



Hastings District Council

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OPEN AGENDA

TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 14 September 2017**

Time: **9.00am**

Venue: **Landmarks Room
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Subcommittee Members	Chair: Councillor Travers Acting Mayor Hazlehurst Councillors Lyons, Nixon, Redstone and Watkins (Deputy Chair) Chief Executive and Group Manager: Asset Management
Officer Responsible	Executive Advisor/Manager: Office of the Chief Executive (Mr M Maguire) (Quorum = 4)
Committee Secretary	Christine Hilton (Extn 5633)

Tenders Subcommittee – Terms of Reference

A Subcommittee of the Works and Services Committee

Fields of Activity

The Tenders Subcommittee is responsible for assisting council in its general overview of procurement and tender activity by accepting tenders which exceed the Chief Executive's delegated authority to approve, for projects previously approved by Council or a Standing Committee within the delegated authority.

Membership

Chairman appointed by the Council
4 members appointed by the Council
Chief Executive
Group Manager: Asset Management

For the avoidance of doubt the references in this delegation to the 'Chief Executive' and 'Group Manager: Asset Management' extends to include any persons from time to time appointed in writing to those roles in an acting capacity.

Quorum – Any four members.

Delegated Powers

Authority to accept tenders for individual projects previously approved by the Council or a Standing Committee of the Council up to a value of \$8,000,000

Responsibility to provide oversight and direction on tendering processes in general and/or specific issues relating to a particular project

The Committee reports to the Works and Services Committee

HASTINGS DISTRICT COUNCIL
TENDERS SUBCOMMITTEE MEETING
THURSDAY, 14 SEPTEMBER 2017

VENUE: Landmarks Room
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings

TIME: 9.00am

A G E N D A

1. Apologies

At the close of the agenda no apologies had been received.

Leave of Absence had previously been granted to Councillor Watkins

2. Conflict of Interest

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or Executive Advisor/Manager: Office of the Chief Executive (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

3. Confirmation of Minutes

Minutes of the Tenders Subcommittee Meeting held Thursday 31 August 2017.
(Previously circulated)

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REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 14 SEPTEMBER 2017

**FROM: TRANSPORTATION OPERATIONS MANAGER
ADAM JACKSON**

**SUBJECT: LED INSTALLATION - CON2014001 HASTINGS DISTRICT
NETWORK MAINTENANCE AND RENEWALS – STREET
LIGHTING AND TRAFFIC SIGNALS 2014-2017**

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from the Committee to enable Council to complete the installation of P category Light Emitting Diodes (LED) luminaires throughout the remaining network for the value of \$256,967.
- 1.2 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.
- 1.3 The objective of this decision relevant to the purpose of Local Government is to procure and install good quality local infrastructure that is safe and efficient to present and anticipated future circumstances.
- 1.4 This report concludes by recommending that the installation of LED lights is awarded to Pope Electrical Ltd as a variation to CON2014001 Hastings District Network Maintenance and Renewals - Street lighting and Traffic Signals for the value of \$256,967 and that the installation of the remaining LED lights are procured by open tender.

2.0 BACKGROUND

- 2.1 Hastings District Council approved the accelerated streetlight to LED conversion programme in February 2017. This programme will change all existing streetlights to LED lights by December 2018.

3.0 CURRENT SITUATION

- 3.1 CON2014001 Hastings District Network Maintenance and Renewals - Street lighting and Traffic Signals is currently held by Pope Electrical and covers both the maintenance and renewal of street lights and traffic signals within the Hasting District Council's roading network (Urban, Plains and Rural). This contract expires on 31 June 2018.
- 3.2 Council has already procured all the P Category lights with 1,576 in storage and the remaining 1,151 awaiting delivery (Total 2,727).

- 3.3 When CON2014001 Hastings District Network Maintenance and renewals - Street lighting and Traffic Signals was let in 2014 it was intended that the successful contractor would be responsible for installing LED luminaries when the Council made the move to this technology. To that effect a line item in the schedule exists for LED upgrades. Because the likely quantum of this technology transfer was unknown at the time the Contract was let, a Provisional Sum of \$120,000 was allocated to cover the installation of LED luminaries.
- 3.4 With the implementation of the new LED luminaires being installed on the network, maintenance of the existing, older lights will reduce and correspondingly the amount of work done through the streetlight maintenance contract. Lamp maintenance costs, for labour and plant only for an average one year period is around \$50,400 (\$4,200 per month). It is anticipated that this amount will reduce significantly once the LED conversion is completed.
- 3.5 Pope Electrical have provided installation rates for the LED units to cover four scenarios, depending on the column spigot and cabling arrangement, these can be seen below:

Scenarios	Connection Type	P Cat Rate
1	Plug connection	\$145.42
2	Hard wiring using existing cable	\$186.39
3	Install new cable and fuse	\$449.75
4	Install new cable and fuse on reticulation arm	\$361.27

- 3.6 This installation unit price shown in 3.5 compares to \$95 per unit to change a Mercury Vapour (MV) to a Metal Halide (MH) luminaire in the Contract schedule of prices.
- 3.7 The reasons for the higher LED installation prices is due to new Health and Safety requirements where it is now necessary to have a two person operation in an elevated work platform (EWP) to provide immediate assistance should a free-fall occur, and includes other install difficulties such as wiring and fusing issues shown below.
1. Purchasing the female plug and install.
 2. Removing the glass lens, removing the length of supplied cable and reattaching the existing cable.
 3. Supply and install new cable from the base of the column, supply fuse.
 4. Supply and install new fuse and cable for reticulation arms. The cables are renewed from the base of the column.
- 3.8 In order to determine whether this is a competitive rate to install the P Cat lights, a price comparison was made with Auckland Transport, Whanganui District Council, Christchurch City Council and Palmerston North City Council for the installation of LED luminaires.

3.9 These comparison prices can be seen listed below:

Auckland Transport	\$120 per unit (average price)
Whanganui District Council	\$165 per unit
Christchurch City Council	\$200 per unit
Palmerston North City Council	\$228 per unit

3.10 The installation costs of \$145.42 and \$186.39 per unit compares well to those listed above.

3.11 Light Control Units (LCU's) also need to be added to the installation, which require programming and commissioning.

3.12 Council will also be procuring a further 3,109 LED units for all V Cat lights.

4.0 OPTIONS

4.1 Option A:

- Install LED units up to the value of \$256,967 through a variation to CON2014001 Hastings District Network Maintenance and Renewals - Street lighting and Traffic Signals held by Popes Electrical Ltd.
- The installation of any remaining LED lights to be procured by open tender.

4.2 **Option B:** Procure the installation of all LED luminaires made up from 1,576 in storage and 1,151 P Cat on order and 3,109 V Cat, still to be procured, by open tender.

5.0 SIGNIFICANCE AND ENGAGEMENT

5.1 This report is not of significance considering Councils significance policy.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

6.1 Option A: This is the preferred option due to the following reasons:

6.2 Installation can commence immediately.

6.3 Rates for installation is deemed competitive when compared with rates paid for similar work completed by other councils.

6.4 The installation of all new LED lights has to be completed by December 2018 to qualify for the 85% NZTA subsidy.

6.5 Electricity savings can be realised as soon as LED lights have been installed

6.6 Improved light levels will positively impact on the amenity and security of the community.

6.7 Option B: this option is not the preferred option due to the following reasons:

6.8 Additional time is required to tender for the installation of the LED lights which may lead to delays in completing the programme.

6.9 Any delays may impact on the tight programme and this may have the following negative outcomes:

- Delay in realising electricity savings by not installing the LED lights as soon as possible
- Delay in improved amenity and community security provided by LED luminaires through improved illumination

6.10 Budget information

Item	17/18
LTP budget	\$1,329,191
LED and LCU purchase	\$1,072,224
Installation	\$256,967
Remaining budget	\$0.0

7.0 PREFERRED OPTION/S AND REASONS

- 7.1 Option A is the preferred option due to the following reasons:
- 7.2 Installation can commence immediately.
- 7.3 Rates for installation is deemed competitive when compared rates paid for similar work completed by other councils.
- 7.4 Electricity savings can be realised as soon as LED lights have been installed
- 7.5 Improved light levels will positively impact on the amenity and security of the community.

8.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Transportation Operations Manager titled “LED Installation - CON2014001 Hastings District Network Maintenance and Renewals – Street Lighting and Traffic Signals 2014-2017” dated 14/09/2017 be received.
- B) That the installation of up to 1576 LED lights in accordance with the P Cat Rate is awarded to Pope Electrical Ltd as a variation to CON2014001 Hastings District Network Maintenance and renewals - Street lighting and Traffic Signals for the amount of up to \$256,967 be approved.
- C) That the procurement of the installation of the remaining P and V category LED lights by open tender be approved.

With the reasons for this decision being that the objective of the decision will contribute to meeting the current and future needs of communities for good quality local infrastructure and local public services by:

- Electricity savings can be realised as soon as LED lights have been installed
- Improved light levels will positively impact on amenity and security of the community.

Attachments:

There are no attachments for this report.

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 14 SEPTEMBER 2017

**FROM: PROJECT MANAGER
ANSONICA BOTHA**

**SUBJECT: PROFESSIONAL SERVICE ENGAGEMENT APPROVALS
FOR THE PLAZA REDEVELOPMENT PROJECT**

1.0 SUMMARY

- 1.1. The purpose of this report is to obtain a decision from the Tenders Subcommittee on the approval process for professional services engagements required for the Hawke's Bay Opera House Plaza project.
- 1.2. The proposal arises from the project identified in the Council's decision to proceed with the redevelopment of the Plaza area to improve the existing facility in order to attract more frequent events.
- 1.3. The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.
- 1.4. The objective of this decision relevant to the purpose of Local Government is to enable the provision of good quality community infrastructure providing recreational and cultural opportunities that meet the needs of our current and future community.
- 1.5. This report concludes by recommending that the authority to award professional services contracts on behalf of Council, relating to the Seismic Strengthening of the Plaza Redevelopment project, within the authorised financial allocation for the project, be delegated to the Chief Executive.

2.0 BACKGROUND

- 2.1 At the Council meeting held on Thursday 13 July 2017 Council adopted the recommendation to progress to the detailed design phase and the subsequent construction for the redevelopment of the Plaza area.
- 2.2 Create Ltd has been awarded the contract for the architectural design services under Contract CON2017026 Hawke's Bay Opera House Plaza Redevelopment.
- 2.3 Additional to the architectural design services the following professional services are required to complete the design for this project: building engineering & services, structural, acoustic and mechanical engineering, fire safety design, electrical & lighting, quantity surveying and building information modelling (BIM).

- 2.4 The seismic strengthening of the Hawke's Bay Opera House Theatre is currently in construction and the seismic strengthening and redevelopment of the Municipal Building is in the developed design phase.
- 2.5 As a result of the close proximity of these facilities, the existing building services links and the coinciding construction periods, the project management has now been combined and the delivery of these projects is being run as one project, called the Hawke's Bay Opera House Precinct project.

3.0 CURRENT SITUATION

- 3.1 Further engagements for professional services are required to progress the design of the Plaza Redevelopment project.
- 3.2 At the tenders subcommittee meeting held on Thursday 28 July 2016 the following recommendation was accepted:

"That authority to award Professional Services contracts on behalf of Council, relating to the Seismic Strengthening of the Hawke's Bay Opera House and Municipal Building project, within the authorised financial allocation for the project, be delegated to the Chief Executive. "

- 3.3 Given the need to progress on the Plaza project and to improve procurement efficiency it would be advantageous to treat the Plaza Redevelopment in a similar way.

4.0 OPTIONS

- 4.1 The Tenders Subcommittee has two options to consider;
 - Delegate to the Chief Executive authority to award professional services contracts for the Plaza Redevelopment project, provided they are within the financial allocation for the project. This is the preferred option.
 - Procure professional services for the project in accordance with the Hastings District Council Procurement Policy and Delegated Financial Authorities.

5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The issue of significance has been assessed in terms of Council's Significance Policy and in particular the thresholds and criteria contained within this policy. This issue does not trigger any of the financial thresholds or satisfies any criteria of significance in this policy at this time.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 For both options the guidance in the Hastings District Council Procurement Policy will be followed.
- 6.2 The difference is in the process to be followed for professional services engagements that, either as a single engagement or cumulatively, exceeds the Chief Executive's delegated financial authority of \$100,000.
- 6.3 The preferred option will allow the approval of engagements exceeding \$100,000 to be approved by the Chief Executive as long as the engagement is within the authorised financial allocation for the project.

6.4 Alternatively the engagements exceeding \$100,000 would require a report to be prepared and presented to the Tenders Subcommittee for approval.

7.0 PREFERRED OPTION/S AND REASONS

7.1 The preferred option is to treat the Plaza Redevelopment project in line with the other projects in the Hawke's Bay Opera House Precinct.

7.2 This will provide a consistent approach for all professional services engagements for the Hawke's Bay Opera House Precinct project.

7.3 This will also enable professional service engagements to be approved in a timely manner to ensure that design work is progressing as required to deliver within the tight timeframes of the Precinct project.

8.0 RECOMMENDATIONS AND REASONS

A) That the report of the Project Manager titled "Professional Service Engagement Approvals for the Plaza Redevelopment Project" dated 14/09/2017 be received.

B) That the authority to award professional services contracts on behalf of Council, relating to the Plaza Redevelopment project within the authorised financial allocation for the project, be delegated to the Chief Executive.

With the reasons for this decision being that the objective of the decision will contribute to meeting the current and future needs of communities for good quality local infrastructure in a way that is most cost-effective for households and business by:

i) Providing a consistent approach for all professional service engagements for the Hawke's Bay Opera House Precinct project.

ii) Enabling professional service engagements to be approved in a timely manner to ensure that design work is progressing as required to deliver within the tight timeframes of the Precinct project.

Attachments:

There are no attachments for this report.

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 14 SEPTEMBER 2017

**FROM: TRANSPORTATION ASSET MANAGER
MARIUS VAN NIEKERK**

**SUBJECT: CON2017065 – ROAD RECONSTRUCTION -
MARAEKAKAHO ROAD (SOUTHAMPTON STREET TO
FRANCIS HICKS AVENUE), WINDSOR AVENUE (ADA
STREET TO GROVE ROAD) AND RAILWAY ROAD/STATE
HIGHWAY 2 INTERSECTION**

1.0 SUMMARY

- 1.1 The purpose of this report is to gain the Subcommittee's approval to award CON2017065 – Road Reconstruction - Maraekakaho Rd (Southampton St to Francis Hicks Ave), Windsor Ave (Ada St to Grove Rd) and Railway Rd/SH2 Intersection.
- 1.2 Tenders were called under the Hastings District Council's prequalification system. The work was classified as Class 1, with a work category of Road Construction Complex A, Stormwater Simple B and Waste Water Simple B.
- 1.1 Tenders were invited under the "Lowest Price Conforming" method. Three tenders were received.
- 1.2 This report concludes by recommending that CON2017065 – Road Reconstruction - Maraekakaho Rd (Southampton St to Francis Hicks Ave), Windsor Ave (Ada St to Grove Rd) and Railway Rd / SH2 Intersection be awarded to Russell Roads Ltd at the price of \$725,760 (excl. GST).

2.0 BACKGROUND

- 2.1 This project involves road reconstruction of Maraekakaho Rd, Railway Rd/SH2 Intersection and Windsor Ave.
- 2.2 Work activities include earth works, pavement construction, Asphaltic Concrete (AC) paving, chipseal surfacing, kerb and channel and footpath works, grass berm works, gravity sewer construction, tree pit installations, minor storm water works, tree removal and fence installation.
- 2.3 The work is included in the HDC annual plan.
- 2.4 The Windsor Ave site was tendered as provisional, subject to funding and decisions regarding wider Council water infrastructure requirements.
- 2.5 The Maraekakaho Road site is programmed to start on 2 October 2017, Railway Road/SH2 on 6 November 2017 and Windsor Ave, if it proceeds, on 12 February 2018.
- 2.6 The Railway road site intersects SH 2 and due to an existing memorandum of understanding between Hastings District Council (HDC) and NZTA, the cost of

the work within the ten metre limit line will be 100% funded by NZTA and the remainder of the cost will be jointly funded by HDC and NZTA using the normal subsidy arrangement.

- 2.7 Only Tenderers qualifying for the highest work category may tender for the Contract, in this case Road Construction Complex A. The Prequalified Tenderers invited to submit tenders are listed below.

Invited Tenderers
Higgins Contractors Ltd
Russell Roads Ltd
Downer NZ Ltd
Fulton Hogan Ltd
Quality Roding and Services (Wairoa) Ltd

3.0 TENDERS RECEIVED

- 3.1 Tenders for the above contract closed at 4.00pm on Wednesday 16 August 2017 and were opened in the presence of Jackie Evans, Democratic Support Manager, and Lydia Mueller, HDC Business Support: Asset Management.
- 3.2 The tenders were recorded by the Democratic Support Manager, Jackie Evans as follows:

Name of Tenderer	Tendered Price
1. Russell Roads Ltd	\$1,279,846.75
2. Downer NZ Ltd	\$1,490,919.08
3. Fulton Hogan Ltd	\$1,577,555.00

- 3.3 The Engineer's Estimate for the tendered works was \$1,626,306.50. The comparison with tendered prices showed the differences were throughout the rates.

4.0 TENDER PROCESS

- 4.1 Tender documents indicated that the successful Tenderer would be determined based on the Prequalification - Lowest Price Conforming Method in accordance with the Hastings District Council Procurement Manual.

5.0 TENDER EVALUATION PROCESS

- 5.1 The evaluation was carried out by Des Parkinson (Certified Evaluator - Stantec), Ansonica Botha (HDC), and Derek Bensemann (Stantec).
- 5.2 The Tender Evaluation Team (T.E.T.) confirm that none of them have personal relationships with any owners, directors or employees of the companies listed above, or any financial or commercial interest in any of the companies that would create a conflict of interest with respect to this tender evaluation process.
- 5.3 A copy of the evaluation information is appended to this report.

6.0 WINDSOR AVE SITE

- 6.1 Tenderers were advised that the Windsor Avenue site was a separable portion and a Provisional Item and that it was subject to funding and decisions regarding wider Council water infrastructure requirements.
- 6.2 Following the Request for Tender, it has been confirmed that the site is on a proposed route for a major water supply pipeline.
- 6.3 On this basis the site is to be removed from this contract.
- 6.4 The value of the works for the Windsor Ave site tendered by Russell Roads Ltd was \$554,086.75. Removing these works will reduce the total value of the tender from \$1,279,846.75 to \$725,760.00.

7.0 FINANCIAL IMPLICATIONS

- 7.1 The works identified in this contract are to be funded from Council's budget allocations for roading, wastewater and parks and properties.
- 7.2 The table below shows project costs for the 2017/18 financial year and compares the costs anticipated as a result of this tender to the allocated funds. The allocated funds are based on officers' preliminary estimates for the individual projects to develop the renewals budgets plus any adjustments made by the Asset Managers to the project budgets in the interim as the work programme is delivered.
- 7.3 As per the agreement with NZTA, the subsidised roading budget includes the 100% NZTA contribution of \$93,925. This amount includes physical works, professional fees and management, surveillance and quality assurance (MSQA).
- 7.4 The funds Officers assigned for this Project for the Maraekakaho Rd and Railway Rd / SH2 Intersection sites are shown below:

Budget Area	Tender Price	Material Costs	Ancillary Costs	Total Project Cost	Funds Allocated	Variance
Subsidised Roothing	\$619,870.00		\$87,004.00	\$706,874.00	\$631,075.00	\$18,126.00
NZTA Contribution (100%)					\$93,925.00	
Unsubsidised Roothing	\$105,890.00			\$105,890.00	\$110,000.00	\$4,110.00
Parks & Property		\$2,700.00		\$2,700.00	\$5,000.00	\$2,300.00
Total	\$725,760.00	\$2,700.00	\$87,004.00	\$815,464.00	\$840,000.00	\$24,536.00

- 7.5 A Contract contingency of \$100,000 (Maraekakaho & Railway/SH2 only) has been included in the above costs.
- 7.6 The "Ancillary Costs" items include design fees and auxiliary works by others outside the contract.
- 7.7 Following the award of the contract at the tendered price the Windsor Ave site will be removed in accordance with the Conditions of Contract.

8.0 RECOMMENDATION

- A) That the Transportation Asset Manager's report titled "CON2017065 – Road Reconstruction - Maraekakaho Road (Southampton Street to Francis Hicks Avenue), Windsor Avenue (Ada Street to Grove Road) And Railway Road/State Highway 2 intersection dated 31 August 2017 be accepted.
- B) That the tender for Contract CON2017065 – Road Reconstruction - Maraekakaho Road (Southampton St to Francis Hicks Avenue), Windsor Avenue (Ada Street to Grove Road) and Railway Road/State Highway 2 Intersection from Russell Roads Limited at the tender price of \$1,279,846.75 (excl. Gst) be accepted.
- C) That the removal of the separable portion for the Windsor Avenue Site, with the value of \$554,086.76 (excl. Gst), from the scope of works of Contract CON2017065 – Road Reconstruction - Maraekakaho Road (Southampton Street to Francis Hicks Avenue), Windsor Avenue (Ada Street to Grove Road) And Railway Road/State Highway 2 intersection be authorised.
- D) That Contract CON2017065 – Road Reconstruction - Maraekakaho Road (Southampton St to Francis Hicks Avenue), Windsor Avenue (Ada Street to Grove Road) and Railway Road/State Highway 2 Intersection, as amended by the withdrawal of the Windsor Avenue Site, be awarded to Russell Roads Limited at the price of \$725,760 (excl. Gst).

Attachments:

1 Evaluation form

CG-14-17-00067

TENDER EVALUATION - LOWEST PRICE CONFORMING

Contract : CON2017065

HDC. PREQUALIFICATION PROCEDURE

Road Reconstruction - Mamekakaho Rd (Southampton St to Francis Hicks Ave, Windsor Ave (Ada St to Grove Rd) and Railway Rd / SH2 Intersection (CON2017065)

CLASS 1 TENDER

CLASSIFIED ROAD CONSTRUCTION COMPLEX A

Tenderer's NAME
 Tender VALUE
 Schedule Item Total (Arithmetic Check)
 Tender Evaluation Team
 Forms
 a Tender Form
 b Acknowledgement of Notices to Tenders
 c Statement of Attributes (Methodology)
 d Schedule of compliance and departures
 e Schedule of Tenderer's Current Commitments
 f Schedule of Subcontractors and Suppliers
 g Schedule of Health & Safety Management
 h Indicative Programme of Work
 i Schedule of Prices

PASS / FAIL

Russell Roads			Downer			Fulton Hogan					
\$1,279,846.75			\$1,490,919.08			\$1,577,555.00					
Correct			Correct			Correct			Correct		
AB	DB	DP	AB	DB	DP	AB	DB	DP			
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
✓	✓	✓									
P	P	P									

✓ Retrieved information
 ✗ None or inadequate
 Pass
 Fail
 Tender meets requirements
 Tender fails requirements

Signed: A Bocha
 name : Ansonica Bocha (AB)

Date: 17/08/17

Signed: Derek Bensemann
 name : Derek Bensemann (DB)

Date: 17/8/17

(Certified Assessor)

Signed: Doyle Parkinson
 name : Doyle Parkinson (DP)

Date: 17/8/17

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 14 SEPTEMBER 2017

**FROM: WASTEWATER MANAGER
DAVID JAMES**

**SUBJECT: CON2017091 - WASTEWATER TREATMENT PLANT
DOMESTIC SCREENS DIRECT ENGAGEMENT REPORT**

1.0 SUMMARY

- 1.1 The purpose of this report is to seek approval of the direct engagement of Brickhouse Technology Ltd to supply a Centre-Flo Band Screen for the HDC Wastewater Treatment Plant.
- 1.2 Procurement via direct engagement is the preferred procurement option due to a) the specialised nature of required wastewater treatment equipment and b) Brickhouse Technology Ltd.'s understanding of the HDC wastewater treatment process and their ability to supply the desired technical solution. This procurement approach represents good value for Council in this instance.
- 1.3 This report concludes with the recommendation that the Brickhouse Technology Ltd quotation of \$137,000 for the supply of a Centre-Flo Band Screen be approved.

2.0 BACKGROUND

- 2.1 The wastewater treatment plant domestic screens serve as fine screening equipment at the headworks of the plant. The screening function removes solids from the wastewater entering the plant, this helps to ensure the effectiveness of the downstream treatment processes, importantly the performance of the BTF tanks. Excessive amounts of paper and wipes passing the screens will adversely affect BTF performance over time.
- 2.2 The three domestic Escamax screens were installed as part of the Biological Trickling Filter upgrade and were commissioned in 2009. The three screens were designed to process a maximum wet weather flow of 1400 l/s.
- 2.3 The screens have been experiencing a number of operational and performance issues. This has necessitated high levels of maintenance, repairs and modifications. Therefore, an assessment has been undertaken to review current equipment performance and look at alternatives that will provide long-term performance and cost benefits.

3.0 RECOMMENDED SOLUTION

- 3.1 Options for screen replacement or refurbishment were considered. The conclusion of this assessment at this time is to replace one screen and optimise the performance of the remaining two screens.

- 3.2 This approach will also enable the performance of the replaced screen to be monitored with a view to in the future replace the balance of the screens with another Centre-Flo Band Screen as detailed in Section 5 of this report.
- 3.3 The Centre-Flo Band Screen is similar to the Escamax screen but has greater operational efficiency and only 2 Centre-Flo Band Screens are required to meet the WWTP maximum flows rather than 3 Escamax Screens as is currently the case.

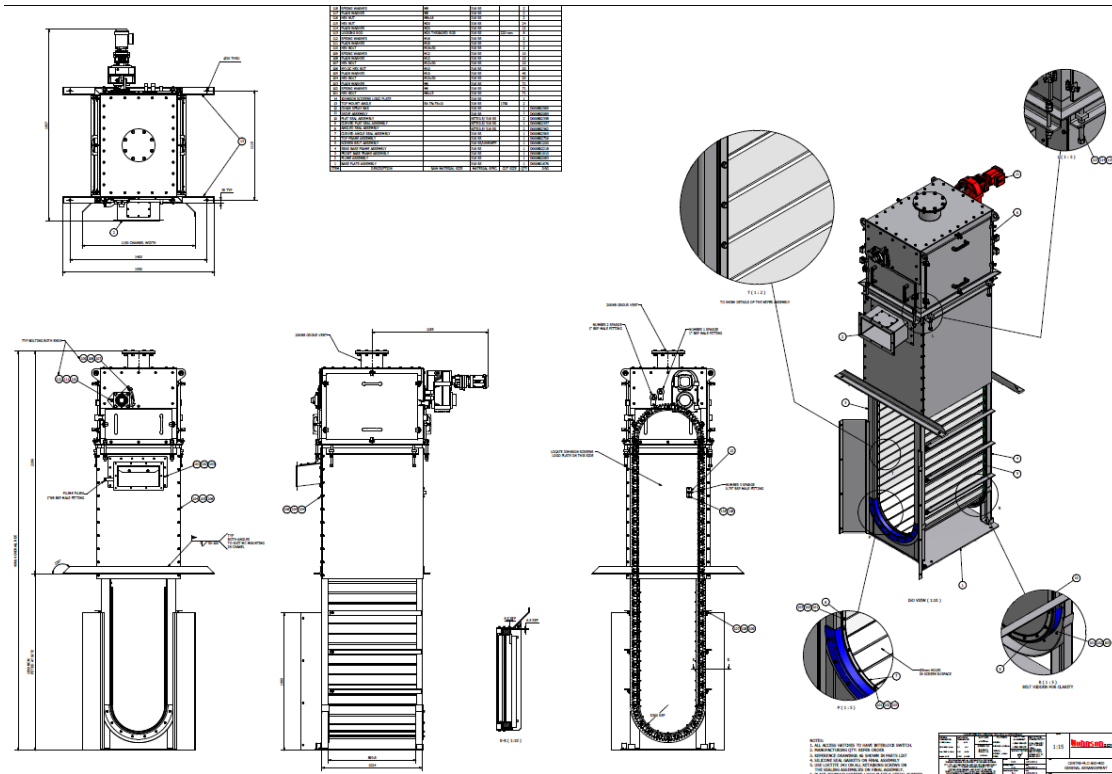


Diagram 1: Centre-Flo Band Screen

4.0 FUNDING

4.1 There is budget allocation in the 2017/18 Annual Plan for the purchase and installation of the first Centre-Flo Band Screen. The budget is summarised in the table below:

Name	16/17 CF	17/18 Budget	Total Budget Available	Estimated Cost	Surplus
WWTP Renewals	163,000	70,000	233,000	147,000	86,000

4.2 The surplus funds will be retained as project contingency and for other WWTP renewals. The second screen replacement budget will be included in the LTP and timing confirmed based on performance of the new screen.

5.0 IMPLEMENTATION PLAN

- 5.1 The domestic screen renewals plan proposes a staged screen replacement programme. It takes into consideration the need to optimise the initial investment, it also takes into account the recent performance issues, repair costs and future maintenance and refurbishment requirements.
- 5.2 It is critically important to ensure the ongoing performance of the BTF tanks. Solids continuing to bypass the domestic screens will over time begin to undermine the performance of the BTF tanks. Continued solids build up on the top of the plastic media will begin to blind the filter process and affect the wastewater treatment process.
- 5.3 Based on these considerations the renewals plan proposes to initially replace the worst performing Escamax Screen with a Centre-Flo Band Screen. The other Escamax screens will continue to provide wet weather and back up screening capacity.
- 5.4 The timing of the second screen replacement will be based on the performance of the new screen and the performance and maintenance costs of the old screens.
- 5.5 This approach will help to achieve the goals of ensuring long-term performance of the BTF tank treatment process and through a staged screen replacement programme achieve optimisation of the initial screens investment.

6.0 PROCUREMENT APPROACH

6.1 Procurement Assessment

- 6.2 This is a Hastings District Council Capital Project and follows the HDC Procurement Policy Framework. The policy, which is reflective of modern local government practice, sets out a range of options for procuring services. These options are guided by the scope of the project, the associated risks and the project costs. The policy provides for the direct engagement of services in certain circumstances.
- 6.3 In accordance with the Procurement Policy various procurement options have been assessed including:

Procurement Option	Comment
Open Tender - lowest price conforming method	Not preferred due to the specific technical requirements of the equipment and the need to design the solution with suppliers that have a good understanding of the HDC treatment system.
Open Tender - price quality method	Not preferred for the same reasons as the lowest price conforming method. Although there is the ability to add weightings for specific key attributes, there is still the risk that the supplier may not provide the desired technical outcome.
Direct Engagement	This is the preferred procurement option due to the the specialised nature of the

Procurement Option	Comment
	work, the limited number of suppliers and the preferred supplier having a proven track record with HDC. This is the least risk option and will help ensure the desired technical solution is achieved.

6.4 Preferred Procurement Option

- 6.5 The direct engagement of Brickhouse Technologies Ltd. is the preferred procurement option. As mentioned, the supply of screening equipment is a specialised activity and there are limited wastewater treatment equipment suppliers in New Zealand. Direct Engagement of Brickhouse Technologies Ltd. will provide Council with the desired technical outcome at a cost similar to the cost of undertaking screen refurbishment and overhaul.
- 6.6 Brickhouse Technologies Ltd have a successful track record with HDC and have been proactive and responsive with their support to HDC wastewater treatment staff over many years.
- 6.7 Brickhouse Technologies Ltd have provided a quotation of \$137,000 (excluding GST) to supply the required screen, the quotation is attached as Attachment 1. There is limited ability to compare pricing due to the limited numbers of suppliers in New Zealand, however, in order to provide a comparative price assessment a replacement Escamax screen would cost in the order of \$250,000 based on historic cost records.
- 6.8 Due to the specialised nature of the equipment required and the risk of not obtaining the desired technical solution from an open tender process this method is not desirable in this instance.

7.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Wastewater Manager titled “CON2017091 - Wastewater Treatment Plant Domestic Screens Direct Engagement Report” dated 14/09/2017 be received.**
- B) That the Tenders Subcommittee approves the direct engagement of Brickhouse Technology Ltd and acceptance of the quotation of \$137,000 excluding GST for the supply of a Centre-Flo Band Screen.**

With the reasons for this decision being that the objective of the decision will contribute to meeting the current and future needs of communities for good quality local infrastructure.

Attachments:

There are no attachments for this report.