

SOUTH WAIRARAPA DISTRICT COUNCIL

20 SEPTEMBER 2017

AGENDA ITEM C8

GREYTOWN WASTE WATER TREATMENT PLANT STAGE 1B WORKS CONTRACT NO C 1230 – 2017FOR DECISION

Purpose of Report

To inform Council of the Tenders Committee recommendation and to approve a tender and design build proposal from WaterForce NZ Ltd for improvements at the Greytown Waste Water Treatment Plant Site.

Recommendations

Officers recommend that the Council:

1. *Receive the information.*
2. *Approve the tender of WaterForce Ltd for Contract C1230 in the maximum sum of \$2,594,238.24 GST exclusive accepted by the Tenders Committee on 29 August 2017.*

1. Executive Summary

Arising out the ROI (Registration of Interest) process two submitters (WaterForce NZ Ltd and Irrigation Services) were selected and invited to develop and submit firm proposals for the Council's consideration.

The two submissions were evaluated against well-established non price attributes and were both quality submissions with the marking very close. Officers in a majority decision finally determined that WaterForce NZ Ltd were the preferred tenderer. The evaluators considered generally that this submitter had more than adequate and proven resources and offered up a superior construction methodology.

Note that the pricing includes a contingency allowance of 25% but excludes the supply of the UV reactors which are being purchased separately at an additional cost of approximately \$120,000.

The pre estimate for the project based on a preliminary design developed by Mott McDonald's Ltd was \$2.6 M exclusive of irrigation to land costs.

Funding for the work will come from the capital works allocation shown in the 17/18 Annual Plan although it should be noted that there will be a

shortfall approaching \$1.6M depending on the final build cost for which provision will need to be made in the 18/19 year.

2. Background

This contract is for the delivery of Stage 1B Improvement works for this site. The contract is a design build contract which aims to deliver the infrastructure required thus enabling Council to meet the terms of the recently acquired resource consent ahead of time. The Design Build approach potentially provides the Council with opportunities to obtain best value in the least amount of time by utilising previously demonstrated expertise in this field, sharing risk around cost within limits and minimising the input of expensive external engineering consultants.

It is expected that this work will take up to seven months to complete from commencement. The tenderer is confident of completing works to this time frame. There will be some delay associated with the sourcing of specialised equipment ex overseas e.g. pumps, irrigation kit and ultra violet disinfection equipment however local equipment will be used where possible without compromising outcome quality.

The resource consent WAR 080254 for this site requires as a condition that discharge to the adjoining land be commenced no later than 1 January 2021.

Procurement as proposed significantly advances the regulatory timeline and is consistent with the Council's wishes to advance its improvement programmes where this can be afforded.

2.1 Contractual

The estimated pricing submitted is based on a preliminary design for the project. The preliminary design excluded the irrigation to land infrastructure which will be finalised with the successful tenderer because it was recognised that the prospective providers were specialists in irrigation design and delivery.

The final contract price will be subject to negotiation once all design details are finalised.

The Contractor and Council will be bound by a Design and Build construction contract underpinned by NZS 3916:2013 and amendments. Liquidated Damages for delayed completion maybe be incorporated into this contract and this will be a point of negotiation reflecting both parties' willingness to accept a level of risk.

Referee checks with Taupo District Council and Selwyn District Council being previous clients have been undertaken and were positive.

2.2 Other Related Matters

2.2.1 Land treatment infrastructure and management

Before the land treatment infrastructure design can be finalised, the Wellington Gliding Club as co land users need to be fully consulted to help the Council understand and define:

- The respective roles each party will play in the operation of land irrigation.
- What sort of irrigation infrastructure will have least impact on operational gliding activity.
- What compromises might need to be made by one party or the other in order for an optimal outcome to be achieved.

These matters have been discussed earlier in the Gliding club's tenure but now need to be re-activated at the earliest opportunity and a meeting is arranged for the near future.

2.3 Annual Plan/LTP

As above in the Executive Summary.

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