

1. BECKENHAM HOUSING PROJECT: TENDER EVALUATION RR 10919

The Property Manager reported, seeking the Committee's approval pursuant to delegated authority for the letting of a contract for the Beckenham housing construction project.

The opportunity to enter into a relationship with the Beckenham Baptist Church was first presented to the Housing Working Party in February 1998, with a desire to develop and manage affordable shelter, housing for the marginalised members of the community.

A Heads of Agreement document and Annexed Contracts have been finalised by the Property Projects Manager generally in accordance with the terms and condition reported to the Council in March 1999 and the resolution passed at that time. An update on the contractual agreement has been reported to Community Services in October 1999.

The Council and the Church have finally reached agreement whereby the church provides the land 7 and 11 Percival Street to the Council under lease (50 years), at a peppercorn rental. The Council will construct 11 units with the Church Trust providing the fitout components (ie drapes/carpet/whatever else) and siteworks. The Church Trust will manage the facility.

Six main contractors were invited to tender for the construction contract.

Tenders closed on 22 September 1999 with six tenders being received.

All the tenders included some tags. There was some confusion in the tender documents and three of the tenders only allowed a contingency of \$25,000. The required contingency for the project is \$50,000. The three lowest tenderers, Higgs Builders, Fletchers and Armitage Williams were approached for clarification of their tags. Additionally the three tenderers were also asked to resubmit their price on the basis of including a \$50,000 contingency.

All of the tenderers identified a saving of \$5,600 on the tender price if an alternative solar hot water system is used. This system has been evaluated and is considered to be equivalent to that specified in the tender.

After clarification of all non-conforming tags, taking into account the alternative tender for the solar hot water system, confirmation of mobilisation times from contract award and adjustment for the contingency, the three lowest tenders were as follows:

Armitage Williams Construction Ltd	\$799,849.00
Fletcher Construction Ltd	\$800,031.45
Higgs Builders Ltd	\$816,865.00

N.B. The \$50,000 contingency is now included in the above numbers.

Armitage Williams Ltd is a well known, reputable construction company. Armitage Williams have confirmed that they have the resources for the project.

**CHRISTCHURCH CITY COUNCIL/BECKENHAM BAPTIST CHURCH
CONTRACTUAL ARRANGEMENT**

The tender documents for this project includes work which is to be paid for by the Beckenham Baptist Church. Based on preliminary costing schedules from Armitage Williams Ltd the Quantity Surveyor has established, with information provided on 18 October 1999, that the Beckenham Baptist Church contribution for this contract will be \$117,225 plus GST. In accordance with the agreement entered into by the Christchurch City Council and the Beckenham Church, the Church will pay for the following work which is included in this contract:

- site preparation (including demolition of existing buildings)
- siteworks (including driveway, parking area, footpath)
- landscaping
- fencing
- chattels (including drapes, floor coverings, whiteware)

The Christchurch City Council portion of the contract will be \$682,624 plus GST.

The Legal Services Manager has recommended that the contract documents be prepared on the basis of there being three parties involved, these being the Christchurch City Council, the Beckenham Baptist Church and the contractor, with the Council and the Baptist Church each paying their portion of the contract directly to the contractor. This means there is no liability on the Council to cover the Church's contribution.

It has been confirmed by Armitage Williams Ltd that they are happy to enter into a contract with both CCC and the Baptist Church paying them direct the relevant portions of the contract as detailed below:

Christchurch City Council portion	\$682,624
Baptist Church portion	<u>\$117,225</u>
Total contract value	\$799,849

ENERGY EFFICIENCY FUNDING

Solar water heating has been recommended for the project. The reasons for doing this are:

- It greatly increases energy efficiency of the housing units.
- Reduces the energy bills for tenants.
- Improves the tenants' living conditions.
- Reduces their dependence on power companies.

Double glazing has also been included in this contract. It was a requirement from EECA that this be included in order that the grant be given.

The funding that has been obtained from the Government Agency EECA and the Christchurch City Council Energy Efficiency Project Budget for the solar hot water heating system is as follows:

EECA	\$9,778 (excl GST)
CCC	\$10,000 (excl GST)
Total funding	\$19,778 (excl GST)

A solar hot water heating system has been included in the design for the development with costs as detailed:

Project cost	\$33,330 (excl GST)
--------------	---------------------

FIRE PROTECTION

The original budget estimate of \$900,000 (incl GST) did not take into account any allowance for provision of fire sprinklers for the building. All of the tenders include a provisional sum of \$35,000 for fire sprinklers.

Fire sprinklers have been recommended for the buildings for the following reasons:

A fire sprinkler system will enhance the safety of the residents by providing an immediate response to not only extinguishing flames, but more importantly the water from the sprinklers will keep fumes down.

A fire sprinkler system will provide property protection beyond that provided by installing fire rated cladding etc around windows and doors.

RESOURCE CONSENT

A resource consent application has been submitted for this project. The planners are currently working through the application and have prepared a report to be submitted to the commissioner to determine whether the application will be treated as a notified or non-notified consent. It is expected that this decision will be given within one week. Supporting documentation has been provided at the request of the planners to support the application.

The planners are recommending that the application be dealt with as a non-notified application on the basis that neighbours' consent be obtained from nine (9) adjoining properties.

The current project programme has a construction start date of 8/11/99 and a completion date of 12/5/00. Achieving a start date of 8/11/99 is dependent on having resource and building consent. If the resource consent is to be treated as a notified consent the programme could be delayed by up to 2 to 3 months.

The proposed project budget is as follows:

Construction contract, including Baptist Church contribution	\$799,849
Less Baptist Church contribution	(\$117,225)
Professional fees incl QS fees	\$129,500
Miscellaneous expenses, including Building Consent, Resource Consent fees	\$13,000
Grant from EECA	(\$9,778)
Transfer from CCC Energy Efficiency Projects Budget	(\$10,000)
Subtotal	\$805,346
Goods and Services Tax	<u>\$100,668</u>
TOTAL PROJECT COST	\$906,014
Budget Provision	\$900,000

Although the recommended tender is \$6,014 over budget, this includes \$35,000 for fire sprinklers (which were not included in the original budget) and also a contingency of \$50,000.

The recommended tender is that submitted by Armitage Williams Ltd at a price of \$799,849 plus GST. This price is split into two separate portions. The Christchurch City Council will pay \$682,624 plus GST. The Beckenham Baptist Church will pay \$117,225 plus GST.

A contract will not be let until resource consent and building consent have been obtained.

The Committee **resolved**:

1. That the tender of \$682,624 plus GST submitted by Armitage Williams Ltd for the Council's portion of this contract be accepted, subject to building and resource consent first being obtain with conditions acceptable to the Council, and subject also to the Baptist Church entering into a contract for \$117,225 plus GST with Armitage Williams Ltd for the Church's component of the work.
2. That the proposed project budget be adopted.