

6. **TENDERS FOR DEEPENING OF CWTP OXIDATION POND NO 2**
CONTRACT NO: 2002/03 - 260

Officer responsible City Water and Waste Manager	Author Mike Bourke, Operations and Maintenance Manager, DDI 941-8364 Andrew Brown, Structural Engineer, City Solutions, DDI 941-8996
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The purpose of this report is to seek Council approval for the award of the contract for the deepening of the Christchurch Wastewater Treatment Plant, Oxidation Pond No 2.

BACKGROUND

A major stage in the \$33m Christchurch Wastewater Treatment Plant Upgrade is the ongoing modification of the oxidation ponds. The oxidation ponds are being reconfigured from parallel flow to series flow to maximise the kill of pathogens. This improved configuration is expected to have a significant effect on the number of bugs released to the estuary.

The work was divided into three stages as follows:

Stage 1 Deepening and reshaping Pond No 1 (now completed).

Stage 2 Altering flow control structures Pond No 1 - 6 (ongoing).

Stage 3 Drying and relocation of organic material from the base of Pond No 2 along with deepening and reshaping (this contract).

TENDERS RECEIVED

Tenders were received as follows:

Contractor	Tender Price
Works Infrastructure Ltd	\$1,474,133
Barry Foster Contracting Ltd	\$1,697,153
G&T Construction Ltd	\$1,710,622
Doug Hood Contractors	\$1,866,855
David Morris Earthworks	\$1,988,904
Taggart Earthmoving Ltd	\$2,132,037
K B Contracting and Quarries Ltd	\$3,934,285

These tenders all include a contingency sum of \$150,000.

The tender evaluation method specified was that the lowest conforming tender would be accepted provided pass/fail criteria for certain attributes were satisfied, namely relevant experience, track record, technical skills, resources, management skills and methodology.

TENDER EVALUATION

Works Infrastructure Ltd tagged their tender in relation to drying of the organic material along the lines that claims for inclement weather would not only include days of inclement weather, but also any extra days required to recover from inclement weather. Determining when the organic material had returned to its pre-rain state would be extremely subjective, introducing the possibility of significant time extensions to the contract period. This cannot be allowed if the contract is to be completed by 30 April 2004, as required by the agreed conditions of the resource consent for the estuary discharge now before the Environment Court. It is considered unacceptable for the Council to accept this risk, therefore Works Infrastructure Ltd were asked to remove their tag.

The second and third lowest tenders were not tagged.

Tender prices for the three lowest tenders, after adjustment for removal of all tags, are:

Contractor	Adjusted Tender Price
Works Infrastructure Ltd	\$1,584,133
Barry Foster Contracting Ltd.	\$1,697,153
G&T Construction Ltd.	\$1,710,622

The engineer's estimate for the work was \$1,864,914 (including the \$150,000 contingency).

Works Infrastructure Ltd remains the lowest tenderer after removal of their tag.

Works Infrastructure Ltd is a well-known civil works contractor with a high reputation, considerable expertise and substantial resources. They have successfully completed numerous projects for the Council, almost always to a very high standard.

Works Infrastructure Ltd not only has experience in many large earthworks projects, but also carried out the deepening of CWTP Oxidation Pond No 6. Many of the staff that worked on Pond 6 are still employed so the contractor has a clear understanding of the work involved, particularly drying of the organic material, which is the critical part of this project.

BUDGET PROVISIONS

The overall budget provision for upgrading of the oxidation ponds is \$4,678,916. Of this \$1,787,500 has been allowed to fund the Pond No 2 deepening contract in the 2003/04 financial year.

The final cost to deepen Pond No 1 exceeded the budget allowance, owing to additional seismic strengthening of the pond banks and greater areas of rock riprap repair. The contract for work on the piping and discharge structures remains on budget and overall the project for the three stages is forecast to be on budget.

CONSENTS

Resource consent is not required for the project, however an outline plan required under the City Plan for the work will need to be approved by the Christchurch City Council. URS New Zealand has prepared an outline plan, which should be approved before the contract acceptance date.

Dust containment proved problematic for the contractor during the deepening of Pond No 1. To prevent this situation reoccurring the Stage 3 contract (ie Pond No 2) places much tighter controls on the contractor in relation to dust management. To maintain control of dust the contractor will only uncover a small working area of sand at any one time. The balance will either remain covered by organic material, or be back flooded as the pond is excavated to the new level. If at any stage the engineer considers that the contractor's dust control is ineffective, he may order flooding of the site to prevent further dust breakout, with the cost of delays and resulting rework to be paid for by the contractor. This should provide sufficient incentive for the contractor to ensure that stringent dust control measures are always in place.

PROGRAMME

A construction start date of 28 July 2003 is proposed in the current programme. This is based on the tender being awarded following the July Council meeting. A construction period of 37 weeks has been allowed at this stage, with completion scheduled for 23 April 2004.

The recommended tenderer has confirmed that they have the resources available to start the project on this date. They have also confirmed that they have the resources to complete the project within the proposed time frame.

Following award of the contract the contractor will be required to submit a detailed construction programme, which will be used to monitor construction progress.

SUMMARY

The lowest adjusted tender is from Works Infrastructure Ltd for \$1,584,133. Works Infrastructure Ltd has an excellent track record, and the requisite expertise and resources to complete the project within the proposed timeframe. The current budget provision of \$1,787,500 is sufficient to fund the works.

Recommendation: That the lowest adjusted tender of Works Infrastructure Ltd for \$1,584,133 be accepted.