

**1. QUEEN ELIZABETH II PARK POOLS REDEVELOPMENT  
TENDER EVALUATION/RECOMMENDATION REPORT**

RR 11208

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The purpose of this report is to seek Council approval for the award of the construction contract for the project.

**INTRODUCTION**

The reroofing of the stadium grandstand was approved by Council on 25 March 1999 and has already been completed.

The Council, at its meeting held on 24 June 1999, approved preparation of contract documentation (working drawings, Specifications and Schedule of Quantities) and the calling of tenders for the main building contract.

A special Council meeting on 10 September 1999 reconfirmed the scope of the project.

**TENDER EVALUATION**

Following a registration of interest process, six main contractors were selected to tender on the main building contract.

Tenders closed on 24 November 1999 with six tenders being received as follows:

Mainzeal Property and Construction Ltd	\$15,798,111.00
C Lund & Son Ltd	\$17,257,761.00
Naylor Love Ltd	\$17,485,616.00
Chas S Luney Ltd	\$17,639,887.00
Fletcher Construction	\$17,680,992.02
Armitage Williams Construction Ltd	\$20,642,910.00

All the tenders included a number of tags and alternatives.

Negotiations were held with the two lowest tenderers on their tags and alternatives and following these negotiations the two lowest tenders were as follows:

Mainzeal Property and Construction Ltd	\$16,160,347
C Lund & Son Ltd	\$17,207,166

The adjusted tender of \$16,160,347 is a fixed price (excluding currency fluctuations for overseas equipment) whereas the original tender of \$15,798,111 allowed for increased costs.

The cost plan allowance for this work was \$16,161,216.

The tender currently includes for seating to the 51m pool (285 permanent seats and \$20,000 provisional sum for temporary seats). This was not included in the cost plan. However, it does not include for two other items which were not included in the cost plan i.e resurfacing of the dive pool concourse (\$47,000) and retention of the existing hydroslide (\$100,000).

The contingency sum included in the project budget is \$899,369. (The contingency sum is required to cover consent issues, contract variations, currency fluctuations for overseas equipment, unforeseen conditions and final account resolution.)

It is not recommended that this amount be reduced at the moment but \$150,000 will be “frozen” to cover the resurfacing of the dive pool concourse and hydroslide. Once the 51m pool has been completed (April 2001), the amount of contingency will be reviewed and a report on the reduction in the level of contingency and inclusion of the resurfacing of the dive pool concourse and hydroslide will be made to the Projects and Property Committee.

Mainzeal Property and Construction Ltd is a well-known, reputable, national construction company. Recently completed contracts for the Council were the Pioneer Leisure Centre and the New Brighton Pier Terminus building. Mainzeal are also constructing the bus interchange building.

## BUDGET PROVISIONS

The budget provisions for the project are as follows:

<b>QEII upgrading – Renewals and Replacements</b>	1998/99	\$1,000,050
	1999/00	\$2,852,116
	2000/01	\$2,899,154
	2001/02	\$1,703,580
<b>QEII Leisure Pool – New Assets</b>	1998/99	\$100,000
	1999/00	\$300,441
	2000/01	\$4,056,460
	2001/02	\$5,608,739
<b>QEII Operational – New Development Maintenance</b>	1999/00	\$350,284
	2000/01	\$772,846
	2001/02	\$812,480
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		\$20,456,150
<b>QEII Fire Safety Upgrade</b>	2001/02	\$101,700
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		\$20,557,850
<b>Christchurch City Council Energy Efficiency Grant</b>	1999/00	\$150,000
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		<b>\$20,707,850</b>
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## PROPOSED PROJECT BUDGET

The proposed project budget is as follows:

1. <b>Construction contracts</b>	
(a) Stadium grandstand reroofing (already completed)	\$610,979
(b) Main building contract – Mainzeal Property and Construction Ltd	\$16,160,347
(c) Insurance and Consent costs	\$80,000
2. <b>Professional Fees and disbursements</b>	\$2,657,155
3. <b>Miscellaneous Expenses</b> (including Major Projects Co-ordination Unit, CCC Health and Safety Auditor levy, promotion/publicity)	\$300,000
4. <b>Contingency</b>	\$899,369
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	\$20,707,850
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Exclusions from the above budget are:

- GST
- Operating costs including rates, insurance (apart from Contract Works insurance), cleaning and maintenance
- Finance costs

## CONSENTS

An air discharge consent and diesel storage consent have been issued by the Canterbury Regional Council. (The report on the thermal energy source is contained in the public excluded section of this report.)

The initial indication from the Environmental Services Unit was that the land use consent would be handled on a non-notified basis.

However, the Independent Commissioner appointed to review the consent subsequently amended this decision to require fourteen affected neighbours to sign a neighbours' consent form to allow the project to be non-notified.

All 14 neighbours have signed the form and it is anticipated that the Resource Consent will now be issued.

A building consent has been lodged and should be issued in the next week.

The tender acceptance will be issued subject to resource and building consents being obtained on conditions acceptable to the Council.

#### **PROGRAMME**

The project programme is as follows:

- Late January/early February 2000 - main building contract commences on site
- April 2001 - completion of new 51m competition pool
- June 2002 - completion of new leisure pool, teach pool and remainder of main building contract.

#### **SUMMARY**

- The project is under-budget.
- The addition of the resurfacing of the dive pool concourse and retention of the existing hydroslide will be reviewed once the 51m pool has been completed.
- The recommended tenderer after adjustment for tender tags and alternatives is Mainzeal Property and Construction Ltd at a cost of \$16,160,347.
- It is anticipated that the Resource Consent will be non-notified.
- Completion of the 51m competition pool will be achieved in April 2001 and the remainder of the project will be completed in June 2002.

- Recommendation:**
1. That the tender of \$16,160,347 excluding GST from Mainzeal Property and Construction Ltd be accepted, subject to obtaining building and resource consents with conditions acceptable to the Council.
  2. That \$150,000 of the contingency be “frozen” to provide for resurfacing of the dive pool concourse and retention of the existing hydroslide.