

7. CATHEDRAL SQUARE REDEVELOPMENT
STAGE 4 TENDER EVALUATION/ RECOMMENDATION REPORT

RR 8897

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The purpose of this report is to obtain Council approval for the award of the Stage 4 construction contract.

1. INTRODUCTION

Registrations of interest were sought for the main contractor on the Stage 4 construction works of the Cathedral Square redevelopment project. The evaluation of registrations in October 1998 led to a shortlist of five tenderers who were subsequently issued with tender documentation on 5 November 1998. The tenders closed in the Council tender box on 25 November 1998.

This is the final stage of this part of the redevelopment project and this tender price replaces the only significant remaining estimate with a fixed price.

2. BUDGET

The Council approved budget for the project is \$8,614,485. The available budget for the Stage 4 tender is \$1,952,252. The budget breakdown and current forecast costs are tabulated later in this report.

3. TENDER EVALUATION

Five tenders were received as follows:

Tenderer	\$ (excl. GST)
Works Civil Construction	1,849,418.10
Naylor Love Canterbury	2,014,774.00
Calcon Asphalt	2,076,700.00
Fletcher Construction	2,228,818.00
Works Operations Unit	2,280,000.00

These prices include a building contingency of \$100,000.

All the tenders included some tags and the lowest tenderer was requested to disclose the effect of removal of tags, particularly in areas relating to demolition, programme and electrical services. After removal and clarification of tags the lowest tender price was adjusted to \$1,850,486.10 (including \$100,000 contingency). Further clarification of other tenderers' tags was therefore unnecessary.

The budget composition and current forecast costs (as at 1 December 1998), incorporating the lowest Stage 4 tender price, are shown as follows: (Note, the current forecast costs do not show the contingency as being expended. The contingency is included within the 'Variance' column.)

	Council Approved Budget \$	Current Forecast Cost \$	Variance \$
Stage 1,2,3 Construction	2,249,296	2,131,254	(118,042)
Stages 1, 2 & 3 electrical/ Stages 1-4 precast concrete for lighting poles	173,026	173,026	-
Stage 4 Construction and Electrical Services	1,952,252	1,750,486	(201,766)
Supply of Paving Material	2,884,470	2,892,601	8,131
Provisional Sums	424,126	421,595	(2,531)
Professional Fees	822,000	819,121	(2,879)
Miscellaneous Expenses	105,000	105,000	-
Project Contingency	100,000	-	(100,000)
Project Recoveries	(95,685)	(95,685)	-
TOTALS	\$8,614,485	\$8,197,398	(\$417,087)

- **The lowest tender price of \$1,850,486.10 (including \$100,000 contingency) is recommended for acceptance.**
- **The total contingency as at 1 December 1998 is \$417,087.**

4. DISCUSSION

The lowest tender was received from Works Civil Construction. Works Civil Construction is a subsidiary of the Downer Group of companies. It is a large, well established company with a local Christchurch office and is one of the few construction companies to have ISO 9000 certification.

In its tender, Works Civil Construction has allowed to accommodate the market and stalls around the construction works if necessary. Discussions are continuing with stall holders and affected stakeholders on the possibility of relocating the stalls away from the construction area during the works.

The tender documents invited tenderers to submit alternatives to the specification and documents. In the area of supply and installation of lighting, Works Civil Construction has offered to supply and install a locally manufactured light pole and luminaire. Some of the optical componentary is still supplied from overseas but will be assembled locally. This alternative was not only cheaper, but could also be supplied with much shorter lead-in times. The lighting alternative is subject to final acceptance by the designers, but at this stage appears satisfactory.

5. PROGRAMME

Subject to Council approval, the construction works are to commence on 1 March 1999. The works are expected to be completed in October 1999. It is possible, through the selection of the pavement sealer, that the programme could be slightly shortened. This will be explored further with the successful tenderer.

6. SUMMARY

- (i) The Council approved project budget is \$8,614,485.
- (ii) The available budget for the Stage 4 construction works contract is \$1,952,252.
- (iii) The lowest tender of \$1,850,486.10 (including \$100,000 contingency) was received from Works Civil Construction for the Stage 4 construction works.
- (iv) It is recommended to accept the lowest tender.
- (v) The total contingency as at 1 December 1998 is \$417,087.

Some members of the Committee noted that a separate report on a number of outstanding issues relating to Cathedral Square had been submitted to the November meeting of the Environment Committee, and expressed the opinion that the section of this report dealing with furniture, other fixtures, landscaping and lighting should have been addressed by the Projects and Property Committee.

- Recommendation:**
- 1. That the tender of \$1,850,486.10 (incl. \$100,000 contingency, but excl. GST) from Works Civil Construction for the Stage 4 Construction and Electrical Services contract be accepted.
 - 2. That all parties involved with the project make every endeavour to maintain the total contingency above \$400,000 through pursuing further savings.
 - 3. That any future reports regarding furniture, other fixtures, landscaping and lighting or any other similar works in Cathedral Square be submitted to the Projects and Property Committee, rather than any other Committee.

4. That any alterations or additions to the current approved plans for Cathedral Square including alterations to furniture, other fixtures, landscaping and lighting be properly funded through the Council budget process.