



Report PE-05.476
Date 2 September 2005
File B/36/02/11

Committee Utility Services
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Contract No. 1246 Karori Pumping Station Replacement - External Pipelines Tender Acceptance

1. Purpose

To obtain approval to accept a Tender for Contract No. 1246 for the installation of external pipelines for the replacement Karori Pumping Station.

2. Significance of the decision

The matters in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the *Local Government Act 2002*.

3. Exclusion of the public

Grounds for exclusion of the public under section 48(1) of the Local Government Official Information and Meetings Act 1987 are:

That the public conduct of the whole or relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist, i.e., commercial negotiations.

4. Background

A replacement Karori Pumping Station is currently under construction in Northland Tunnel Road. The awarding of the pumping station construction Contract was reported to the Committee on 18 May 2005 in Report PE-05.196.

To service the new pumping station, new delivery and suction mains are required. Contract No. 1246 is for the installation of approximately 75 m of 375 mm ductile iron suction main and 270 m of 300 mm and 340 m of 250 mm ductile iron delivery main.

The ductile iron pipe has been purchased and will be supplied to the Contractor.

5. Tenders received

Tenders closed at 2 pm on Wednesday, 31 August 2005. Five Tenders were received as follows:

Tenderer	Tender Price \$
Groundworks Ltd	396,978.00
C M Contracting Ltd	426,095.00
Brian Perry Civil	444,956.30
Pipeline Techniques Ltd	488,894.00
E N Ramsbottom Ltd	524,432.50

The Engineer's estimate is \$372,125. All prices exclude GST. The difference between the lowest submitted Tender price and the Engineer's estimate is within the expected range of ± 15 percent.

6. Analysis of Tenders

Tenders are evaluated using a weighted attribute system. The following attributes are used, as detailed in the Tender Documents:

- Construction methodology
- Technical and management skills
- Environmental management system and performance
- Resources
- Previous experience in similar works
- Price

The Tenderers' overall scores and rankings are:

Tenderer	Rating	Ranking
Groundworks Ltd	64.59	1
C M Contracting Ltd	60.18	2
Brian Perry Civil	54.50	3
Pipeline Techniques Ltd	49.09	4
E N Ramsbottom Ltd	44.59	5

Groundworks Ltd is the highest ranking Tenderer.

7. Discussion

Groundworks Ltd submitted the lowest conforming Tender price and scored the highest in the attribute assessment. Groundworks Ltd is a well established Wellington based contractor that has completed several projects for Greater Wellington Regional Council, including Orongorongo intake flood reinstatement and replacement of the Orongorongo pipeline at George Creek.

8. Finance

The 2005/6 Annual Plan includes a budget of \$1,820,000 for the Karori

Pumping Station replacement project, including a \$410,000 rebudget from 2004/5.

The current forecast cost for the 2005/6 financial year is \$2,000,000, which is \$180,000 more than the budget allowance for this year. The forecast has risen primarily because of the work required to provide extra bank support for the pumping station building excavation. The forecast includes existing contractual commitments, the lowest Tender price for this external pipelines Contract, estimates for two further Contracts, and contingencies of \$130,000.

The two further Contracts are for the installation of pipework and pumpsets inside the building, and for the installation of electrical equipment. The expected total cost of these two Contracts is \$180,000. Tenders will be invited for these Contracts in November 2005.

The effect of the forecast cost increase on the total Capital Works expenditure for 2005/6 will be assessed at the half year review in January/February 2006. At that time Tenders will have been received for the two remaining Contracts. This will provide a greater certainty for the forecast full year cost.

The 2005/6 Annual Plan included a target to complete this project in the 2005/6 year. With current progress, the pumping station should be commissioned in May 2006. There is very little opportunity to reduce the total cost at this stage of the project, although some costs could be deferred to the next financial year. Delaying completion of the project and deferring the costs could be considered at the half year review.

9. Environmental considerations

The Contract Works will have a minor negative impact on the environment during the construction period. Superchlorinated water used to disinfect the pipelines will be dechlorinated as it is discharged. Traffic flow will be disrupted for short periods during construction. Construction times have been restricted to minimise this disruption. Traffic management will be to Wellington City Council's requirements.

10. Communications

A press release will be prepared, giving general information on this project and the pipeline installation Contract.

Residents in the vicinity of the route of the pipelines will be advised by letter drop of the proposed start date for the work and contact persons to address any issues that may arise.

The Karori Wildlife Sanctuary has been consulted. The work has been programmed to avoid the school summer holidays, as requested by the Wildlife Sanctuary.

11. Recommendations

That the Committee:

1. *Accept the Tender from Groundworks Ltd for the sum of \$396,978.00, plus GST, for Contract No. 1246.*
2. *Approve expenditure of an additional 10 percent of the accepted Contract Sum to allow for unforeseen circumstances.*

Report prepared by:

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Public Excluded