

13.5 WATERS CAPITAL PROJECTS FINANCIAL DELEGATIONS**Author:** Peter Trafford, Principal Engineer, 3 Waters**Authoriser:** James O'Connor, Group Manager, Infrastructure and Community Operations (Acting)**File Number:**

The Council is satisfied that, pursuant to s48(1)(a)(i) of the *Local Government Official Information and Meetings Act 1987*, 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

To seek approval for the Chief Executive of South Wairarapa District Council to have delegated financial authority to approve two construction contracts for Waters capital projects.

EXECUTIVE SUMMARY

- The Featherston Water Mains Renewal project is expected to require a construction contract approval worth up to \$5.15 million.
- The Waiohine pH Dosing Construction project is expected to require a construction contract approval of up to \$1.43 million.
- Both of these contracts will exceed the Chief Executive's delegated financial authority. Approval from Councillors is requested to delegate their authority to the Chief Executive.

RECOMMENDATIONS

1. To receive the Waters Capital Projects Delegation report.
2. That *Council* delegate their financial authority to the Chief Executive to approve a construction contract for the Featherston Water Main Renewals of up to \$5.15 million.
3. That *Council* delegate their financial authority to the Chief Executive to approve a construction contract for the Waiohine pH Dosing Construction project of up to \$1.43 million.
4. That this report and associated minutes stay in public excluded until the competitively tendered contracts are awarded.

BACKGROUND

South Wairarapa District Council took on responsibility from Wellington Water for delivery of capital projects for Waters (drinking water, wastewater, stormwater) on 1st July 2025 as Council decided this would be a more effective approach. Two contracts were novated from Wellington Water – Martinborough and Greytown WWTP Desludging; Tauwharenikau Pipeline Replacement – and are currently under active project management.

Two further contracts have been released for open tender, with due dates, estimated value and scope of works as follows:

- The Featherston Watermains Renewal construction contract tender closed on 25th September 2025 and is estimated to be worth up to \$5.15 million. The scope of works is to replace 12 discrete sections totalling 2.4km of reinforced concrete (RC) or asbestos cement (AC) water mains and 1.1km of rider mains and service connections beneath carriageways, railway, footpaths and berms within Featherston town.
- The Waiohine pH Dosing construction contract tender closes on 9th October 2025 and is estimated to be worth up to \$1.43 million. The scope of works is:
 - The supply, delivery and installation of a 15,000 litre NaOH storage tank, with tank slab foundation, roof structure, chemical bund area and delivery bay loading area
 - Electrical, control and instrumentation, plumbing and drainage, tank level monitoring and chemical dosing system. Commissioning support to go live
 - Earthworks and truck access road and modifications to site fencing.

DISCUSSION

The Waters Capital Programme for FY2025 – 2027 consists of 16 discrete projects run by SWDC and 3 other reactive renewal budgets used by Wellington Water, with a total approved budget of \$35,859,670 (inflated values).

The focus of the programme is to deliver the upgrades recommended by the Wellington Water Asset Planning team based on their assessment of the infrastructure needs, which forms the basis of the Long Term Plan 2025-2034.

There is a need to maintain momentum of project delivery within the programme of works and balance this with the upcoming Local Body elections. The two projects outlined are specifically called out as their delivery crosses over the election period. Future projects that commence after the election period will be taken to the new Council to seek delegation review / approval.

OPTIONS

Option 1 – Delegate financial authority to Chief Executive (Recommended Option)

Provide delegated financial authority to the Chief Executive to award the contracts following the tender process and contract negotiations for two projects – Featherston Water Main Renewal; Waiohine pH Dosing construction. This maintains the desired time of delivery for this work, and makes use of the drier “construction season” for these two scopes of work.

Option 2 – Reserve delegated financial authority with Council

Do not provide delegated financial authority to the Chief Executive to award the contracts following the tender process and contract negotiations. This will mean the approval of these contracts will

take place after the Local Body elections have elected a new Council, with the first meeting date uncertain. The tender validity periods will have expired and contract negotiations will be lengthy. The “construction season” will pass without progress and the work will be more difficult during the wetter, colder conditions.

CONSIDERATIONS

Financial

Both of these contracts are allowed for in the approved capital budget for FY25/26 and FY26/27

	Yes/No/NA	Commentary
Inclusion in the AP/LTP? (if no – provide commentary)	Yes	
Confirmed budget source	Debt-funded	GL codes 98860223 for Featherston Watermains and 9886022002 for Waiohine pH Dosing
OPEX or CAPEX	CAPEX	
Rating impact	No	
Procurement process	Open Tender	Values are in excess of \$100,000, so open tender is recommended by SWDC Procurement Policy

Climate Change

These projects reduce greenhouse gas emissions by reducing water leaks, which saves pumping energy, and allowing bulk delivery of caustic soda, which reduces truck movements.

The materials selected by the designs for the contracts are industry-standard for conveying of pressurised water or corrosive hazardous substances.

CONCLUSION

- That *Council* delegate their financial authority to the Chief Executive to approve a construction contract for the Featherston Watermain Renewals of up to \$5.15 million
- That *Council* delegate their financial authority to the Chief Executive to approve a construction contract for the Waiohine pH Dosing Construction of up to \$1.43 million
- That this report and associated minutes stay in public excluded until the competitively tendered contracts are awarded.

COMPLIANCE SCHEDULE

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and

- c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

Compliance requirement	Staff assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This is a matter of Low significance.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the Long Term Plan) that relate to this decision.	This report complies with Procurement Policy and water infrastructure community outcomes from the Long Term Plan
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	There are no implications for Māori.
Chief Financial Officer review	The Chief Financial Officer has/ has not reviewed this report. The estimated contract costs fit within the capital budgets approved from the Long Term Plan.
State the possible implications for health and safety	The Waiohine pH Dosing contract will reduce health and safety risk from caustic soda delivery and handling. This has been raised as a concern by SWDC's operators, Wellington Water.

APPENDICES

Nil