

3. TEMPLETON COMMUNITY FACILITY – TENDER EVALUATION/RECOMMENDATION REPORT

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Corporate Plan Output: Asset Improvements – Community Facilities	

The purpose of this report is to seek the Council's approval for the award of the design/build contract for the Templeton Community Facility project.

BACKGROUND

This Committee, at its meeting on 14 February 2002, approved the preparation of tender documents and calling of design/build tenders for the Templeton Community Facility. Tenders were to be based on the concept plans and specifications that were developed by the working party, in consultation with the community.

The facility consists of a new community hall that can accommodate a full size *standard* basketball court, a stage, community lounge, kitchen, office, storerooms and ablution block. Tenderers were also required to price the cost reduction for a hall that could accommodate a $\frac{3}{4}$ size basketball court. This alternative would be considered if tender prices for the full court option exceeded the available budget.

TENDER EVALUATION

An open tender process was conducted, with tenders closing on 20 March 2002.

Tenders were received from five contractors, for the full size court option (hall size 27.0m x 18.0m), as follows:

Ahead Buildings	\$922,881.86
Armitage Williams Construction Ltd.	\$935,930.00
Bushnell Builders Ltd.	\$998,800.00
Mainzeal Construction	\$1,191,955.00
Hanham & Philp Construction Ltd.	\$1,241,100.00

All the tenders included a number of tags and alternatives.

The project funding available for construction is \$860,000. All tenders exceeded the available budget, so prices for a hall to accommodate a $\frac{3}{4}$ size basketball court were then considered.

Negotiations were held with all tenderers on their tags and alternatives. Following these negotiations, tenders for the $\frac{3}{4}$ court option (hall size 21.0m x 18.0m), were as follows:

Armitage Williams Construction Ltd.	\$857,630.00
Ahead Buildings	\$858,939.97
Bushnell Builders Ltd.	\$919,900.00
Mainzeal Construction	\$1,161,955.00
Hanham & Philp Construction Ltd.	\$1,171,100.00

Further negotiations were undertaken with the lowest two tenderers to investigate the cost for a hall that would accommodate a full size *recreational* basketball court (hall size 26.0m x 16.0m). Prices for this option were as follows:

Ahead Buildings	\$823,923.00
Armitage Williams Construction Ltd.	\$872,630.00

All tenders include a construction contingency of \$30,000.

Ahead Buildings' offer includes the use of Strandboard (Strandboard is a composite wood sheeting material, similar to chipboard, but uses longer chips) as the surfacing material for the hall sports floor. To improve the specification of the surface to a hardwood tongue and groove system, similar to that offered by other tenderers, would increase Ahead Buildings' price by \$36,608, to \$860,531.00

Ahead Buildings advise that it is four years since they have been requested to install a hardwood T & G floor because of the cost advantage that Strandboard offers. Strandboard flooring has been installed in a number of locations, including five local school halls, and appears to perform well, with no problems evident so far.

Tenders were evaluated using the weighted attributes method, with a 60% weighting on price and 40% on non-price attributes. Non-price attributes included relevant experience, track record, technical skill, resources, management skills and methodology. The evaluation was performed by the project working party, comprising members of the Templeton Residents' Association, elected members of the Riccarton/Wigram Community Board and Council officers.

Armitage Williams are a well-known and reputable local construction company. They have successfully completed a number of design/build projects, including the Linwood Public Library. Ahead Builders have not worked for the Council before. However they have completed a number of design/build halls, both locally and nationally, Halswell School Hall being the most recent of these.

Since Ahead Buildings have not worked for the Council before there would be some risk in accepting the tender of this contractor, whereas Armitage Williams have an excellent track record over a number of Council projects. It was considered that there would need to be a cost advantage in Ahead Buildings' favour, sufficient to outweigh this risk.

Both of the lowest two tenderers are considered capable of completing the project on time and within budget.

BUDGET PROVISIONS

The following provisions are allocated for this project:

CCC Paparua Sports Stadium Fund	\$580,000
Lotteries Grant	\$120,000
Community Trust Grant	\$100,000
Cash donation from Templeton Residents Association	\$50,000
Sale of Templeton Residents Association hall and land (estimate based on market valuation as at 31/01/02)	\$100,000
Total	<u>\$950,000</u>

PROPOSED PROJECT BUDGET

The proposed project budget is as follows:

Professional fees	\$37,000
Resource Consent	\$5,000
Furniture fittings and equipment	\$25,000
Landscape planting	\$5,000
Project Contingency	\$20,000
Sub Total	<u>\$92,000</u>
<i>Funding Available for Design/Build Contract (incl. \$30,000 contingency)</i>	<i><u>\$858,000</u></i>

The project budget excludes GST.

CONSENTS

The contractor will apply for the building consent once the detailed design is completed and approved by the Council. The building consent costs are included in the tender price.

A resource consent application has been submitted. For the consent to proceed as a non-notified application, the written approval of the nearby landowners identified as being affected by the project is required. Consultation with the three affected residents is under way and it is expected the resource consent will be granted before detailed design is complete.

On the advice of the Council's solicitor, a clause has been included in the contract documents to ensure that delays in obtaining a resource consent will not be grounds for the contractor to make any claims relating to a later construction starting date.

PROGRAMME

The proposed project programme is as follows:

10 April 2002	Contract award. Contractor commences detailed design.
22 May 2002	Design approved by client and building consent application submitted.
13 June 2002	Commence construction.
30 October 2002	Construction completed and building opened.
March 2003	Landscape planting.

Note: The Landscape Architects have recommended that the landscape planting be delayed until March 2003 to avoid planting during the dry summer period.

SUMMARY

Ahead Buildings' tender for a hall that will accommodate a full size *recreational* basketball court offers a significant saving over that of Armitage Williams. This saving more than outweighs the risk of using a contractor that has not worked for the Council before.

The use of Strandboard sheeting as the topping material for the sports floor is recommended for this facility. Strandboard has been installed in a number of similar facilities around the country and appears to perform to the same standard as hardwood T & G floor, therefore it appears unnecessary to upgrade the surfacing to hardwood.

- Recommendation:**
1. That the tender of \$823,923 from Ahead Buildings be accepted, subject to Strandboard being acceptable as a surfacing material for the sports floor.
 2. That the proposed project budget and programme be adopted.

**Chairman's
Recommendation:** For discussion.