

5. BECKENHAM HOUSING PROJECT: EVALUATION OF TENDERS

RR 10919

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The purpose of this report is to seek the approval of the Projects and Property Committee under delegated authority for the award of the Beckenham Housing construction contract.

BACKGROUND

The Beckenham Housing Project is a joint venture between the Christchurch City Council and the Beckenham Baptist Church. The development has come about as a result of workshops held between the Christchurch City Council and the Beckenham Baptist Church. It is located at 7 and 11 Percival Street. The development will provide 11 units for people with a mix of disabilities, emotional and physical, in specially designed individual units.

The Baptist church will provide a part-time administrator to provide assistance to the tenants when necessary and to also control the on-going maintenance of the housing facility.

TENDER EVALUATION

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

Tenders closed on 22 September 1999 with six tenders being received as follows. The tenders are GST exclusive.

Fletcher Construction Ltd	\$779,586
Higgs Builders Ltd	\$797,465
Armitage Williams Construction Ltd	\$805,449
Mainzeal Property and Construction Ltd	\$830,473
Bushnell Builders Ltd	\$832,000
Simon Developments Ltd	\$861,523

All the tenders included some tags. 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
Fletcher Construction Ltd	\$800,031
Higgs Builders Ltd	\$816,865

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

Armitage Williams Ltd is a well known, reputable construction company.

CHRISTCHURCH CITY COUNCIL/BECKENHAM BAPTIST CHURCH CONTRACTUAL ARRANGEMENT

The tender documents for this project include 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 that the Beckenham Baptist Church's contribution for this contract will be \$118,950 + GST.

The Christchurch City Council portion of the contract will be \$680,899 + GST.

The Council's Legal Services Unit recommends that the contract documents be prepared on the basis of there being three parties involved, these being the Christchurch City Council, 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 the Council and the Baptist Church paying them direct the relevant portions of the contract as detailed below:

Christchurch City Council portion	\$680,899
Baptist Church portion	<u>\$118,950</u>
Total contract value	\$799,849

ENERGY EFFICIENCY FUNDING

Solar water heating has been recommended for the project. The reasons for this are that solar water heating will:

- greatly increase energy efficiency of the housing units.
- reduce the energy bills for tenants.
- improve the tenants' living conditions.
- reduce their dependence on power companies.

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

EECA	\$9,778 (excl GST)
CCC	<u>\$10,000</u> (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)
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FIRE PROTECTION

The original budget estimate of \$900,000 did not take into account any allowance for the 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 not only extinguishing flames, but also keeping 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 will be preparing 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 current project programme has a construction start date of 8 November 1999 and a completion date of 12 May 2000. Achieving a start date of 8 November 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 2 or 3 months.

PROPOSED PROJECT BUDGET

Construction contract, including Baptist Church contribution	\$799,849
Less Baptist Church contribution	(\$118,950)
Professional 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	\$804,781
Goods and Services Tax	<u>\$100,597</u>
TOTAL PROJECT COST	\$905,378
Budget provision	\$900,000

SUMMARY

The recommended tender is \$5,378 over-budget. However it includes a sum of \$35,000 for fire sprinklers, which was 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 + GST. This cost is split into two separate portions. The Christchurch City Council will pay \$680,899 + GST. The Beckenham Baptist Church will pay \$118,950 + GST.

A contract will not be awarded until a resource consent and building consent have been obtained

- Recommendation:**
1. That the tender of \$680,899 + GST from Armitage Williams Ltd for the CCC portion of the contract be accepted, subject to building and resource consents being granted with conditions acceptable to the Council.
 2. That the proposed project budget be adopted.

Chairman's

Recommendation: Not seen by Chairman.