



Kāinga Ora
Homes and Communities

Final Recommendations

**National supply of materials to support the
maintenance and construction activities of
Kāinga Ora – Homes and Communities for Carpet**

Document development control	
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Business unit:	Strategy, Finance and Policy
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Endorsements and Approvals

Procurement Lead	
Process type:	Open competitive
RFP Category:	Carpet
Name:	Jane Twentyman
Position/title:	Senior Procurement Advisor - Supply Chain & Materials
Signature:	Users, Jane Twentyman Digitally signed by Users, Jane Twentyman Date: 2025.05.02 09:11:04 +12'00'

The voting members of the evaluation panel	
Endorsed that all bids were evaluated as planned. <i>Refer to Objective File (A13586641) – Moderation Endorsement of the Evaluation Panel</i>	
Approval of the Recommendation to Shortlisted Suppliers	
Approval to engage with the shortlisted suppliers to undertake due diligence and commercial negotiations to determine the final recommended suppliers. <i>Refer to Objective File (A13562628) – Recommendations to Shortlist Report</i>	
Approval of the Negotiation Plans	
Approval to engage with the shortlisted suppliers as per negotiation plans. <i>Refer to Objective File (A13566879) – Approval of the Negotiation Plan</i>	

Endorsement of the Negotiation Team			
Joanne Davenport	Procurement Partner Supply Chain and Materials	Users, Joanne Davenport	Digitally signed by Users, Joanne Davenport Date: 2025.05.02 10:43:23 +12'00'
Maxine Ritchie	Manager Contracts and National Supply	Users, Maxine Ritchie	Digitally signed by Users, Maxine Ritchie Date: 2025.05.02 10:59:11 +12'00'

Internal Endorsements of the Final Recommendation Report			
Name	Position	Signature	
Sam Direen	Manager Strategic Contracts	Users, Sam Direen	Digitally signed by Users, Sam Direen Date: 2025.05.02 11:55:50 +12'00'
Karla Fisher	Director Maintenance Contracting and Asset Services	Users, Karla Fisher	Digitally signed by Users, Karla Fisher Date: 2025.05.02 13:25:36 +12'00'
Jannie Greeff	Director Housing Delivery Group	Users, Jannie Greeff	Digitally signed by Users, Jannie Greeff Date: 2025.05.05 11:40:10 +12'00'
Craig Jackson	Acting Procurement Director	Craig Jackson	Digitally signed by Craig Jackson DN: OU=Procurement, O=Kainga Ora, CN=Craig Jackson, E=craig.jackson@kaingaora.govt.nz Reason: I am approving this document Location: Auckland Date: 2025.05.05 16:57:10+12'00' Foxit PDF Reader Version: 12.1.0

Approval of the Recommendation to Select Preferred Suppliers

Name	Position	Signature	
Caroline McDowall	General Manager – Housing Deliver	Caroline McDowall	Digitally signed by Caroline McDowall Date: 2025.05.07 09:44:32 +12'00'

Delegation Approval of the Recommendation Report

Holder of delegated financial authority			
Name	Position	Signature	
Nick Maling	General Manager – National Services	Nick Maling	Digitally signed by Nick Maling Date: 2025.05.07 10:29:08 +12'00'

Purpose

1. The purpose of this Report is to:
 - present the outcome which followed the approved procurement plan, robust competitive tendering and negotiation process, and select the preferred supplier based on the best overall ranking, and
 - seek approval to appoint the preferred supplier for the Carpet Request for Proposal (RFP) product category and to execute the National Supply Agreement (NSA).

Recommendations

2. It is recommended that the nominated approvers:
 - **Agree** the selection of Godfrey Hirst to supply nylon carpet for maintenance activities such as patch repairs or room replacements.
 - **Agree** the selection of Bremworth Limited to supply wool carpet for whole of home installations such as new construction, retrofit and some maintenance scopes.
 - **Enter** three-year agreements as approved by CELG Paper dated 8th Oct 2024 with each of the above suppliers, effective from 1st July 2025 to 30th June 2028.
 - **Note** that the RFP included 2 options to supply, one being one type of carpet only across Asset Management and Maintenance (AMM) and all construction activity (Housing Delivery Group (HDG)), the other being nylon carpet supplied in AMM and wool carpet supplied in HDG.
 - **Note** the overall annual recurring benefit of s 9(2)(b)(ii) for Kāinga Ora.
 - **Note** that the successful and unsuccessful suppliers will not be notified of the outcome until the final approval for the preferred suppliers have been agreed.
 - **Note** that this paper is an addendum to the previously approved Final Recommendation Report covering 10 of the NSA Categories dated 25th March 20205. (*Refer to Objective File A13625717*) and has been simplified to relate to the Carpet RFP only and not the overall process.
 - **Note** the contents of this recommendation paper are confidential and are not to be disclosed further until the contracts are executed.

Executive Summary

3. Based on the submissions from the shortlisted suppliers, and subsequent evaluation and discussion, the recommendation is to implement Option 2:-
 - a) Maintenance repair volume to continue to be in existing nylon carpet to ensure consistency of product in the home supplied by Godfrey Hirst. The only exception to this is where a whole home installation is required, where wool carpet would be used.
 - b) Whole of home installation volume (redevelopment, market delivery, retrofit, and some voids, fire reinstatements etc) to install wool carpet supplied by Bremworth Ltd.
4. Both products from the shortlisted suppliers complied with NZ standards, meet our technical requirements, are able to supply at the volumes required, and whilst having slightly different advantages and disadvantages, both deliver to our sustainability and wellbeing requirements.

Commercial in confidence

5. Wool is the more sustainable product, but most of the activity undertaken in AMM is carpet patch repairs, where a small piece of carpet is removed and replaced, or room repairs, where the carpet in one room of the home is replaced. It was considered unacceptable to have a patch or room repaired in a different carpet to that already in the home, so the solution would be to continue to use existing carpet (nylon) or to replace the carpet in the whole home. To replace the carpet in the whole home when not necessary is cost prohibitive and environmentally unsustainable as Kāinga Ora would be dumping good carpet into landfill.
6. s 9(2)(b)(ii)

Background

7. A carpet RFP was released to the open market on 4th November but was withdrawn on 23rd Jan 2025 as Kāinga Ora had only allowed the used of nylon carpet. A revised RFP allowing the use of any type of carpet was released to the open market on 28th Jan 2025.
8. The Coalition agreement dated 24th Nov 2023 had an intention to have wool products mandated for use in Government Buildings and a draft cabinet paper was released in Jan 2025 after the RFP had been issued in November 2024. The final media announcements to confirm the "Lets Make Wool Great Again" strategy took place on Wed 9th April and the requirements for the use of woollen fibres in government buildings were incorporated into a Construction Procurement Guide at that time. See Appendix 3.
9. 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 Ltd.
10. s 9(2)(b)(ii)

Implications

11. Given the sensitivity of the use of wool in Government buildings, Procurement will work closely with the Communications team on a Communications Plan covering all interested parties.
12. Procurement will work closely with HDG to update the Optimised Plans to reflect NSA products and with the Standards team to ensure the next version of the Ngā Paerewa Hoahoa Whare Design Requirements reflect the latest product ranges and suppliers.
13. s 9(2)(b)(ii)

Next Steps

14. Following approval:
 - a) Finalise the communications plan with the Communications team.

Commercial in confidence

- b) Notification letters to be issued to the successful and unsuccessful suppliers.
- c) Contract execution process and transitioning activity for this category will commence in May 2025 for new contracts to be mobilised for 1st July 2025.
- d) Finalise the total commercial impact across all NSA contracts in Wave initiative 4085 and move the initiative to L3.
- e) Implement these NSAs into Asset Management and Housing Delivery Group.
- f) Align optimised plans and Ngā Paerewa Hoahoa Whare Design Requirements to reflect the new NSA materials.

Delegations

15. We propose the delegation to execute the contracts resides with Nick Maling, General Manager – National Services.

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Appendix 1: Background to the Suppliers

Godfrey Hirst

1. Godfrey Hirst are the current incumbent for the carpet category and have an excellent track record of service and supply.
2. Godfrey Hirst is owned by Mohawk Industries in the USA,
3. Manufactures both wool and nylon carpet and owns 2 wool spinning plants in Lower Hutt and Oamaru. Carpet manufacture in Wiri, Auckland
4. Supplied pricing for both wool and nylon options
5. All products shortlisted have been assessed as compliant by the Standards team
6. Were assessed as Medium risk by Finance when undertaking due diligence [REDACTED]
7. [REDACTED]
8. Has offered Lambton Quay Wool Carpet. This retails at s 9(2)(b)(ii) and is residential heavy duty & stairs – 3*ACCS
9. s 9(2)(b)(ii) [REDACTED]
10. Has been awarded the contract for sheet vinyl floor covering in this round of National Supply Agreement negotiations.

Bremworth

11. Bremworth is listed on the NZ Stock Exchange and has about 2,700 shareholders across NZ and Australia.
12. Exited the synthetic market in 2021 so now can only supply wool carpet.
13. 3 manufacturing sites in Whanganui, Napier and Auckland.
14. Has offered Wainamu Wool Carpet which retails at s 9(2)(b)(ii) incl. GST. Graded at Residential Heavy Duty + Stairs 6* ACCS
15. 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.
16. s 9(2)(b)(ii) [REDACTED]
17. [REDACTED]
18. [REDACTED]
19. [REDACTED]
20. [REDACTED]
21. [REDACTED]

Appendix 2: Commercial Overview

s 9(2)(b)(ii)



Agreement

7. Under the agreement we require the suppliers to start supplying the materials from 1st July 2025. However, we expect the supplier to work with us from April 2025 to set up and be ready by 1st July 2025. The term will be for three years, and the agreement is due to expire on 30th June 2028.
8. Kāinga Ora have obtained suppliers' commitment with key performance indicators (KPIs), performance management, reporting and cost management etc. The Asset Management team, Housing Delivery team, Procurement team and suppliers will work closely day-to-day to identify activities where opportunities exist to maximise value.

Assumptions and Data Source

9. For the purpose of the benefits reporting we have assumed all Construction volumes to be wool carpet and all maintenance volumes to be nylon carpet
10. As wool carpet was not used in the FY24 baseline, we have used the nylon carpet price to calculate the benefits.
11. Although the carpet suppliers did provide different estimates for carpet life, the carpet specifications proposed lead us to believe that there would not be a significant difference in whole of life calculations and therefore have not included them in this paper.
12. We have clarified with 2 main carpet installers and Rawlinsons that there would not be any major differences in installation costs between nylon and wool carpets.

Appendix 3: Government Requirements to use woollen fibres, where practical and appropriate, in government buildings

1. The Coalition agreement dated 24th Nov 2023 had an intention to have wool products mandated for use in Government Buildings and a draft cabinet paper was released in Jan 2025. The final media announcements to confirm the "Lets Make Wool Great Again" strategy took place on Wed 9th April and the requirements for the use of woollen fibres in government buildings were incorporated into a Construction Procurement Guide.
2. The requirement applies to agencies that are required to follow the Government Procurement rules, and therefore Kāinga Ora is expected to use woollen fibre, where practical and appropriate.
3. The requirement applies to government buildings, for:
 - a) New construction works, where the maximum total estimated value of the procurement meets or exceeds the value of \$9 million (excluding GST)
 - b) Refurbishments, where the maximum total estimated value of the procurement meets or exceeds the value of \$100,000 (excluding GST).
4. Agencies must assess whether it is practical and appropriate to use woollen fibres and document this. When assessing if it is practical and appropriate to use woollen fibres agencies need to consider a range of factors including but not limited to
 - a) Cost – The whole-of-life cost and overall cost-effectiveness of using woollen fibres in comparison to other materials
 - b) Compliance with New Zealand Standards
 - c) Technical and functional requirements
 - d) Supply
 - e) Sustainability and well being

Appendix 5: Timeline

- Please note the upcoming dates for the remainder of the procurement:

2. Action	Indicative date
Recommendation report accepted/denied	30 th April 2025 or earlier
Final product price lists to be available if recommendation report approved (To start Schedule of Rates set up)	30 th April 2025 or earlier
Advise bidders of outcome	30 th April 2025
Finalise contract and fully executed	15 th May 2025
Debrief unsuccessful suppliers	30 th May 2025
Agreement award notice published on GETS	May - June 2025
Agreement start date	1 st July 2025

Agreement Management/Implementation

- During our negotiation phase, we have been confirming the NSA Schedules, Pricing Schedule and legal position with each of the suppliers. These schedules and contract amendments will form the agreed price list for the 2025/26 financial year.
- The agreements have been finalised and ready for suppliers' execution once the Recommendation Report is approved.