



Hastings District Council

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Lyndon Road East, Hastings

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OPEN AGENDA

TENDERS SUBCOMMITTEE MEETING

Meeting Date: **Thursday, 25 January 2018**

Time: **9.00am**

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

Subcommittee Members	Chair: Councillor Travers Mayor Hazlehurst (<i>Ex Officio</i>) Councillors Lyons, Nixon, Redstone and Watkins (Deputy Chair) Chief Executive and Group Manager: Asset Management
Officer Responsible	Group Manager: Economic Growth & Organisation Improvement – Craig Cameron (<i>Quorum = 4</i>)
Committee Secretary	Carolyn Hunt (Extn 5634)

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, 25 JANUARY 2018

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 Redstone

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 21 December 2017.
(Previously circulated)

4. CON2017046 Omahu Industrial Bulk Water Services

- 5. Additional Business Items**
- 6. Extraordinary Business Items**

REPORT TO: TENDERS SUBCOMMITTEE

MEETING DATE: THURSDAY 25 JANUARY 2018

**FROM: STORMWATER MANAGER
MATTHEW KNEEBONE**

**SUBJECT: CON2017046 OMAHU INDUSTRIAL BULK WATER
SERVICES**

1.0 SUMMARY

- 1.1 The purpose of this report is to seek approval from the Tenders Subcommittee to award Contract No. CON2017046 – Omahu Industrial Bulk Water Services.
- 1.2 Tenders were invited under the Open Tender – Lowest Price Conforming method. One tender was received from Fulton Hogan Ltd.
- 1.3 The contract is expected to run for 38 weeks, between January 2018 and September 2018.
- 1.4 This report concludes by recommending that Contract CON2017046 be awarded to Fulton Hogan Ltd at the tendered price of \$4,145,369.20 (excl. GST).

2.0 BACKGROUND AND SCOPE OF WORK

- 2.1 This project is one of the major growth projects listed in the Long Term Plan. The construction of new water and wastewater pipelines are needed to service the recently rezoned Omahu Road Industrial area.
- 2.2 This contract is for the supply and installation of water and wastewater pipelines, wastewater pump stations and other associated works. The scope of work includes the construction of:
 - 2078m of wastewater pipeline
 - 2868m of water pipeline
 - two wastewater pump stations
 - associated manholes, valves, chambers and vents
 - connections to existing mains
 - 2072m long access road (6m wide) along the new service corridor for firefighting access and maintenance purposes.
- 2.3 **Attachment 1** shows the location and extent of the proposed works.
- 2.4 Council has purchased a 24m wide service corridor along the rear of the land rezoned for industrial use. The new water and wastewater pipes will be laid in a predetermined 7m wide corridor. The remaining 17m wide strip will be used for the construction of infiltration basins for onsite stormwater disposal. The stormwater infiltration basins will be constructed by land owners when their

property is being developed. There are no stormwater works as part of this contract.

3.0 HEALTH AND SAFETY AND RISK MANAGEMENT

- 3.1 The Request for Tender included a risk register which identified the key Health and Safety risks for the Tenderers to consider when preparing their submission.
- 3.2 The Contractor will be required to provide a detailed Site Specific Health and Safety Plan upon Contract award. This plan will address all Health and Safety aspects related to the contract works.
- 3.3 The main risks associated with this project is working with and managing live traffic, unidentified utility services, confined space work, public health and contamination of the water pipeline.
- 3.4 Fulton Hogan Ltd's submission satisfactorily described how these risks will be mitigated.

4.0 TENDERS RECEIVED

- 4.1 Tenders were publicly advertised on GETS with 2 sets of documents being uplifted. One tender was received by the closing date of Wednesday 22 November 2017, as summarised in Table 1 below:

Name of Tenderer	Tendered Price	TAGS Yes / No
1. Fulton Hogan Ltd	\$4,231,434.50	No

Table 1 - Summary of Tender Prices

5.0 TAGS, ERRORS OR OMISSIONS

- 5.1 There were no errors or omissions in the tenders.

6.0 TENDER EVALUATION

- 6.1 In accordance with the conditions of tendering, tenders were evaluated in line with the lowest price conforming method.
- 6.2 The tender requirements to be met included a conforming statement of attributes detailing the proposed methodology, track record and relevant skills/experience of the tenderer for the construction of the works. The results of the tender evaluation were that the tender submitted by Fulton Hogan Ltd was conforming and therefore is the lowest price conforming tender.
- 6.3 The Tender Evaluation report is attached as **Attachment 2**.

7.0 TENDER NEGOTIATION

- 7.1 Council's tender documents provide for the opportunity to enter into discussion with the preferred tenderer to negotiate changes including scope and price which could benefit the Council.
- 7.2 Savings of \$86,065.30 were achieved relating to the water and sewer mains, sewer manholes and pump chambers.

7.3 The revised negotiated total tender price is \$4,145,369.20 (excl. GST)

8.0 Budget

8.1 Council's Budget Allocation for this Project is as follows:

Budget Area	Tender Cost	Material Cost	Other Costs	Total Project Cost	Budget	Variance
Wastewater	\$2,644,751.50	\$ N/A	\$490,000	\$3,134,751.50	\$3,874,000	\$739,248.50
Water Supply	\$1,500,617.70	\$ N/A	\$255,000	\$1,755,617.70	\$1,770,000	\$14,382.30
Total	\$4,145,369.20	\$ N/A	\$745,000	\$4,890,369.20	\$5,644,000	\$753,630.80

Table 2 – Summary of total cost and budgets.

Note: Other Costs include: Fees, auxiliary works, provision of power and site investigation works etc.

8.2 NOTE: NZS 3910:2013 provides for certain events and circumstances to be treated as variations, resulting in additional costs and time extensions. The tendered price includes a Contingency Allowance of \$250,000.

8.3 The forecast budget variance will be retained as part of the overall project budget as a provisional variation sum until completion of the project.

9.0 IMPLEMENTATION ISSUES

9.1 Council has entered into a legal agreement with one landowner (Hustler) to provide services by 30 May 2018. If the contract works required to service this property are not in place at this time, Council will be obligated to provide an interim servicing solution at Council's own cost.

9.2 The estimated cost of such an interim solution could be in the order of \$20,000 for which funding is available from the existing project budgets, which may be undertaken as a variation to the contract.

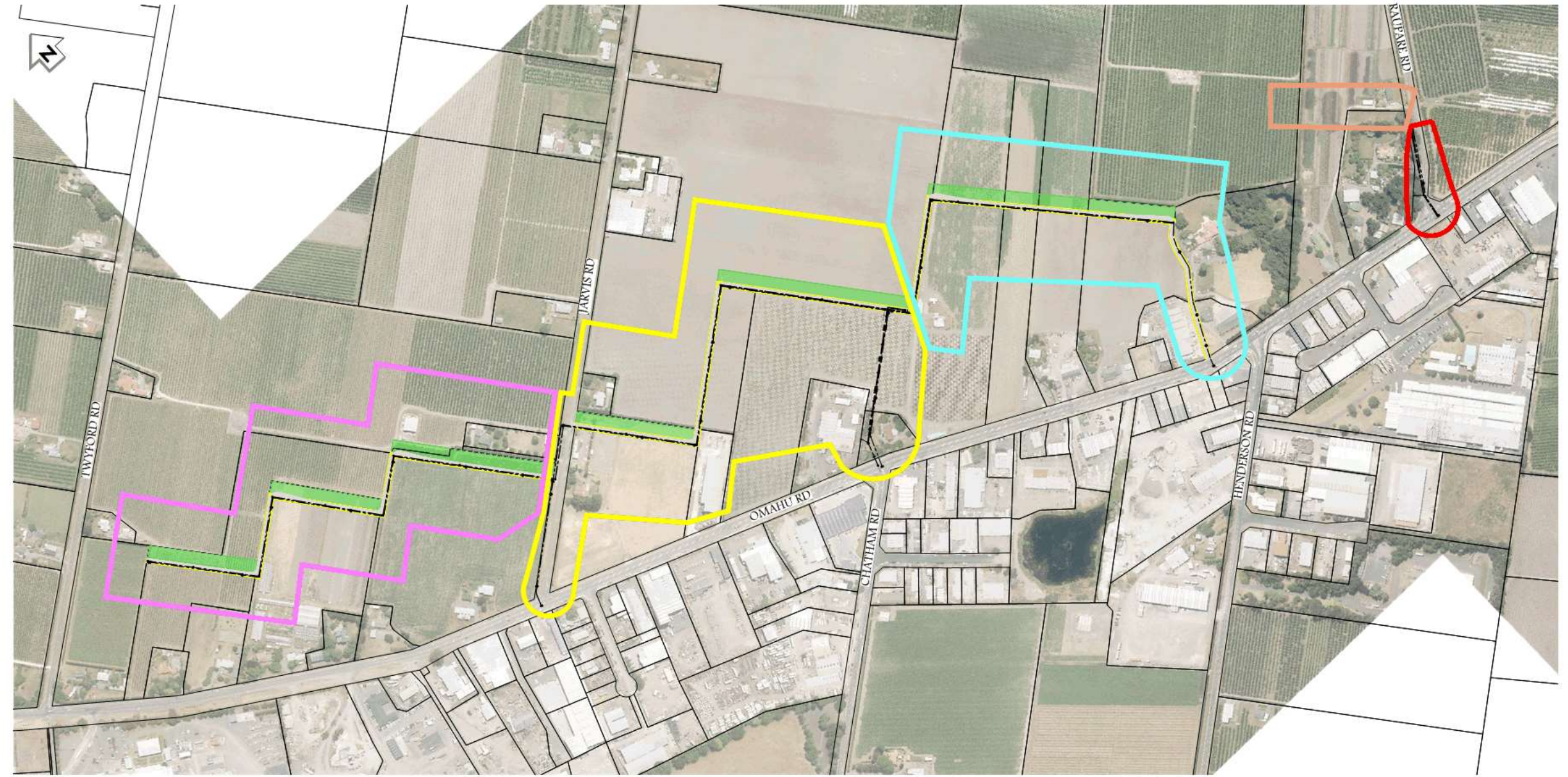
10.0 RECOMMENDATION

- A) That the report of the Stormwater Manager titled "CON2017046 Omaha Industrial Bulk Water Services dated 25/01/2018 be received.
- B) That the tender from Fulton Hogan Ltd for Contract No. CON2017046 – Omaha Industrial Bulk Water Services in the sum of \$4,231,434.50 plus \$634,715.18 GST, totaling \$4,866,149.68 be approved.
- C) That authority to enter into Contract No. CON2017046 – Omaha Industrial Bulk Water Services on behalf of Council be delegated to the Group Manager: Asset Management
- D) That delegated authority be granted, on behalf of the Council, to the Group Manager: Asset Management or Alliance Team Manager to award cumulative contract variations to Contract No. CON2017046 – Omaha Industrial Bulk Water Services up to the value of the contingency sum of \$250,000 plus GST

Attachments:

- | | | |
|---|---|----------------|
| 1 | CON2017046 Omaha Industrial Bulk Water Services location | PRJ16-119-0021 |
| 2 | CON2017046 Omaha Industrial Bulk Water Services Tender Evaluation | PRJ16-119-0022 |

ORIGINAL SIZE A1
DO NOT SCALE - IF IN DOUBT, ASK



PLAN
NTS

LEGEND	
	SEPARABLE PORTION 1
	SEPARABLE PORTION 2
	SEPARABLE PORTION 3
	SEPARABLE PORTION 4
	EXCLUDED FROM SCOPE OF CONTRACT

NOT FOR CONSTRUCTION

REV	FOR TENDER	PAC	WAH	AP	DATE	REVISIONS
0	FOR TENDER				2017-09-28	

SURVEYED	HDC	DATE
DESIGNED	Stephane Thompson	08/16
DRAWN	Tevita Tulcaku	08/16
CAD REVIEW	George Homan	26.08.16
DESIGN CHECK	Mark Ridge	26.08.16
DESIGN REVIEW	Wayne Hodson	26.08.16
APPROVED	Amy Paterson-Horner	28.09.17



HASTINGS DISTRICT COUNCIL - MWH ALLIANCE
OMAHU INDUSTRIAL BULK WATER SERVICES
SEPARABLE PORTION PLAN

Status Stamp	FOR TENDER
Date Stamp	28.09.17
Drawing No.	80503311-01-001-G002
Rev.	0

TENDER EVALUATION - LOWEST PRICE CONFORMING

CON2017046

Contract Name: Omaha Industrial Bulk Water Service

Engineers Estimate: \$ 2,985,095.00

Tenderer's NAME	Fulton Hogan								
Tender VALUE	\$4,231,434.50								
Forms	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
a Tender Form	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
b Statement of Attributes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
c Schedule of Compliance and Departures	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
d Schedule of Current Commitments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
e Schedule of Sub-contractors and Suppliers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
f Indicative programme of work	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
g Schedule of Occupational Health and Safety Management Information	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
h Schedule of Prices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
i Evidence of Quality Certification TQS2 - List of Qualified Water Services Personnel, Who will work on the Contract. - As per B4.2.3	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
j	N/a	N/a	N/a						

PASS / FAIL

Received information
 None or inadequate
 Pass
 Fail
 Tender meets requirements
 Tender fails requirements

Signed: *S. J. Parkins* Date: 29/11/17

Signed: *[Signature]* Date: 27/11/17

Signed: *[Signature]* Date: 27/11/17