



**Report** PE-05.204  
**Date** 6 May 2005  
**File** B/40/17/02

**Committee** Utility Services  
**Author** John Morrison, Engineering Consultancy Manager

## Improvements to Wainuiomata Lower Dam Deferral of Contract

### 1. Purpose

To advise the Committee of the decision to defer awarding a Contract for this project.

### 2. Significance of Decision

The matters in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the *Local Government Act 2002*.

### 3. 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.*

### 4. Background

Report No. 04.290, *Wainuiomata Lower Dam Decommissioning*, to the Utility Services Committee meeting of 22 June 2004 gave the full background to this project. A copy of this report is attached as attachment 1.

A subsequent report was prepared following consideration by Council's Landcare Committee. This is Report No. 04.519, *Wainuiomata Lower Dam Decommissioning Update*, to the Utility Services Committee meeting on 9 September 2004. A copy of this report is attached as attachment 2.

In recent months Contract Documents were prepared for the work of modifying the spillway, to create a wetland behind the dam. Tenders were publicly advertised for this Contract No. 1236.

## 5. Tenders Received

During the tendering period four contractors expressed interest in the Contract but only two actually submitted Tenders. These were as follows:

G K Shaw	\$714,046.00
Fulton Hogan Wellington	\$766,942.47

The estimate for this Contract was \$369,344.

An analysis of the Tenders has indicated that some items have been priced significantly above the estimate, possibly reflecting the current state of the construction industry, as well as the perceived difficulties in construction. In addition, the contractors appear to have taken a very conservative view on the overall risk profile of this Contract. This is understandable, because there is a likelihood that the area of the new construction work will be inundated during the course of the Contract. One of the Tenderers required that the work be shifted to September, rather than May as specified.

## 6. Discussion

A close assessment has been made on the style of the construction and the materials specified. It has been determined that changes could be made that would have potential to make some reduction in the Contract Sum. In addition, there may be potential for risk aspects to be managed differently, with Greater Wellington Regional Council covering some of the risks that arise from construction work in the river.

## 7. Way Forward

A decision has been made that this Contract be deferred and included in the 2006/7 Annual Plan. This will allow a reassessment to be made of the components of the design in an attempt to reduce costs, to reassess overall risk profile and to carry out the work at a more suitable time of the year, as well as avoiding the current squeeze on construction resources.

This change has been discussed with Landcare Division staff members, who are responsible for the modification of ground profiles behind the lowered dam to suit the wetland. This preparatory work can proceed in 2005/6, prior to the main Contract.

## 8. Finance

Provision has been made in the 2004/5 Annual Plan of \$300,000 and in 2005/6 proposed Annual Plan of \$30,000. Adjustments will be made when the 2005/6 Annual Plan is finalised.

## 9. Communications

Advice of the deferral of this project will be passed to the territorial authorities. A press release will be prepared.

## 10. Recommendation

*That the Committee:*

- (1) *Receive the report and note its contents.*
- (2) *Note the decision to move the construction work for the improvements to the Wainuiomata Lower Dam to 2006/7.*

Report prepared by:

Report endorsed by:

Report approved by:

**John Morrison**  
Engineering Consultancy  
Manager

**Murray Kennedy**  
Strategy and Asset Manager

**David Benham**  
Divisional Manager, Utility  
Services

### **Attachments:**

- 1 Report No. 04.290, *Wainuiomata Lower Dam Decommissioning*
- 2 Report No. 04.519, *Wainuiomata Lower Dam Decommissioning Update*

Public Excluded