



Report PE05.413
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Committee Policy, Finance and Strategy
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Hutt River Floodplain Management Plan (HRFMP) Contract No. 1245: Alicetown stopbank reconstruction - Tender acceptance

1. Purpose

To obtain approval to accept a tender for Contract No. 1245: Alicetown stopbank reconstruction.

2. 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 exists, (i.e. to preserve commercial confidentiality).

3. 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.

4. Background

The Alicetown stopbank reconstruction is the second stage in the upgrade of the Ava to Ewen reach of the Hutt River. The first stage in the Ava to Ewen project, Strand Park river realignment, is now complete.

Alicetown stopbank extending from Ava Rail Bridge to Ewen Bridge is about 1 kilometre long. The landside toe of the existing stopbank is on the boundaries of the residential properties bordering the stopbank. The proposed upgrade includes providing a 3 to 5 metre wide buffer strip between the residential boundaries and the new stopbank toe.

Contract No. 1245 involves:

- Placing and compacting about 40,000 m³ of earth to form the new stopbank. This includes supplying about 23,000 m³ of good impermeable fill materials from quarries
- Constructing two concrete floodwalls with a total length of 160 metres
- Upsizing three existing stormwater pipes and installing new penstocks (funded by Hutt City Council).
- Environmental enhancement works

Resource consents for the proposed works were obtained in July 2002.

Four experienced contractors were pre-qualified for the stopbank contract, following an advertised pre-qualification process in May 2005. Tenders invited from the four pre-qualified contractors closed on 12 July 2005.

5. Tenders received

Three tenders were received. One pre-qualified contractor declined to submit a tender because of their inability to find a suitable sub contractor for concrete works.

Tenderers were asked to submit their tenders in two different parts:

Part 1: Envelope 1 – containing information on non-price attributes

Part 2: Envelope 2 – containing tender price information

Non-price attribute envelopes were opened on 12 July 2005. Price envelopes were opened on 14 July 2005 after completing the non-price attribute evaluation.

The following table shows a summary of the tender prices received.

Tenderer	Tender Price
Barry Foster Contracting Ltd	\$2,077,903.50
Cashmore, Inframax Construction Limited	\$2,402,959.50
John Ray Ltd	\$3,003,058.20

All prices exclude GST. The Engineer's estimate is \$2.13 million. The tenders are valid for acceptance until 7 October 2005.

6. Tender evaluation

Opus International Consultants (appointed to prepare the final design and administer the tendering process) assisted us in evaluating the tenders. The

tenders were evaluated using the 'Weighted Attribute' method described in the tender documents.

A summary of the final tender evaluation is given below.

Tenderer	Tender Index Value	Rank
Barry Foster Contracting Ltd	65.22	1
Cashmore, Inframax Construction Limited	64.55	2
John Ray Ltd	50.42	3

Barry Foster Contracting Ltd (Barry Foster) has reached the first position. Barry Foster's price is the lowest and also below the Engineer's estimate.

Based on the results of tender evaluation, we recommend the acceptance of the tender from Barry Foster Contracting Ltd for \$2,077,903.50 excluding GST.

7. Discussion on the proposed contractor

Barry Foster is one of the four contracting firms pre-qualified for this contract. Barry Foster is based in Christchurch and is experienced in earthworks and drainage works. Excell Corporation Ltd (Excell), Lower Hutt, is the nominated sub contractor for stormwater upgrades, concreting and landscape works.

During the last 20 years, Barry Foster has grown from a small firm on the West Coast to a medium scale contracting firm based in Christchurch. Barry Foster currently has crews operating in West Coast, Canterbury and Rotorua.

Barry Foster has recently completed major earthworks and stormwater drainage projects in Christchurch and Rotorua. Excell, the nominated sub-contractor, has good local experience in stormwater, concrete and landscaping works.

Barry Foster has proposed a site management structure appropriate for the contract. Contracts Manager, Russell Schroeder, is well experienced in major earthwork jobs. NZCE qualified Stephen Glen, with about 20 years experience, will manage contractual issues including quality assurance. Greg Winnie from Excell will manage their part of the contract. Reference checks of Barry Foster's performance on two recent contracts were positive. Excell's performance on Hutt River jobs is satisfactory.

The other two tenderers have previous experience in Hutt River works but their tender prices are significantly higher.

We believe that Barry Foster Contracting Ltd has the technical skills, resources and management skills to construct the proposed works to the accepted standards within time.

8. Budget and funding

The Flood Protection Operating Plan (June 2005 update) includes a total provision of \$2,618,000 in the 2005/06 and 2006/07 financial years for the Alicetown stopbank reconstruction. We have now refined the total budget requirement based on the recommended tender price.

Revised Project Budget

The total estimated cost of the project is;

Recommended Tender Price	\$2,077,903.50
Additional Contingencies (approx 10%)	\$200,000.00
Professional Services for supervision	\$165,000.00
WRC project management consultation and insurances	\$85,000.00
Total project cost	\$2,527,903.50
Say	\$2,530,000.00

An additional contingency of \$200,000 has been provided on top of the recommended tender price. This is to allow for finding solutions to any unforeseen stopbank foundation problems along the 1 kilometre length of the stopbank and also to any construction problems on boundaries of the 22 residential properties bordering the stopbank.

Funding

Project funding proposal is given below.

Hutt City Council (stormwater)	\$375,000
GWRC budget required	\$2,155,000
Total Funding	\$2,530,000

Hutt City Council has agreed to pay the stormwater upsizing costs of \$375,000.

The total estimated budget savings is \$463,000. Most of this surplus will occur in 2006/07. We will amend the 2006/07 Operating Plan through the annual plan process. We expect to use any 2005/06 surplus to start the process for investigating options for the Boulcott/Hutt stopbank. The Landcare Committee, at the 4 August meeting, endorsed the Advisory Committee recommendation to urgently investigate the options for Hutt/Boulcott stopbank so that discussions with affected parties can proceed as soon as possible.

9. Supervision and progress payments

We will engage Opus International Consultants Ltd to supervise the contract works.

Opus as engineer to the contract will check and certify contractor's monthly progress claims. Geoff Dick, Manager, Flood Protection, will approve these claims for payment.

10. Communications

The adjacent property owners, stakeholders and the wider Hutt Valley community is well aware of the project through newsletters and consultation for the Ava to Ewen project. Separate meetings were held with adjacent property owners in May 2005 to discuss stopbank construction issues.

A press release will be issued and a newsletter will be distributed once a contractor is appointed.

11. Recommendations

That the Committee recommends that Council:

1. **Receive** the report.
2. **Note** the content of the report.
3. **Approve:**
 - a. the tender for Contract No. 1245 received from Barry Foster Contracting Ltd for the sum of \$2,077,903.50.
 - b. the expenditure of up to an additional \$200,000 on top of the accepted tender sum to allow for unforeseen circumstances.
4. **Note** that the total budget for the reconstruction of Alicetown stopbank is \$2,530,000 with \$375,000 to be funded by Hutt City Council
5. **Authorise** the Manager, Flood Protection, to approve progress payments for Contract No. 1245.

Report prepared by:

Report approved by:

Report approved by:

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Project Engineer

Geoff Dick
Manager, Flood Protection

Tina Walker
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