

Extra-ordinary Infrastructure and Services Committee

Notice of Meeting

An Extra-ordinary meeting of the Infrastructure and Services Committee will be held in the Council Chamber, Forum North, Whangarei on:

**Thursday
8 March 2012
10.00 am**

Committee

Cr G M Martin (Chairperson)
His Worship the Mayor
Cr C B Christie
Cr S J Deeming
Cr A J Edwards
Cr S M Glen
Cr P R Halse
Cr J S Jongejans
Cr B L McLachlan
Cr S L Morgan
Cr K J Sutherland
Cr W L Syers
Cr M R Williams
Cr J D T Williamson

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**Recommendations contained in this agenda are NOT final decisions.
Please refer to the minutes for resolutions.**

1. Con11063: Ruakaka South Sewer Extension Design and Construct

Reporting officer Andrew Carvell (Waste and Drainage Manager)

Date 16 February 2012

Vision, mission and values

This item is in accord with Council's vision, mission and values statement as extending wastewater reticulation network to Ruakaka South Community is in keeping with Council's mission of creating an ultimate living environment.

Local Government Act 2002 – The four well-beings

Cultural *The appropriate management of wastewater is important to Maori cultural values.*

Economic *The provision of a reticulated wastewater system facilitates the economic growth of the community.*

Environmental *The provision of reticulated wastewater systems ensures that wastewater is collected and adequately treated prior to disposal to the environment, thereby minimising adverse effects on the environment.*

Social *The provision of wastewater reticulation will assist positive economic growth in the region and reduce the potential public health impact of the existing onsite wastewater systems.*

Background

This contract is for the design and construction of the Ruakaka South Sewer Extension Project. The project involves installation of pumping units on individual lots which transfer the sewage through common rising main(s) for treatment at the existing Ruakaka Treatment Plant. Construction is scheduled to commence mid 2012 and complete by June 2013.

Tenders

Three conforming tenders and one alternative tender were received from the following three companies which were shortlisted as a result of the registration of interest stage:

1. Fulton Hogan,
2. United Civil Construction,
3. Hopper Construction.

The project was tendered as a Design and Construct (D&C) contract. Consequently, the physical works will be delivered by a single contractor who is responsible for carrying out both the design of the works as well as the construction.

A two envelope system was used. The non-price attributes were provided in envelope 1 and price in envelope 2. Tender price envelopes were opened at the office of Whangarei District Council on 17 February 2012. Tenderers were invited to attend the opening.

All tenders have been evaluated in accordance with the Conditions of Tendering stated in the tender documents. The tender evaluation method is generally based on "Physical Works – Price Quality Method", set out in Clause 2.7 of the Transfund CPP manual (1998).

The non-price attributes were evaluated by three engineers individually and supported by an independent designer.

Tender details are summarised in Table 1.

Table 1 Summary of Tenders (all prices GST exclusive).

Name of Tenderer	Tender Sum	Tender Premium	Tender Sum Less Tender Premium	Ranking
Fulton Hogan	\$7,195,339.90	\$188,844.87	\$7,006,495.03	1
United Civil Construction	\$7,622,779.42	\$305,810.36	\$7,316,969.06	2
Hopper Construction	\$7,225,541.00	\$0	\$7,225,541.00	3
Fulton Hogan-Alternative tender ¹	N/A	N/A	N/A	N/A
Engineer's estimate	\$6,790,207.50			

Note 1: The Fulton Hogan's alternative tender was not considered further for evaluation. The price envelope was returned to Fulton Hogan without opening.

Fulton Hogan's conforming tender had the lowest adjusted price of \$7,006,495.03. On this basis Fulton Hogan was identified as the preferred contractor.

Fulton Hogan's tender was checked for arithmetic errors. No errors were found.

The Fulton Hogan tender price of \$7,195,339.90 is within 6% of the Engineer's Estimate and is considered to be both competitive and appropriate.

Financial

The budget for the Ruakaka South Sewer Extension Project is \$9.57M (subject to adoption of the Long Term Plan) as set out below in Table 2.

In addition to the sewer extension, up to \$1million will be required in 2012/13 to increase the capacity of the Ruakaka treatment and disposal scheme to cater for the additional flow from Ruakaka South. This project has been identified in the LTP.

Invoiced project costs to date are \$20,118 (as at end 27 February 2012). This excludes previous investigations.

Table 2 Project Cost and Budget Summary (GST Excl)

Item	Cost	Comment
1. Pump unit supply (CON 11062)	\$2.37M	Recommendation to award to Ecoflow.
2. Design and Construct contract (CON 11063)	\$7.20M	Recommendation to award to Fulton Hogan. Contract price includes contingency of \$0.75M and the following provisional sums: <ul style="list-style-type: none"> • Building consent costs (\$0.25M) • Power and drainage audit and upgrades (\$1.30M)
3. Technical support and Project Management	Incl in 2.	Management costs will be covered within the project contingency and provisional sums.
4. Treatment Plant Upgrade	\$1.00M	Estimate only.
Total	\$10.57M	MOH subsidy based on \$9.47M – excludes plant upgrade and growth components of project.
Budget	\$10.57M	Draft LTP figures include (<i>non-inflated figures</i>): <ul style="list-style-type: none"> \$0.40M year 11/12 \$8.25M year 12/13 (<i>\$1.0M for plant upgrade</i>) \$1.50M year 13/14 \$0.42M Year 14/15

Recommendation

1. That the information be received.
2. That Contract 11063 for Ruakaka South Sewer Extension Design and Construct be awarded to Fulton Hogan for the tendered sum of \$7,195,339.90 (Excl GST).

2. Con11062: Supply of Pressure Sewer Pumping Units

Reporting officer Andrew Carvell (Waste and Drainage Manager)

Date 7 February 2012

Vision, mission and values

This item is in accord with Council's vision, mission and values statement as extending wastewater reticulation network to Ruakaka South Community is in keeping with Council's mission of creating ultimate living environment

Local Government Act 2002 – The four well-beings

Cultural *The appropriate management of wastewater is important to Maori cultural values.*

Economic *The provision of a reticulated wastewater system facilitates the economic growth of the community.*

Environmental *The provision of reticulated wastewater systems ensures that wastewater is collected and adequately treated prior to disposal to the environment, thereby minimising adverse effects on the environment.*

Social *The provision of wastewater reticulation will assist positive economic growth in the region and reduce the potential public health impact of the existing onsite wastewater systems.*

Background

This contract is for the supply of pressure sewer pumping units to be used in the construction of the Ruakaka South Sewer Extension project. The equipment generally consists of pumps, pump chambers, control panels and associated cabling, and boundary valves.

The design and physical works will be delivered separately through a construction company under a Design and Construct contract. Council will purchase the pumping units for the individual properties directly from the supplier and free issue to the contractor.

As set out within the 8 February 2012 Infrastructure and Services Committee Agenda (Item 3) it is recommended that this contract be awarded to Ecoflow Ltd.

Tenders

Three conforming tenders and one alternative tender were received from the following three companies:

1. Innoflow Technologies New Zealand Ltd
2. Mono Pumps New Zealand Company
3. Ecoflow Limited.

Tender details are summarised in Table 1.

Table 1 Summary of Tenders (all prices GST exclusive).

	WEIGHTING	Ecoflow	Mono NZ	Innoflow (Alternative)	Innoflow	Engineer's Estimate
Non-price Attributes	70%	61.8	51.8	46.5	39.5	\$2,389,520
Tender Price	30%	\$2,328,515	\$2,133,172 ¹	\$2,276,812	\$3,256,941	
Ranking		1	2	3	4	

As discussed in the 8 February 2012 Agenda item the value of the non-price attributes provided by Ecoflow Ltd was considered to offset the difference between their price and the lowest price offer. On this basis the Ecoflow conforming tender is recommended.

Financial

The Ecoflow tender price of \$2,328,515 is 97% of the engineers estimate and is considered to be both competitive and appropriate.

Ecoflow have offered Council an option to fix its price against foreign exchange fluctuations during the period of works for a cost of \$42,080. It is recommended that this option be considered to reduce the risk of future rises on Council. This brings the contract value to \$2,370,595.

The budget for the Ruakaka South Sewer Extension Project is \$9.47M (subject to adoption of the LTP).

Recommendation

1. That the information be received.
2. That Contract 10062 for the Supply of Pressure Sewer Pumping Units be awarded to Ecoflow Ltd for the sum of up to \$2,370,595.00 (GST Exclusive).