It is likely that the work load will ebb and flow depending of the demands of the various project stages. There will be a ramping up phase, peak work around the key decision making and process steps e.g. preliminary tendering, consenting and a phase down at the time a decision is taken whether or not to build the dam.

For simplicity sake, what follows refers to the attributes of a person. The attributes are intended to apply equality to a consultancy and its personnel rather than indicate a bias for one form of service delivery over another.

4.1 Experience and Skills

This role requires broad project management skills and a track record in successfully managing projects of this scale and complexity. It is important that the person or consultancy can bring professional or technical skills to the task in one or more of the disciplines that the projects encompasses such as –

- Property management – including acquisition
- Tender documentation and evaluation experience
- Water augmentation and irrigation
- Structural engineering
- Land use
- Finance
- Funding advocacy
- Corporate governance
- Community relations and engagement

A good knowledge of the Tasman community and the Waimea catchment especially will be a distinct advantage.

4.2 We are also looking for a Project Manager who can

Share the Vision

We are looking for an effective Project Manager who has a clear view of the needs of the stakeholders, where they want to go and the ability to articulate it. People need a real stake in the project, to be focused on the outcomes sought and to get results.

Maintain and Enhance Relationships

The Project Manager will be working closely with a range of people and organisations. A good relationship with WWAC, Council and key stakeholders is critical to the success of the project. The Project Manager must be able to understand parties contribute to the project.

Communicate Well

The ability to communicate with people at all levels is an important skill. This project calls for clear communication about goals, responsibility, performance, expectations and feedback.

A great deal of value is placed on openness and directness. The Project Manager is also a link to the broader group of stakeholders. The ability to effectively negotiate and use persuasion when necessary to ensure the success of the project is a must.

Show Integrity

One of the most important things we want is a Project Manager who shows commitment to and demonstrates ethical practices. We want people who "walk the talk" and in the process earn trust.

Be Enthusiastic

We want a Project Manager with enthusiasm and a can-do attitude. Commitment to the project's goals should be through optimism.

Show Competence

The Project Manager needs to show technical abilities in at least one of the core skill areas of the project. In addition we are looking for the capability and capacity to successfully coordinate the efforts of others by challenging, enabling, modelling and encouraging.

Demonstrate Ability to Assign Tasks

Trust is an essential element in the relationship of the Project Manager and stakeholders. Tasks that are assigned need to be clearly defined. We do not want waste to occur as a result of an over emphasis on checking and control.

Be Cool Under Pressure

The project needs to be delivered on time, under budget and with no major problems or obstacles to overcome. But we don't live in a perfect world – the project will have problems. The Project Manager is expected to positively influence the outcome at such times and see the situation as a challenge.

Utilise Problem Solving Skills

The Project Manager will need to share problem-solving responsibilities with the team, but we expect them to have excellent problem-solving skills personally.

Effectively Manage the Project

Maintain a work programme that manages a number of tasks

5. Information required within Proposal

Overview

Submissions must be structured to convey the information required in Section 4. in the order listed. This shall be limited to 20 pages (single sided), including index pages.

Identification of Gaps in Ability to Offer Services

Where contractors are not able to fulfil the full requirements for the scope of services required for this proposed contract, the gap shall be identified, and their Proposal submission should indicate how the gaps will be filled.

Documents not meeting these requirements will be excluded from further evaluation.

Company or Personal Capabilities

Tasman District Council requires contractors to demonstrate that they have the financial resources and personal skills or organisational structure to succeed in undertaking the contract. In particular Tasman District Council will need to be satisfied that the contractor has access to sufficient resources for the contract. The information should include details of any dependence on subcontractors. Companies should indicate whether they have a local presence at present.

Previous Experience in this Type of Work

Contractors shall provide evidence of a successful track record in undertaking contracts of this nature and scale, and provide details of the particular skills and abilities that can be brought to the contract. The contract documents will require managed performance against KPIs that reflect the service/delivery requirements of Tasman District Council.

Technical Capability

Contractors are required to demonstrate that they have an appropriate technical expertise to successfully complete the contract, as listed in Section 4. of this document.

Health and Safety

Contractors shall demonstrate to Tasman District Council that they have in place suitable standards of Health and Safety practice for a contract of this nature including hazard identification, reporting and auditing procedures. Flexibility will be required to co-ordinate with Tasman District Council 's health and safety requirements.

Communication and Reporting Systems

The contractor will be expected to provide details of all of their communication and reporting systems that will provide confidence in their ability to provide details on work in progress.

Quality Control Systems

It is anticipated that acceptable quality systems will have provision for continuous improvement techniques and that the contractor has a "culture" of quality.

6. Selection Process:

6.1 *Determination of Process*

Tasman District Council reserves the right to absolutely determine at its sole discretion the selection process relating to this Request for Proposal, and the overall contract selection process.

Tasman District Council is under no obligation to accept the lowest priced, or any other, tender or proposal submitted in response to this process.

6.2 *Submission of Proposal*

Formal, written Proposals are required. Tasman District Council expects that these will contain sufficient information for the rigorous evaluation of contractor capability.

Documents will become the property of Tasman District Council and will not be returned.

6.3 *Development of Preliminary Short List*

Tasman District Council will use the written Proposal document to form a view of the merits of the contractor's capabilities.

Tasman District Council may require that additional information be provided to develop a view, and reserves the right to make such enquiries as it may deem appropriate to confirm the accuracy of information provided in the submissions.

The view will be formed based upon the information provided in the Proposal, as outlined at section 5.

A Preliminary Short List will be developed as a result of this stage of the evaluation.

6.4 *Interview of Submitters*

Contractors on the Preliminary Short List may be required to participate in a short interview process at which time they will have the opportunity to clarify issues that may be raised. It is anticipated that interviews, if held, will be in Richmond. All costs associated with attendance at these interviews will be borne by the contractor.

6.5 *Development of Final Selection*

The Project Manager will be appointed by the Chief Executive, or the Chief Executive's delegate, in consultation with the Waimea Water Augmentation Committee.

6. Proposal Analysis and Evaluation

Tasman District Council will use an attributes scoring system to evaluate the Proposer's ability to fulfil the scope of the requirements.

	Score 1 to 5
	1: Poor
	2: Average
	3: Above Average
	4: Good
	5: Excellent
Key Aspects Assesed (Score 1 to 5 for each)	
Meeting Scope of Brief	
Skills and Attributes	
Project management disciplines	
Tendering and contract management	
Land access, sale and purchase	
Environmental management - regularatory framework	
Finance and funding	
Community engagement and communication	
Work planning and reporting	
Agricultural/horticultural sector knowledge	
Irrigation scheme knowledge	
References/contract performance	
Capacity/organisational structure/staffing	
Local knowledge	
Local Government sector knowledge	
Content of Proposal	
Coherence and Integration of Proposal & Resourcing	
Budget Specifics - Satisfactory?	
Commitment to Reporting - Is this Shown?	
Total	
General Aspects	

7. Indicative Timetable

- Date that responses open 4 June 2013
- Date the responses close 19 June 2013 (2pm)
- Short list agreed 20/21 June
- Interviews held week of 24 June 2013
- Appointment made week of 1 July 2013
- Commencement in July by arrangement

8. Terms of Contract

The successful contractor can expect that the final contract documents will be designed to complement the Request for Proposal process and will take account of information gathered during the selection process.