

Coastal Shipping

Supporting resilient and sustainable freight connections for a thriving economy.

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About Waka Kotahi NZ Transport Agency

A great journey is easy, safe and connected. Waka Kotahi NZ Transport Agency (Waka Kotahi) is focused on providing one integrated land transport system that helps people get the most out of life and supports business.

We look after the national transport system with our partners, today and for the future. We're innovating to make sure the system is efficient and sustainable, unlocking opportunity and keeping New Zealand moving.

We're working to deliver our customer promise – great journeys to keep New Zealand moving.

Impartiality and transparency are important to us, if applicants have any probity concern with regard to this procurement activity the Probity Auditor should be contacted. The Probity Auditor is not a member of the Evaluation team.

For any probity queries contact the Waka Kotahi Probity Auditor:

section 9(2)(a)

Managing Director

Wellington Office
187 Featherston Street
Level 1
PO Box 25103
Wellington 6146

Phone:

Mobile:

Email:

section 9(2)(a)

Introduction

New Zealand's coastal shipping sector fulfils a critical role in New Zealand's freight system. It provides a safe and sustainable mode for transporting large, heavy cargo such as petroleum products, cement and aggregate. There is potential to increase the use of coastal shipping as an alternative to other freight transport.

We invite applicants to apply for Coastal Shipping funding as part of the National Land Transport Programme 2021-2024 (NLTP).

How we got here

The Government Policy Statement on Land Transport 2021/22-2030/31 (GPS) introduces a new coastal shipping activity class.

The objectives of the coastal shipping activity class are to:

- improve the competitiveness of domestic coastal shipping (including increasing coastal shipping's freight mode share and the size of the domestic sector),
- reduce freight sector greenhouse gas emissions
- enhance resilience.

The activity class recognises that the coastal shipping sector is inter-regional/national in nature and the desired outcomes from the activity class are to contribute to resolving inter-regional/national issues, rather than regional/local issues.

Through the NLTP, the Waka Kotahi Board have allocated \$30 million for coastal shipping projects that can support the objectives of the activity class.

Where we are now

Waka Kotahi has developed an investment decision making framework for the activity class. This framework prioritises investment to achieve coastal shipping mode share increases, efficiency gains across the coastal shipping and broader freight networks, and greenhouse gas emission reductions. The assessment criteria gives effect to this framework.

We have created four focus areas that will help guide, but don't seek to limit applications (noting they have been consciously created at a high level to encourage innovation). The focus areas are:

New or enhanced domestic services – applications could include new container services and new bulk services or increased frequencies and additional ships for existing container and bulk services;

Reducing sector emissions – applications could include testing emerging technologies for decarbonising domestic shipping;

New or enhanced inter-modal links – applications could include new inter-modal links or improvements to existing inter-modal links, such as track works or road access improvements; and

New or enhanced maritime infrastructure – applications could include shore power connections at ports, new (small) regional ports, and expansion of existing ports.

Applications for research and trials are also welcome in addition to physical works or permanent services.

The programme runs for the current NLTP period to June 2024, a timeframe that allows applicants to deliver meaningful change to the sector.

What/who we are looking for and why you should apply

Waka Kotahi want applicants who can deliver meaningful change to the coastal shipping sector and support the delivery of best value for money for the coastal shipping activity class.

We welcome applications from all who will work with to deliver results.

Through our assessment process, best value for money means a combination of quality evaluation scores, price (individual and collective), national benefits, addressing known challenges in coastal shipping.

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Setting you up for success

Submit your Request for Proposal

The Request for Proposal (RFP) establishes your ability to work with us by inviting you to demonstrate your organisational readiness, willingness, and processes that will enable you to implement change. We will also be looking for a strong sense of direction and strategic alignment with national goals.

Coastal Shipping 2021-2024 programme approach

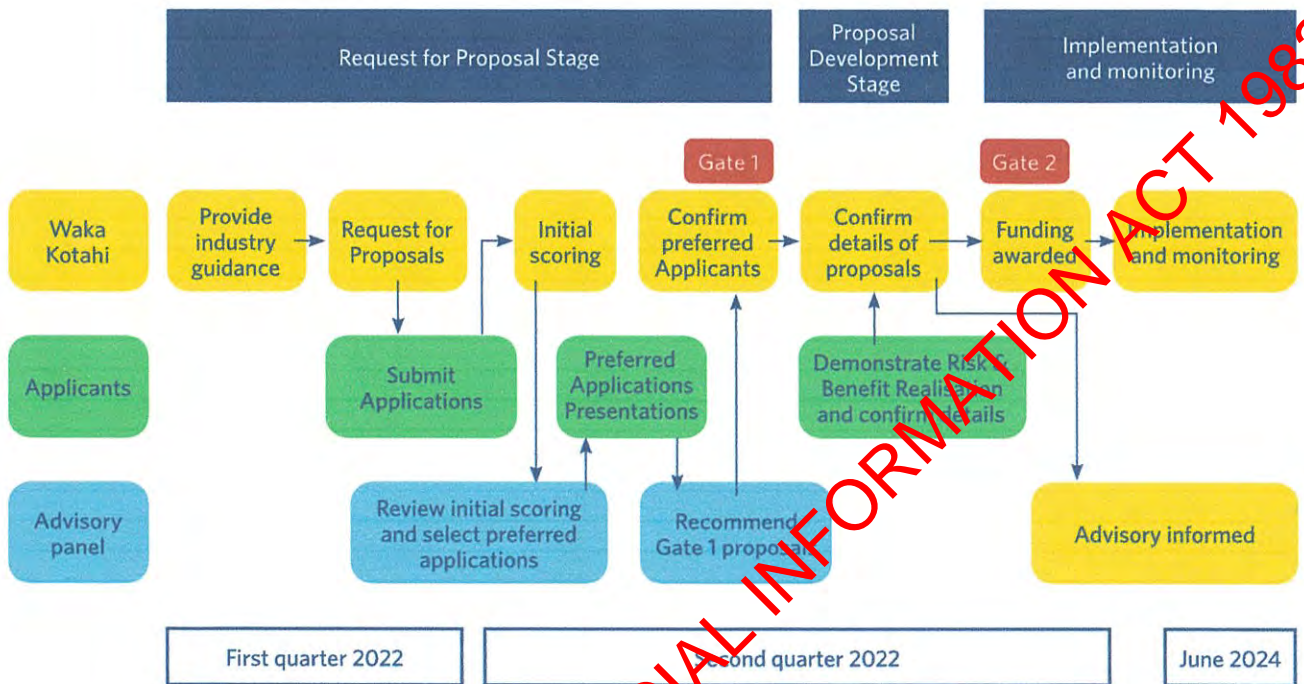
Waka Kotahi seeks to ensure best value for money is delivered to the coastal shipping activity class, therefore a contestable approach will be undertaken to allocate funding to appropriate projects. The overarching process is shown below:

Request for Proposal:

- Identify all prospective projects for the 2021-24 programme through an open market application process.
- Initial selection of preferred applications by a Waka Kotahi evaluation team based on written submissions and the funding required for each proposal (including consideration of co-funding).
- Preferred applicants will be required to present their application to the evaluation team and an Advisory Panel (made up of industry representatives) to confirm successful applicants.

Proposal Development:

- Successful applicants will be supported by the Waka Kotahi team to confirm the details of their application proposal including, but not limited to, risk and benefit management.
- The proposal development stage will see Waka Kotahi working collaboratively with the applicants.



While Waka Kotahi will be providing funding to the programme, there is an expectation that applicants will also contribute to the overall cost of the project to obtain maximum leverage from the funds provided. Further details of this approach are discussed below.

What you need to know to apply

What are the minimum requirements?

Checklist: Are you eligible, with an eligible project?

Applicants must confirm that they meet the minimum requirements by responding 'Yes' to the questions below.

If you cannot meet the minimum requirements you should not submit an application.

| | |
|--|---|
| Is the proposed project aligned with the objectives of the Coastal Shipping Activity Class and cannot be delivered through another NLTP Activity Class? (refer industry guidance document for information on activity classes) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Can you provide financial co-investment to supplement Activity Class funds? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Can the proposed project be delivered within the current regulatory and legislative framework? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Can you continue to fund any operational costs of the project post funding contribution from Waka Kotahi? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Can you deliver the proposed project in the required timeframe (by June 2024)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

What is the timeline?

| | |
|---------------------------------------|-----------------------|
| Request for Proposal (RFP) issued | 1 March 2022 |
| Market briefing (via Teams) | 3 March 2022 |
| Deadline for questions | 25 March 2022 (5pm) |
| RFP close | 7 April 2022 (5pm) |
| Preferred applicants notified | 2 May 2022 |
| Preferred applicants presentations | 6 May 2022 |
| Successful applicants notified | 13 May 2022 |
| Proposal development stage completed | 17 June 2022 |
| Anticipated commencement date | 1 July 2022 |
| Implementation | July 2022 – June 2024 |
| Project Close and benefit realisation | June 2024 |

All dates and times are dates and times in New Zealand.

What is the process for assessment?

As well as the proposed project itself, the RFP evaluation will consider your commitment, willingness, systems, and processes, along with the strategies you have in place. We will use the criteria and weightings in the next section to review RFP applications.

An evaluation team of Waka Kotahi staff will review the RFP applications and, to ensure we gain the buy-in and support from the coastal shipping (and wider freight) industry, an Advisory Panel will also be involved in the process.

Advisory Panel

The Advisory Panel will be created to support the delivery of the programme. The panel will be made up of participants from Government and freight industry organisations to provide a range of diverse views. The role of the industry advisory panel is to:

- Advocate for the coasting shipping industry
- Provide feedback to the coastal shipping industry to provide them with confidence in our process and intentions.
- Provide advice and make recommendations to Waka Kotahi on the shortlist and programme.
- Provide advice that the programme will make a meaningful change to the national freight sector, solve identified and agreed problems, and support the efficiency and resilience of the coastal shipping sector.

How will the assessment work?

Initially, the evaluation team will review whether the applications meet the minimum requirements. Any applicant who is considered not to do so will be deemed non-conforming and will not proceed further through the process.

An evaluation of applications will then occur in accordance with the non-price evaluation criteria and weighting in this RFP and will be completed by the evaluation team. There will be the opportunity for Waka Kotahi to ask questions and clarify information during this process. A quality score will be determined by the evaluation team. Price is not a weighted attribute and will not be considered at this stage to ensure there is no bias present during the non-price evaluation.

The price information will then be presented to the evaluation team after the quality evaluation is completed. The price evaluation will consider affordability (the NLTF share of the total cost), co-investment (the total cost including co-funding) and the overall value delivered to 'New Zealand Inc.'

The evaluation team will then consider the applications and agree which application (or series of applications) represent the best overall value for money. A preferred applicant list will be prepared.

It is important to note that in the selection of the preferred applicant list, several applications may be selected. These may not be the highest scoring quality applications but will be a selection of applications that are considered to provide best overall value for money.

When selecting the preferred applicant list consideration will be given to: non-price evaluation scores, price (individual and collective, and which will include the total value of the investment(s) and leveraged funding), national benefits (value delivered to 'New Zealand Inc.') and addressed known challenges in coastal shipping.

The results of the shortlisting will be documented in an evaluation report which will be presented to the Advisory Panel for endorsement. Applicants not shortlisted will be notified at this time.

Preferred applicants will be required to present their application to the evaluation team and Advisory Panel to confirm they are successful. Evaluation scores may be moderated following presentations based on the evaluation criteria, and due diligence will be undertaken.

Scoring

The following scoring scale will be used in evaluating proposals. Scores by individual team members may be modified through a moderation process across the whole evaluation team.

Excellent: Exceeds the requirement. Exceptional demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods/services. Response identifies factors that will offer potential added value, with supporting evidence.

Good: Satisfies the requirement with minor additional benefits. Above average demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods/services. Response identifies factors that will offer potential added value, with supporting evidence.

Acceptable: Satisfies the requirement. Demonstration by the supplier of the relevant ability, understanding, experience, skills, resource, and quality measures required to provide the goods/services, with supporting evidence.

Minor Reservations: Partially meets the requirement with minor reservations. Some minor reservations of the supplier's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods/services, with little or no supporting evidence.

Serious Reservations: Does not meet the requirement with serious reservations. Numerous serious reservations of the supplier's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods/services, with little and/or no supporting evidence.

Unacceptable: Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the supplier has the ability, understanding, experience, skills, resource & quality measures required to provide the goods/services, with no supporting evidence and/or minimal to no compliance with requirements, RFP expectations or RFP declaration.

Criteria for assessment

The evaluation process contains a total of five minimum requirements which are non-negotiable and required to be confirmed by the applicant. (refer 'What are the minimum requirements?' section on page 7)

There are then six weighted criteria for assessment.

Price is not weighted. Price will consider affordability, co-investment and the value delivered to New Zealand Inc. to ensure best value for money can be delivered to the coastal shipping activity class.

Criteria 1: Alignment with Activity Class (Weighting: 35%)

The applicant must demonstrate commitment to delivering against the objectives of the activity class and how the proposed project will contribute to increasing mode share and delivering a positive market impact. This includes:

- increasing the use of coastal shipping as an alternative to road freight transport
- embedding mode neutrality and choice for freight transporters
- enhancing the sustainability and competitiveness of the domestic sector
- understanding the challenges facing coastal shipping and working to address them.

Waka Kotahi wishes to take an investment logic-based approach to applications for this activity class. As such, we are looking for applicants to identify specific problems or challenges facing coastal shipping that could be resolved through investment. Applications should:

- clearly articulate the problem (challenge) required to be solved
- provide high level details of a preferred option for investment
- identify significant risks and mitigations
- demonstrate that the benefits of the proposed project and how they will benefit the wider sector and not just the applicant.

Why this is important: the GPS outlines clear priorities and objectives for the activity class.

It is critical that our investments give effect to the GPS and we will value applications that can demonstrate high levels of alignment to one or preferably more than one of these objectives.

When allocating NLTF funds Waka Kotahi is required to ensure that investments are efficient, effective and demonstrate value for money. This is demonstrated through a robust consideration of options. Starting with an agreed problem statement will lay a solid foundation for the work.

While Waka Kotahi recognises that applications may deliver private benefits to the applicant it is critical that we can also demonstrate benefits to the wider sector (a public benefit). Applicants must demonstrate how this will be achieved.

Criteria 2: Co-investment (Weighting: 10%)

The applicant should demonstrate the level and certainty of financial co-investment that is able to be provided (by the applicant or other sources).

Why this is important: While Waka Kotahi supports development and delivery of projects through this activity class, the ability to co-invest with partners will increase our ability to deliver wider results to the coastal shipping sector.

Currently, there is no further funding signalled beyond June 2024 and it is critical that the applicant can demonstrate they can continue to operate/run the project on an ongoing basis so benefits can be fully realised.

Proposals should not be inconsistent with other existing Government investments e.g. PGF, CIP etc., Iwi led developments, other broader social, environmental, cultural or economic outcomes.

Information should be provided on any other funding mechanisms considered and available.

Criteria 3: Ability to deliver in desired timeframe (Weighting: 15%)

The applicant must demonstrate they have, or will allocate, the resources required to create a well-supported, multi-disciplinary team that has the skills and expertise to implement the project within the desired timeframe. The applicant must demonstrate how the project can be delivered by June 2024.

This should also include a summary of how monitoring and evaluation of the project will be completed post-implementation to inform benefits realisation.

Why this is important: We have seen more success from projects that established a multidisciplinary project team from the outset, including any consultants, communications and engagement staff and stakeholder champions. Resourcing a dedicated team is crucial to successful delivery, rather than expecting people to manage the project on top of a regular workload.

Demonstration of how the project can be delivered should come in the form of a high level GANTT chart, or written description of the timeline, milestones, and any key dependencies.

Monitoring and evaluation are an important part of the Waka Kotahi business case approach. It is critical that we can report on the outcomes of our investments and capture lessons. Our experience shows that a monitoring and evaluation approach is more successful if agreed at the outset.

Criteria 4: Leadership and support for delivery (Weighting: 10%)

The applicant must demonstrate commitment to the implementation of the project. This includes demonstrating:

- depth of commitment (and time) from a senior leader(s) within the organisation(s), clear governance and decision making

- commitment to adapting and changing standard approaches (including processes such as decision making and governance)
- how the proposal can provide strong sectorial or cross-organisational support.

Why this is important: Projects which include early briefing, commitment and agreement of goals and outcomes across all leadership levels and from Boards helps to maintain commitment through challenging periods.

Championing and commitment to projects also helps at a process level, to ensure that standard processes could be adapted as needed if they formed barriers to delivery.

Criteria 5: Reduction in Carbon Emissions (Weighting: 15%)

The applicant should demonstrate how the proposed project will contribute to:

- reducing overall transport sector greenhouse gas emissions (including an estimate of the annual emission reduction factoring in any embedded carbon implications)
- improving air quality.

Why this is important: Transport is a significant contributor to greenhouse gas emissions in New Zealand. There are opportunities across the transport sector to reduce the contribution to total emissions. Applications should demonstrate positive benefits to the environment where possible and show alignment with the emerging Emissions Reduction Plan.

Criteria 6: Resilience (Weighting: 15%)

The applicant should demonstrate how the proposed project will contribute to a more resilient freight sector through:

- climate change adaptation
- the potential for mode shift in times of disruption
- disaster readiness.

Why this is important: Government's expectation for investment in coastal shipping is to embed mode neutrality and choice for freight transporters. This includes providing options that are resilient to shocks and provide choices in times where one or more, modes may be unavailable. Applications should demonstrate positive benefits to increase the resilience of the overall freight sector.

How will funding be made available?

All successful coastal shipping applications will be formalised through a Funding Agreement, including negotiated payments terms and a basis of payment.

A WBSE (cost code) will be provided to successful applicants for invoicing at the agreed times

Now that you are ready to apply

To help you complete this application form

Make sure you have read the coastal shipping website section so that you understand the activity class and its objectives on the Waka Kotahi Website: www.nzta.govt.nz/planning-and-investment/national-land-transport-programme/2021-24-nltp/activity-classes/coastal-shipping/

Please also read the following Industry Guidance supporting material for the coastal shipping programme.

Once you have completed this form

Proposals must be submitted by electronically via GETS.

All enquiries must be directed to our Point of Contact. We will manage all external communications through this Point of Contact.

If you would like to attend our supplier briefing session, please email our Point of Contact to register.

Our Point of Contact

Our Point of Contact: GETS e-Procurement mailbox

Attention: **out of scope**

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Application form

Contact details

Please enter answers in the right-hand column.

| Project title and applicant key details | |
|---|---|
| Name of applicant(s) | Coastal Bulk Shipping Ltd |
| Key contact | section 9(2)(a) |
| Job title or role | General Manager |
| Contact phone number | Office: section 9(2)(a) Mobile: section 9(2)(a) |
| Contact email address | section 9(2)(a) @coastalbulkshipping.co.nz |

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Your Proposal

To assess your project, we need to understand your overall strategic vision, and what you are seeking to deliver to meet the activity class objectives.

Please limit each answer to 200-300 words.

Criteria 1: Alignment with Activity Class (Weighting: 35%)

Demonstrate your commitment to delivering the objectives of the activity class and how the proposal will contribute to increasing mode share and delivering a positive market impact.

Notice Number 6 advised that we could provide "Supporting Information" and that the word limit of 200 - 300 words is a guide rather than a strict limit. We have also remain cognisant of the overall size of our application and that we need to provide sufficient information to support our application.

Please see accompanying document titled "Coastal Bulk Shipping Ltd: Application for Coastal Shipping Funding as part of the National Land Transport Programme 2021 - 2024 (NLTP) - Criteria 1 - 6 response (no pricing)" dated 6th April 2022.

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Criteria 2: Co-investment

Demonstrate the level and certainty of financial co-investment that can be provided (by applicant or other sources).

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Criteria 3: Ability to deliver in desired timeframe

Demonstrate you have, or will allocate, the resources required to create a well-supported, multi-disciplinary team that has the skills and expertise to implement the project in the desired timeframe. Demonstrate how the project can be delivered by June 2024. Include a summary of how monitoring and evaluation of the project will be completed post implementation to inform benefits realisation.

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Criteria 4: Leadership and support for delivery

Demonstrate commitment to the implementation of the project.

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Criteria 5: Reduction in Carbon Emissions

Demonstrate how the proposed project will contribute to reducing overall transport sector greenhouse gas emissions and improving air quality.

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Criteria 6: Resilience

Demonstrate how the proposed project will contribute to a more resilient freight sector through.

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Criteria 7: Price

Please confirm the price of your proposal. This should be in New Zealand dollars and exclude GST.

Two prices should be included: the total price for the project (including co-funding), and the price to be met by Waka Kotahi (the NLTF share)

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Please see accompanying document titled "Coastal Bulk Shipping Ltd: Application for Coastal Shipping Funding as part of the National Land Transport Programme 2021 - 2024 (NLTP) - Criteria 7 response (Pricing)" dated 6th April 2022.

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Declaration

I declare on behalf of the Applicant:

Please check

- ☒ that the statements in this submission are true and the information provided is complete and correct. There have been no misleading statements or omission of any relevant facts,
- ☒ that all named key personnel have agreed to be included in this project,
- ☒ that a letter or email from the project sponsor (who has the financial delegation to approve) is attached,
- ☒ that if successful, I consent to the public release, including publishing on the internet, of the name of the Applicant, the amount of funding sought, the amount of funding offered, contact details of the Applicant and a description of the project, and undertake to cooperate with Waka Kotahi on communications relating to this project, which may be in the form of a media release, case study, web content, conference presentation or whitepaper, sharing via social media, or other form as agreed with Waka Kotahi,
- ☒ that I understand the obligations of Waka Kotahi under the Official Information Act 1982 and that, notwithstanding any relationship of confidence created as a result of this project, the provisions of this Act apply to all the information provided in this project,
- ☒ that all necessary internal approvals (CEO etc.) and relevant budgets for the project to proceed, subject to successful application, will be in place by 31 March 2022,
- ☒ that I am authorised to make this application on behalf of the Applicant identified on this form.

Signature

This declaration must be signed by a person with the legal and financial authority to commit your organisation to a transaction.

section 9(2)(a)

Print name

section 9(2)(a)

Signature

6th April 2022

Date

General Manager

Title

Coastal Bulk Shipping Ltd

Organisation

section 9(2)(a)

Email

Coastalbulkshipping.co.nz



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