



27. 10. 2004

REPORT OF THE GENERAL MANAGER CITY ENVIRONMENT

1. WASTEWATER PUMPING STATION 11 – GENERATOR SUPPLY

Officer responsible City Water and Waste Manager	Authors Bruce Henderson, Asset Manager Water and Waste, DDI 941-8324 Andrew Brown, Structural Engineer City Solutions, DD1 941-8996
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The purpose of this report is to obtain approval for acceptance of a tender, which is above the \$500,000 authority delegated to Council officers. This approval is sought immediately in order to avoid a price increase as of 1 November.

RELEVANT CURRENT POLICY

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:

2004/05	\$715,280 (including carry forward and \$150,000 mentioned below)
2005/06	\$2,700,000
2006/07	\$1,800,000
Total	\$5,215,280

A grant of \$150,000 has been received from the Council Energy Manager for the generator purchase.

BACKGROUND

A replacement pumping station for Wastewater Pumping Station 11 is to be constructed on Council owned land at the corner of Bass and Randolph Streets. The new pump station is part of a major works programme designed to cater for city growth and reduce wet weather sewage overflows into the Heathcote and Avon Rivers. When completed the station will have the largest flow of any of the city's wastewater pumping stations. This station must be built before other phases of the major sewer upgrade can commence.

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 valve supply contract is currently being assessed, and the construction contract will be reported to an early meeting of the new Council.

This contract is for the supply of two generators complete with fuel tank and associated equipment. The generators will provide emergency electrical supply to the pump station in the event of failure of the regular electrical supply. The generators will also be used for "load shedding" and export of power back to Orion's network during Orion's control periods. This "export of power" results in substantial revenue to the Council and is the reason for a \$150,000 contribution from the Council's energy improvement programme.

DESCRIPTION

The tenders received were evaluated by weighted attributes, with 20% weighting on price and 80% weighting on non-price attributes including relevant experience, track record, generator package, fuel system, servicing support, design expertise, company profile/resources. The 10-year net present value of each offer was a key consideration in this assessment. The recommended offer has a positive 10-year net present value.

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TENDERER	PRICE	SCORE
Gough Gough & Hammer (2-1400 kVA units)	\$875,150	88
Gough Gough & Hammer (2-1250 kVA units)	\$825,150	87
Appleby Engineering (2-1500 kVA units)	\$779,793	81
Appleby Engineering (2-1000 kVA units)	\$779,793	80
Power Hire (2-1000 kVA units)	\$1,070,410	79
Ebbco (2-1200 kVA units)	\$783,328	78
Cummins (2-1000 kVA units)	\$846,210	78
Ebbco (2-1000 kVA units)	\$740,113	78
AB Power Systems (2-1200 kVA units)	\$821,018	75
AB Power Systems (2-1000 kVA units)	\$777,613	75
AB Power Systems (2-1000 kVA units)	\$806,408	74
Diesel and Power Systems (2-850 kVA units)	\$979,512	Failed in at least one attribute.

All prices exclude GST and include a contingency sum of \$50,000.

Gough's offer for two 1400 kVA Caterpillar generators meets or exceeds the technical specification. Caterpillar is a world-leading brand, with a world-class backup and servicing network.

Tenders for the generators closed in June 2004. A recommendation to accept Gough's offer was postponed until tenders were received for the valve supply and construction contracts to ensure the overall project cost would fall within budget. Those tenders have now closed and are within budget.

Gough's have held their tender price over this intervening period, but advise that a cost increase of \$26,250 will take effect from 1 November 2004. Other suppliers have advised of similar cost increases due to high world demand in this industry sector. Therefore, it is recommended that Gough's offer be accepted before this price increase takes effect.

Recommendation: That the tender received from Gough Gough & Hammer for two 1400 kVA generators for \$875,150 be accepted.

J Parfitt

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