



PUBLIC EXCLUDED

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Committee Landcare
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Hutt River Floodplain Management Plan (HRFMP) Contract No. 1223: Belmont edge protection improvements – tender acceptance

1. Purpose

To obtain approval to accept a tender for Contract No. 1223 for the Hutt River edge protection improvements at Belmont, Lower Hutt.

2. Exclusion of the public

Grounds for exclusion of the public under section 48(1) of the Local Government Official Information and Meetings Act 1987 are:

That the public conduct of the whole or relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists, i.e. to preserve commercial confidentiality and to enable the Council to carry on negotiations (including commercial negotiations), without prejudice or disadvantage.

Interests protected:

Greater Wellington – The Regional Council

Cashmore Contracting Ltd

Dixon & Dunlop Ltd

D J Mills Ltd

John Ray Ltd

HRS New Zealand Ltd

3. Background

Residential properties located adjacent to the Hutt River from Carter Street to the northern end of Owen Street in Belmont are at risk from bank erosion. The proposed edge protections will provide up to 1,900 cumec (100-year) erosion protection to the affected properties. Construction of the Belmont edge protections is provided for in this year's Annual Plan.

Contract 1223 involves:

- construction of a 125 metre long rock lining at Carter Street
- construction of two rock groynes between Edwin Street and Charles Street
- construction of six debris fences north of Charles Street
- construction of a rock groyne at the northern end of Owen Street
- construction of a walkway from Carter Street to Richard Street

Environmental planting will be carried out separately by Flood Protection staff.

The Environment Committee granted the necessary resource consents for the proposed works on 4 September 2003.

The tender was advertised in the Dominion Post and the tenders closed on 22 September 2003.

4. Tenders received

Tenderers were asked to submit information on six non-price attributes in addition to price.

A key component of the contract is the supply and placement of about 7,300 tonnes of good quality rock for river edge protection. The tenderers were asked to identify their proposed rock source and provide information on the quality of the rock supply.

Five tenders were received and the following table provides a summary of the tender prices.

Tenderer	Tender Price \$
Cashmore Contracting Ltd	622,491.20
Dixon & Dunlop Ltd	635,440.60
D J Mills Ltd	653,345.70
John Ray Ltd	674,896.00
HRS New Zealand Ltd	927,990.40

The engineer's estimate of the value of the contract works is \$639,856.00. All prices exclude GST. The tenders are valid for two months from 22 September 2003.

5. Tender evaluation

John Morrison, Manager, Engineering Consultancy, assisted us in evaluating the tenders. John has been appointed as the 'Engineer to the Contract' and will have overall responsibility for the administration of this contract.

The tenders were evaluated using the 'Weighted Attribute' method described in the tender documents. Each non-price attribute was given a score by the tender evaluation team. The tender price was converted to a score using a formula given in the tender document. Each score was multiplied by a 'weighting' given in the tender document to form an index. A summary of the tender evaluation is given below.

Tenderer	Non-price attribute index	Price index	Total tender value index	Rank
Cashmore Contracting Ltd	26.55	43.20	69.75	1
Dixon & Dunlop Ltd	28.15	41.50	69.65	2
John Ray Ltd	27.60	38.09	65.69	3
D J Mills Ltd	22.10	40.47	62.57	4
HRS New Zealand Ltd	18.95	11.73	30.68	5

The tenders received from Cashmore Contracting and Dixon & Dunlop are clearly the preferred tenders. Both Cashmore Contracting and Dixon & Dunlop are competent and experienced contractor's capable of completing the Belmont works to the required standard. This report therefore gives no further consideration to the remaining three tenders.

Both Cashmore Contracting and Dixon & Dunlop submitted tenders below the engineer's estimate. However, Dixon & Dunlop's tender price is \$12,949.40 higher than that of Cashmore Contracting. Cashmore Contracting is leading in the *total tender value index* by 0.1.

6. Budget

The approved budget for the project is \$810,000, of which \$748,000 is provided for in this year's Flood Protection Operating Plan.

The table on the next page provides updated total project cost estimates based on the two lowest tender prices received.

Description	Cashmore Contracting	Dixon & Dunlop
Total expenditure during 2002/03	\$61,774.00	\$61,774.00
Contract price	\$622,491.20	\$635,440.60
Additional contingency	\$10,000.00	\$10,000.00
Costs of materials to be supplied by GWRC and environmental planting outside contract	\$30,750.00	\$30,750.00
Consent charges, project management and supervision costs (estimate)	\$67,000.00	\$67,000.00
Total project estimate	\$792,015.20	\$804,964.60

Acceptance of either Cashmore Contracting or Dixon & Dunlop tenders will enable the project to be completed within budget of \$810,000.

7. Discussion on the selection of a contractor

In our opinion, Cashmore Contracting and Dixon & Dunlop, are both very competent to complete the contract works within time and to the required standards.

Dixon & Dunlop's higher score in non-price attributes reflects:

- knowledge of local conditions. Dixon & Dunlop is a local contractor who has successfully completed a significant number of jobs in the Hutt River over a period of nearly 20 years.
- availability of plant locally, close to site.
- Dixon & Dunlop have provided a more detailed construction methodology as required by tender documents.

Cashmore Contracting is based in Wanganui and is well experienced in river works. Cashmore Contracting has successfully completed a number of significant river protection jobs on the Wanganui River and is the preferred contractor for the Strand Park realignment contract.

Cashmore Contracting has identified sufficient plant to be deployed for the job. Cashmore Contracting's methodology gives more details about public relations, environmental and traffic management issues.

Dixon & Dunlop is a local contractor with more than 20 years experience in river works. The company is also a preferred contractor for some of our maintenance work, and is a first call contractor in an emergency event.

In summary, Cashmore Contracting is a competent river works contractor and that company's appointment will result in a cost saving of \$12,949 over a Dixon & Dunlop appointment. Cashmore Contracting scored the highest in the tender evaluation.

The difference between the two tenders is very small and there is some argument for awarding the Contract to the local firm. The tender documents do not however, provide for giving special preference to locally based contractors in the assessment. Hence, in order to maintain the integrity of the tender process and protect GWRC from any legal challenge, we have recommended that the tender from Cashmore Contracting be accepted.

8. Supervision and progress payments

John Morrison, Manager, Engineering Consultancy, will head the supervision team. Susan Borrer, Assistant Engineer, with support from the Mabey Road operations team will assist John in the day to day supervision of the works.

John Morrison will certify the contractor's monthly progress claims. Geoff Dick, Manager, Flood Protection will approve the claims for payment.

9. Communication

The adjoining property owners, stakeholders and the wider Belmont community are well aware of the project through consultation for the Hutt River Floodplain Management Plan (HRFMP) and the resource consents.

Because of the delays in the Strand Park land transfer process, this has become the first contract to be let in implementing the HRFMP. A press release will be issued and a newsletter will be distributed once the contractor is appointed.

10. Recommendations

That the Committee:

1. *receive the report.*
2. *note the contents of the report.*
3. *approve:*
 - a) *acceptance of the tender for Contract No. 1223 received from Cashmore Contracting Limited for the sum of \$622,491.20.*
 - b) *the expenditure of up to an additional \$10,000 on top of the accepted contract sum to allow for unforeseen circumstances.*
4. *authorise the Manager, Flood Protection, to approve progress payments for Contract No. 1223.*
5. *approve the Council Secretary to sign the necessary documents.*

Report prepared by:

Report approved by:

Report approved by:

Daya Atapattu
Project Engineer

Geoff Dick
Manager, Flood Protection

Rob Forlong
Manager, Landcare

Public excluded