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Committee Utility Services
Author Murray Kennedy Strategy and Asset Manager

Wainuiomata PLC Tenders

1. Introduction

The Wainuiomata water treatment plant (WTP) was completed approximately 10 years ago as a design, build and transfer project. Operation of the water treatment plant is through a programmable logic controller (PLC). With ongoing changes to the Drinking Water Standards, and increasing sophistication in the way the plant is operated, the PLC has to perform many more operations than originally intended at the time it was installed and record more data. It is close to obsolete and has reached the end of its functional life as spare parts are no longer available.

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 would exist, i.e. commercial negotiations.

3. Proposal

Prior to the 2003/4 capital works programme being prepared, various suppliers of PLCs were asked to give indicative costs for a replacement at Wainuiomata. On the basis of the information received, a sum of \$100,000 was allowed for in the 2003/4 financial year. Consultants Sinclair Knight Merz (SKM) were recently engaged to prepare tender documents for supply and installation of a new PLC. Unfortunately, the prices quoted against this specification are considerably higher than the indicative quotes provided earlier.

4. Tenders

Tenders were received from:

- Horizon Technology \$119,207
- Rockwell \$127,333
- ABB \$154,721

SKM has analysed the tenders and is recommending that Horizon Technology is accepted on the basis that they have the most experience in this type of project and their price is the lowest.

5. Finance

The total project cost is now estimated at \$202,000 including allowances for contingencies. Site installation and testing is separate from the Horizon supply contract and estimated at \$35,000. The balance is made up of consulting fees and internal costs.

There is therefore a shortfall in the project budget of \$102,000. Expenditure last financial year was \$18,000 so the deficit this year is \$84,000.

The capital works budget for the current year includes a sum of \$200,000 for intake improvements at the Kaitoke Weir. A complete survey of the Kaitoke intake was carried out during low water conditions in the past summer and indicates the amount of refurbishment currently required is not as great as was originally anticipated. Accordingly, only \$50,000 of the \$200,000 allocated will be used in the current financial year. This would allow the additional \$84,000 required for the Wainuiomata PLC to be funded from this source.

6. Recommendations

It is recommended that the Committee:

1. **approve** acceptance of the Horizon Technology tender for \$119,207 plus an allowance of 10% for any contingency items.
2. **note** that the total project cost for replacing the Wainuiomata PLC will now be up to \$202,000.
3. **approve** the additional expenditure required for the Wainuiomata PLC being transferred from the Kaitoke Weir refurbishment project.

Report prepared by:

Report endorsed by:

Report approved by:

Murray Kennedy
Strategy and Asset Manager

Chris Laidlow
Operations Manager

David Benham
Divisional Manager
Utility Services