

7. WASTEWATER PUMPING STATION 11 - TENDER FOR CONSTRUCTION CONTRACT

Officer responsible City Water and Waste Manager	Authors Bruce Henderson, Asset Manager Water and Waste, DDI 941-8324 Andrew Brown, Structural Engineer City Solutions, DDI 941-8996
--	--

PROPOSAL/PURPOSE OF REPORT

The purpose of this report is to obtain the Council's approval for acceptance of a tender, which is above the \$500,000 authority delegated to Council officers.

EXECUTIVE SUMMARY

This contract is for the construction of a new wastewater pumping station (Wastewater Pumping Station 11) on the corner of Bass Street and Randolph Street. The construction of this pumping station is key to a programme of works required to upgrade the trunk sewer system to meet Environment Canterbury's consent conditions for wet weather overflows to the Avon River and Heathcote River. Under the consent condition, this and a number of other works are required to be completed by the end of 2005. The construction period for the contract is 12 months.

Following an open pre-qualification process, four contractors were selected as suitable to tender for the works. Of the four contractors short-listed, three submitted tenders, but one, Brian Perry Civil, withdrew due other work commitments.

Tenders were received as follows:

Contractor	Tender Price \$	Tender Adjustments \$	Adjusted Tender Price \$
G&T Construction	5,616,615	Include cast iron pipework 351,000 Alternative overhead crane 4,164 Alternative controls system -2,504 Smaller electrical cable to pump <u>-3,000</u> <u>349,660</u>	5,966,275
Hopkins Engineering	5,959,975	Include cast iron pipework* 460,869	6,420,844
Fulton Hogan Civil	6,630,400	Not considered due to price difference	Not relevant

*Cost is an estimate only because considerable effort is required by the contractor to provide a firm price for this item, which would not affect his overall ranking.

These tenders all include a contingency sum of \$0.350m.

The tender evaluation method specified was that the lowest conforming tender would be accepted, subject to satisfying certain criteria such as proposed subcontractors, construction methodology, commissioning procedures, etc. G&T Construction's tender is the lowest conforming tender and satisfies all of the non-price criteria.

The credentials of G&T Construction were checked out and proved excellent during the pre-registration phase. G&T Construction is a local civil construction contractor with a very good reputation, considerable expertise and sufficient resources for a project of this nature. They are well known to the Council, having successfully completed a number of contracts for the expansion of the Wastewater Treatment Plant, including construction of Pumping Station B; deepening of Oxidations Ponds 1 and 3; modification of the Oxidation Ponds flow control structures; and on-site work for construction of Clarifiers 1 to 4.

FINANCIAL CONSIDERATIONS

This project forms part of the City Water and Waste Unit's Capital Expenditure Programme for the 2004/05, 2005/06 and 2006/07 years and is shown on page 5.4.12 (Wastewater Infrastructure Improvements - Pumping) of the Financial Plan and Programme.

Budget details are:

Financial Year	Amount
2004/05	\$ 2,715,820
2005/06	2,700,000
2006/07	<u>1,800,000</u>
Total available budget	<u>7,215,820</u>

The required project budget is \$7,086,781 made up as follows:

Description	Amount
	\$
Construction contract	5,996,275
Principal supplied equipment	839,943
Consent fees	12,533
Professional fees	130,985
Miscellaneous items	18,516
Project contingency	<u>88,529</u>
Total required budget	<u>7,086,781</u>

While the total available budget for this individual project (Pump station 11) is adequate to fund the forecast cost of this project, the timing of the provision of it is not matched. Thus it is recommended that the \$1.8m budget provision for 2006/07 be bought forward and be made available in the 2005/06 year.

The Council also needs to be aware that major 'tie in' works of approximate cost of \$600,000 will also be required to connect the new pump station to the inlet and outlet pipe work. Funding for this and other budget shortfalls for this programme of works will be the subject of a report in the early New Year.

STAFF RECOMMENDATION

It is recommended that:

1. The tender of G&T Construction Ltd for the construction of Wastewater Pumping Station 11 for the amount of \$5,996,275 be accepted.
2. The \$1.8m budget allowance in the 2006/07 financial year be brought forward and made available in the 2005/06 year.

BACKGROUND

A replacement pumping station for Wastewater Pumping Station 11 is required to be constructed on Council owned land at the corner of Bass Street and Randolph Street. The new pump station is part of a planned major works programme designed to cater for city growth and reduce wet weather sewage overflows into the Heathcote River and Avon River. When completed the station will have the largest flow of any of the wastewater pumping stations. This station must be built before other phases of the major sewer upgrade can be brought into successful operation. Consent conditions for sewer overflows into the Heathcote River require this phase of the major sewer upgrade to be operational by January 2006.

The project has been divided into three equipment supply contracts (pump supply, generator supply, and valve supply) and a construction contract. The pump supply contract was awarded in June 2003, the generator supply contract was awarded in October 2004, and the valve supply contract is currently being assessed.

This contract is for the construction of the pumping station and installation of the Council supplied equipment. Construction is expected to start on-site early February 2005 and will be completed by January 2006. It is, however, anticipated that the station will be operational by the end of December 2005.