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Confidential

Carpet NSA RFP Update Paper

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Kāinga Ora
Homes and Communities



Background to Carpet RFP 2

- We re-issued the Carpet RFP on 28th January 2025 with 2 supply options detailed
 - Option 1 – One type of carpet to be used across all our activities
 - Option 2 – Nylon carpet to be used for AMM and wool carpet to be used for HDG
- We received a total of 7 submissions of which 6 were deemed to be compliant
- After evaluation, we agreed to shortlist to 2 potential suppliers – Godfrey Hirst and Bremworth
- We met with both suppliers to clarify any questions either party had and to undertake final negotiations
- Best and Final Offers were received Friday 4th April
- Pricing was submitted to the Analyst for final modelling on Monday 8th April and was received back on 9th April

Godfrey Hirst

- Current incumbent for the carpet category and an excellent track record of service and supply
- Owned by Mohawk Industries, USA
- Is able to manufacture both wool and nylon carpet and owns 2 wool spinning plants in Lower Hutt and Oamaru. Carpet manufacture in Wiri, Auckland
- Supplied pricing for both wool and nylon options
- All products shortlisted have been assessed as compliant by the Standards team
- Were assessed as Medium risk by Finance when undertaking due diligence, [REDACTED]
- [REDACTED]
- Has offered Lambton Quay Wool Carpet. This retails at [REDACTED] and is residential heavy duty & stairs – 3*ACCS

• [REDACTED]



Bremworth

- Bremworth is listed on the NZ Stock Exchange and has about 2,700 shareholders across NZ and Australia.
- Exited the synthetic market in 2021 so now can only supply wool carpet
- 3 manufacturing sites in Whanganui, Napier and Auckland.
- Has offered Wainamu Wool Carpet which retails at s 9(2)(b)(ii) Graded at Residential Heavy Duty + Stairs 6* ACCS
- Whilst our financial due diligence results were Medium risk based on 2021-2024 audited results, Bremworth reported poor FY25 half year results with a slight rise in revenue, but higher costs, reduced margins, an increased loss of \$8.1m and a significant deterioration to its cash position, which resulted in a shareholder group “rolling” the board. [Bremworth leadership faces rebellion over slumping profits | RNZ News](#) The board was changed in March, with the Chairman and one director remaining, and 4 new directors. There will be some assimilation required between the Board and the Operational team.

• s 9(2)(b)(ii)



Note: All Prices and Values are excl. GST

Results of RFP Evaluation Process

The RFP had a weighting of 70% Cost / 30% Non-Price

s 9(2)(b)(ii)

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Note: All Prices and Values are excl. GST

Option 1 – One product used across all our portfolio

Baseline

s 9(2)(b)(ii)

Supplier Bids

s 9(2)(b)(ii)

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Option 2 – Nylon Carpet used for AMM and Wool Carpet used for HDG

Baseline

s 9(2)(b)(ii)

Supplier Bids

s 9(2)(b)(ii)



Supplementary Information

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Warranty Periods

- In order to calculate Whole of Life Costing we ask the Suppliers to provide 2 data points:-
 1. Warranty Periods. This gives us an indication of the period of time that the product is covered for manufacturing defects and we use it as a measure for how long a carpet may last if maintained in accordance with its warranty conditions.
 2. Unmaintained Lifespan. Given that the carpet is installed into rental properties where the warranty conditions are unlikely to be met, we ask the supplier to estimate how long their carpet will last. This is a view from them

s 9(2)(b)(ii)

- Notes

- s 9(2)(b)(ii)



Homes and Communities

The Use of Woollen Fibres in Government Buildings

WHAT TYPES OF GOVERNMENT BUILDINGS DOES THE REQUIREMENT APPLY TO

THE REQUIREMENT APPLIES TO GOVERNMENT OWNED BUILDINGS, FOR:

- New construction works, when the maximum total estimated value of the procurement meets or exceeds the value of \$9 million (excluding GST)
- refurbishments, when the maximum total estimated value of the procurement meets or exceeds the value of \$100,000 (excluding GST)

ASSESSING IF IT IS PRACTICAL AND APPROPRIATE TO USE WOOLLEN FIBRES

Agencies must assess whether it is practical and appropriate to use woollen fibres and document this as part of the procurement process. When assessing if it is practical and appropriate to use woollen fibres agencies should consider a range of factors including but not limited to:

Cost

The whole-of-life cost and overall cost-effectiveness of using woollen fibres in comparison to other materials. For example, in addition to the up-front price, also consider the ongoing and end of life costs associated with materials.

HDG – RFP Carpet Volumes

- The RFP volumes for HDG were calculated on one known typology with a usage of 53m² per home (Rotorua Pilot)
- The RFP volumes for HDG were understated as we used 800 homes. Market Delivery volumes and Retrofit volumes were not included so overall impact is understated.
- The total carpet volume in the RFP was 42,400m²
- We now have better information based on the published optimised plans and we have made the following assumptions on the data points we now have

Redev Pipeline FY26 PAS Hub	1 Bed	2 Bed	3 Bed	4 Bed	5 bed	Total
Percentage split between typologies	2%	56%	24%	13%	5%	100%
Redevelopment House Volume	16	448	192	104	40	800
Market Delivery House Volume	16	448	192	104	40	800
Carpet Volume per Typology (m2)	30	40	58.75	83	108	
Redevelopment Carpet Volume	480	17920	11280	8632	4320	42632
Market Delivery Carpet Volume	480	17920	11280	8632	4320	42632
						85264